

BILTEMA

BILTEMA
SUSTAINABILITY REPORT
2023



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WELCOME TO BILTEMA

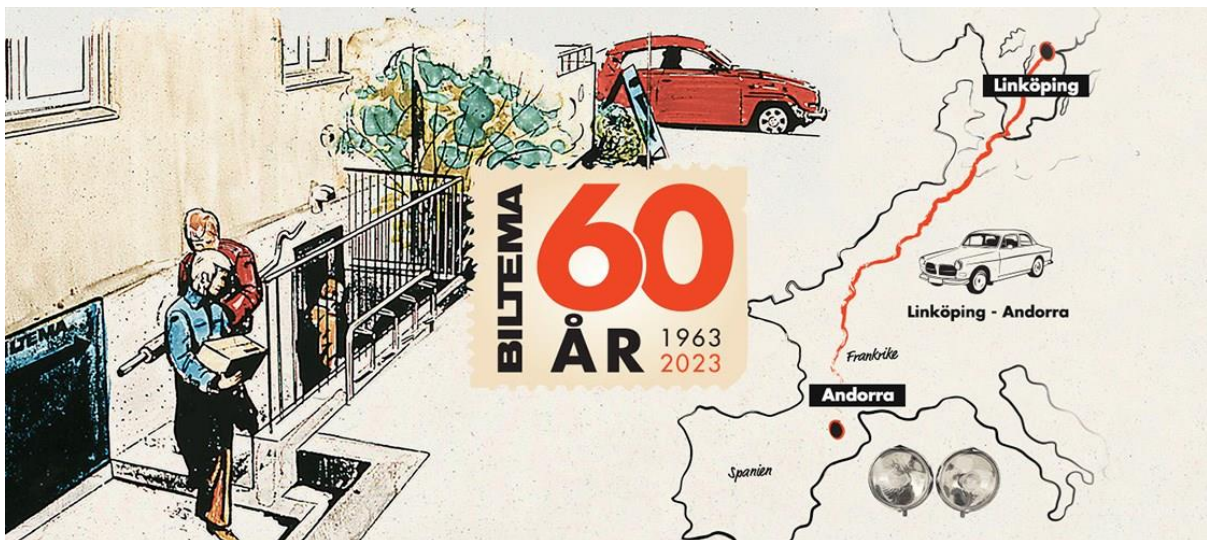
The year is 1963. The Beatles release their first album and John F. Kennedy is the President of the United States. For Biltema, the journey starts when its founder, Mr. Sten-Åke Lindholm, takes a purchasing trip to Andorra in a beige Volvo Amazon Sport, in search of extra lamps for his car and discovers that these lamps are three times less expensive in Andorra compared to Sweden. So Mr. Lindholm buys 50 extra lights and sells them quickly, and then decides to buy an additional 500. Biltema is born.

Mr. Lindholm starts his post-order sales of car accessories via a simple catalogue. The name "Biltema" came about by chance: "Tema" came from the dormant company Tema Byggdetaljer, and the word "bil" was added later to create a more descriptive name.

Mr. Lindholm rented some space in a demolition house in Linköping, and the timing was perfect. Mass motoring was just beginning, but car manufacturers had a monopoly on car parts and sold them at high prices. Mr. Lindholm purchased the same car parts from German suppliers for significantly lower prices, and was able to sell them at competitive prices, quickly building up a customer base.

Over time, Biltema has expanded at a fast pace and has now grown into a retail giant with 161 stores around the Nordics. Biltema has become a household name. Despite this growth, Biltema has always been true to Mr. Lindholm's original promise of quality at low prices.

Welcome to Biltema!



INTRODUCTION

Founded in 1963 and located in Sweden, Denmark, Finland and Norway, the BILTEMA group (“BILTEMA”) has the clear intention to assist its customers in enjoying a better quality and standard of living by offering a wide range of affordable high-quality products. This includes products for car and motorcycle care and maintenance, tools and equipment for workshop and construction, modern office- and electronic appliances, home and leisure products, and boating accessories.

We believe in renovating and repairing, and we have something for the whole family. Today, our world requires a different kind of consumption where the focus lies more in the use of products. We therefore focus on offering possibilities to repair a car instead of purchasing a new one or to mend a pool by simple means, which is why we offer quality products at better prices. At the same time, we are moving away from a ‘throw-away’ culture by not following trends that bait customers into unnecessary purchases, such as regular clearance sales. BILTEMA branded products are predominantly manufactured in Asia and Europe.

The BILTEMA entities worldwide have developed a sustainability strategy for the future. This strategy contains environmental goals that BILTEMA will be focusing on in order for the company to become more ecofriendly in terms of materials in products, packaging, BILTEMA’s logistics and buildings. Our ambition is to accomplish these goals by 2030.



THE ORGANIZATION

In Europe, Biltema's holding company is Biltema Holding B.V. (BHBV), located in Amsterdam, the Netherlands. As of 2024, BHBV has 5 employees, of which 60% are women.

In Sweden, there are several Biltema companies:

- BILTEMA Sweden AB (BTS) is the company that operates 61 Swedish BILTEMA department stores. BTS has 2419 employees, of which about 51,26% are women.
- BILTEMA Nordic Services AB (BNS) is the group's service company and assists with product development, IT, catalogue, and graphic design. BNS has 72 employees, of which 38% are women.
- BILTEMA Logistics AB (BLOG), is the group's warehouse- and logistics center. Operations are conducted at six warehouses that deliver products to all of the BILTEMA department stores. BILTEMA Logistics has 611 employees, of which 35% are women.
- BILTEMA Real Estate Sweden (BRES) is the company within the group that owns, builds and manages the buildings of the fully owned BILTEMA department stores, warehouses and buildings in Sweden. BRES has 11 employees, of which about 36,6 % are women.

In Finland, Biltema Suomi Oy (BTF) is the company that operates the Finnish BILTEMA department stores. BTF has approximately 358 employees, of which 52% are women. BILTEMA Real Estate Finland Oy owns, builds and manages the buildings of the fully owned BILTEMA department stores and has 3 employees, none of which are women.

In Norway, Biltema Norge AS (BTN) is the company that operates the Norwegian BILTEMA department stores. BTN has approximately 1721 employees, of which 38% are women. Biltema Real Estate Norway AS owns, builds and manages the buildings of the fully owned BILTEMA department stores and has 2 employees, none of which are women.

In Denmark, Biltema Denmark A/S (BTD) is the company that operates Danish BILTEMA department stores. BTD has approximately 552 employees, of which 41.5% are women. Biltema Real Estate Denmark A/S builds, owns and manages the buildings of the fully owned BILTEMA departments stores and has 3 employees, of which 33% are women. Birgma European Service Company ApS (BESC) serves as the purchasing company for European non-food products and has 11 employees.

In Switzerland, Birgma International SA (BMI) is the company that functions as BILTEMA's headquarters. BMI has 32 employees, of which 47% are women.

GOVERNANCE AND SUSTAINABILITY STRATEGY

*The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the **17 Sustainable Development Goals (SDGs)**, which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.*

For BILTEMA, sustainability is a way of thinking which is embedded in the entire company. Thinking sustainably means that everything we do is characterized by competence, reflection and responsibility for our customers, employees, community, and the environment. We constantly strive to minimize our environmental impact and to offer an attractive workplace for our employees.

Biltema has chosen to focus on the following 10 goals to be achieved by 2030.

Through the Biltema Foundation, we help vulnerable people to get support in education, healthcare and welfare. This is our own initiative through which we assist various charities in the Nordic countries and developing countries around the world.



We believe in diversity at Biltema. We wholeheartedly believe that we best complement and develop one another by being different, and we never make judgements based on gender or ethnicity. This enables us to further develop and create an equal Biltema. We are also a store for the whole family. We believe in being able to offer everyone something from our range regardless of gender or age.



At Biltema, we care about the environment and the reduction of energy consumption, which is why Biltema has started a project for the acquisition and installation of solar panels that will be installed on buildings owned by Biltema in Sweden, Denmark, Norway and Finland. To this end, Biltema has ordered 152.802 panels during 2022 and 2023, and the ambition is to purchase 500.000 panels to complete the project. During 2023, a total amount of 61.857 solar panels were installed and this process is ongoing.

In 2023, the energy generated with these solar panels can be quantified as follows:

- BRES: 1.227.701 kwh
- BREN: 1.264.064 kwh
- BREF: 5.500 kwh
- BRED: 445.555 kwh

Obviously, as these solar panels were installed *during* the year 2023, we will only be able to report on a full year basis in 2024.

In addition, we already use geothermal heating in our stores, which is both renewable and eco-friendly.



We take great responsibility with regard to working conditions at our suppliers. Health and wellbeing go hand in hand as part of a healthy production organisation. Biltema constantly strives for sustainable development in terms of consumption and production. We are aiming for that multiple of our suppliers to solely use renewable energy in their factories.



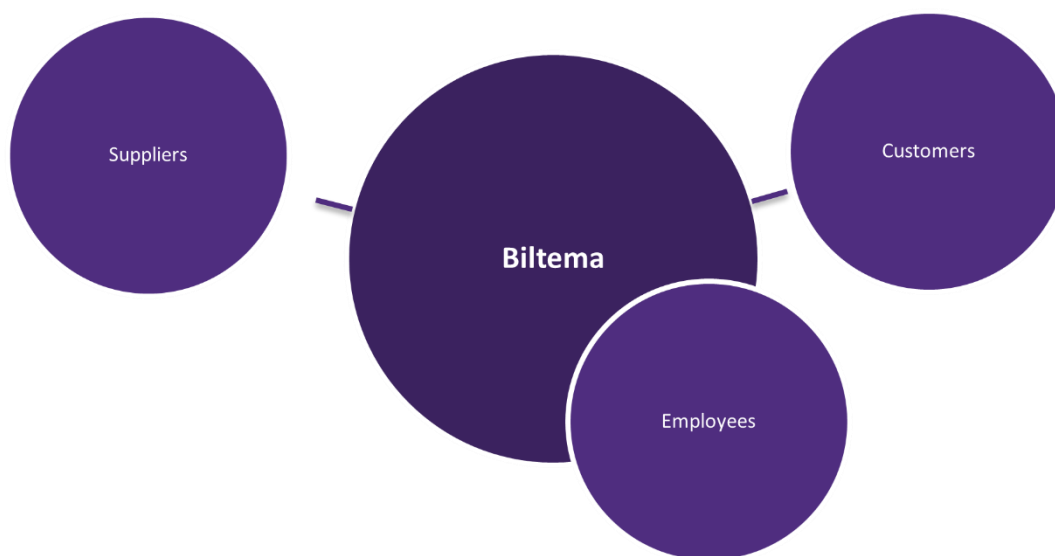
The board of directors of each company is ultimately responsible for implementing, following up and reporting data connected to sustainability. Moreover, BILTEMA's leadership team has the responsibility to assure that the sustainability goals connected to BILTEMA are continuously kept updated and reflects the day to day work of the organization.

OUR FOCUS IN SUSTAINABILITY

STAKEHOLDERS

At BILTEMA, we consider our stakeholders to be crucial for our business. Our stakeholders affect the way we do our business and they affect us in many ways strategically. Therefore, we consider it important to carefully analyze our stakeholders and create an understanding of their perspectives and priorities on issues relating to sustainability.

Our most important stakeholder groups are our customers, employees and suppliers. In our stakeholder analysis, we have analyzed our most important stakeholders as well as the different sustainability topics that each stakeholder is affected by. The results from this stakeholder analysis have been used as one of our cornerstones for our materiality analysis.



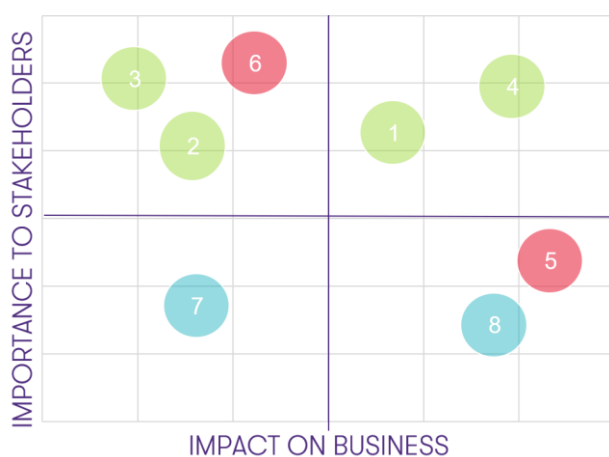
MATERIALITY ANALYSIS

The materiality analysis helps us to prioritize and navigate amongst expectations, requirements, risks, and possibilities related to sustainability. By performing and evaluating the/our results in our materiality analysis, we are/were able to identify our focus areas as well as our most prioritized goals and important KPI to follow up in the coming years.

Our materiality analysis is based on the international framework SASB (Sustainability Accounting Standards Board), our stakeholder analysis as well as an analysis of our external environment (including topics relevant for the industry and new EU directives). The materiality analysis takes two main parameters into consideration, importance to stakeholders and impact on business. These two parameters give our materiality analysis both the inside out perspective as well as the outside in perspective. Meaning that the materiality matrix helps us to prioritize the material aspects based on these points of view, giving us a result that is as comprehensive as possible.

Our materiality analysis has resulted in three focus areas and covers a total of eight material topics. These topics represents the very most important sustainability aspects for BILTEMA to take into consideration moving forward.

In the following chapters we will present each focus area, the different material topics, and the goals and KPIs connected to each area.



Material Aspects	
Environmental	
1	Effective logistics
2	Energy management
3	CO2-emissions
4	Product sustainability, quality and packaging (price)
Social conditions & employees	
5	Supply chain responsibilities
6	Employee health and safety
Respect for human rights, anti-bribery & corruption	
7	Business ethics
8	Cyber security

ENVIRONMENT

One of BILTEMA's focus areas is the environment and the way our business impacts the environment in different ways. The environmental perspective is an active part of everything we do within the BILTEMA organization. In recent years, we have worked actively to streamline our logistics, making transportation more effective. Having large warehouses and department stores with high usage of energy makes energy management a key for our success within the area. Therefore, we work both with measures to decrease our usage of energy, by using LED-lights, installing solar panels on BILTEMA buildings, having a recycling policy in our offices, department stores and warehouses and switching off the lights on our department stores after opening hours.

The material aspects within this focus are:

- Effective logistics
- Energy management
- CO2-emissions
- Product sustainability, quality and packaging

EFFECTIVE LOGISTICS

Transportation between warehouses and department stores is as effective as possible. BILTEMA uses rail transport wherever possible. Rail transport to the stores in the northern parts of Sweden already commenced after the first warehouse was built in Hamlstad in 2007. During 2017, rail transport was tested in expanded in Norway, after which time it has expanded progressively. More than half of the BILTEMA department stores in Norway receive their deliveries by rail. The reduction of carbon dioxide is estimated at almost 90%, or 5.100 tonnes annually. In Sweden, products to several BILTEMA department stores are delivered by train.

Furthermore, BILTEMA owns and operates smart warehouse buildings with high energy efficiency. BILTEMA aims at introducing additional rail transports across the Nordics.

GOALS: to introduce additional rail transport.

ENERGY MANAGEMENT

Biltema has completed a project to convert all lightings to LED in department stores and warehouses. In addition, a project to install 500.000 solar panels on BILTEMA owned buildings in Sweden, Denmark, Finland and Norway is ongoing. BILTEMA aims to report key performance indicators for said projects by reporting the share of stores using LED lights as well as the energy consumption by mid 2024.

CO2- EMISSIONS

Multiple stores in the Nordic region will be equipped with charging stations. This initiative will allow us to offer our customers the opportunity to charge their electric vehicles while visiting the store and will increase accessibility to charging stations.

Goals:

- CO2-emissions halved by 2035 (100% of suppliers use renewable energy by 2050)
- Availability of charging stations at department stores
- Map CO2emissions and set up reduction plans

KPIs:

- CO2e-emissions (tons): BILTEMA aims to report the (reduction of) CO2-emissions by mid 2024.

PRODUCT SUSTAINABILITY, QUALITY AND PACKAGING

Besides from following all required minimum requirements stated in laws and regulations regarding the environment, BILTEMA's quality department checks all products before they are sold in any BILTEMA store. The quality department ensures that the applicable legal requirements, safety requirements and quality requirements are complied with and that the products contain no prohibited substances. The BILTEMA product development department is constantly working on new products that are improved from both a quality and environmental point of view.

We care about the environment and, to show that we care, in 2018 we started a project called Plastic Hunters to reduce plastic. The Plastic Hunters project aims to reduce unnecessary plastic in transport and product packaging. To work more extensively with the project, BILTEMA will no longer solely focus on plastic in packaging but also in other materials across the product range.

BILTEMA intends to take decisive action on packaging. Our values shall be implemented and reflected on our packaging. Simplicity and cost-efficiency shall be the cornerstones of our new initiative to reform and improve packaging so that it still retains the spirit of BILTEMA but is also kind to the environment.

We have chosen to focus on the following to 2030:

- Reduce the use of expanded polystyrene (EPS) in packaging by 50%.
- Reduce unnecessary packaging material.
- Reduce plastic in our packages.

Products

As part of making our packaging more sustainable, we are in the process of incorporating the use of more sustainable material alternatives, such as recycled materials and natural fibres.

Material

By 2030, our ambition is that the majority of our packaging and products will be made out of a more sustainable material (such as bio-based material, recycled material and plastic material that is considered to be better alternatives.)

Plastics

Our previous focus has been on reducing plastic in packaging, but we have now taken the important step in the work of using other materials in both out packaging and products.

It is possible to use less new fossil fuel-based plastics by using recycled plastic or bioplastics made from renewable raw materials.

PVC is a plastic that requires a large number of additives to achieve the desired properties. Biltema has decided to reduce the use of PVC in our packaging and products.

Our ambition

- By 2030, PVC products in the Home and Office ranges will have been reduced by 50%.
- By 2030, packaging shall no longer contain PVC.

Textiles

Eco-friendly alternatives are available on the textile market today. Our ambition is to give our customers the choice of eco-friendly textile products made from recycled or organic textiles.

Our ambition

- By 2030, alternative products with more sustainable textiles shall be offered to complement the current range.

Down, leather and hide

We have our own Animal Welfare Policy with established requirements which follow the well-known 'Five Freedoms' of the World Organisation for Animal Health (OIE).

Palm oil

At present, palm oil production is a primary cause of deforestation which threatens vital ecosystems and adversely affects human rights. For this reason, we have decided to completely cease the use of palm oil in our own products.

Our ambition

- By 2030, no Biltema products shall contain palm oil.

KPIs:

- Share of plastics in products
- Share of waste recycled

SOCIAL CONDITIONS AND EMPLOYEES

BILTEMA has collective agreements for all employees. In some workplaces we have local unions, and to the extent we lack local unions, we cooperate with the regional unions in matters concerning employees. Through our collective agreements, we can offer all employees good and cost-effective insurance- and pension solutions.

The material aspects within this focus are:

- Supply chain responsibilities
- Employee health and safety

SUPPLY CHAIN RESPONSIBILITIES

All suppliers are required to guarantee their compliance with our requirements in writing. Compliance with the Biltema requirements is checked by executing planned and spontaneous visits to the suppliers and we require our suppliers to make regular inspection visits with their subcontractors.

BILTEMA takes great responsibility for good working conditions at our suppliers and partners. We have strict requirements to ensure that our suppliers comply with established agreements. The fundamental requirement is, of course, that the business complies with laws and regulations in all its operations and in all countries, but we often go further than that. Especially when we feel that laws and regulations are inadequate. We regularly make both planned and unplanned visits. If a problem is noticed during a visit, the first thing we do is to rectify the situation. We are able to have an influence and help things to be done better by remaining on-site and fixing the problems together. However, if we determine that a supplier is unwilling or unable to make necessary changes, we will terminate our partnership with such a supplier.

Goals:

- 100% customer satisfaction
- 40% suppliers using renewable energy in production by 2030
- BILTEMA CSR-policy signed by suppliers; compliance audited

KPIs:

- Number of improvements in the supply chain
- Share of suppliers compliant with CSR-policy

EMPLOYEE HEALTH AND SAFETY

As an employer, Biltema aims to help our employees maintain a healthy work/life balance. We want to be an attractive employer and offer an attractive workplace for all our employees by providing support for our employees in the form of mentoring, and by providing conditions for personal development. We plan on conducting employee engagement surveys in the short term, in order to assess and measure employee engagement.

Goal:

- Employee engagement survey

KPIs:

- Employee turnover

RESPECT FOR HUMAN RIGHTS, ANTI-BRIBERY AND CORRUPTION

Biltema's Code of Conduct includes the company's requirements regarding human rights and applies to both our own operations as the operations of our suppliers. Biltema and its suppliers operate in several different countries. Therefore, Biltema has as a basic requirement that the statutory working conditions of the country the supplier is based in are strictly complied with or exceeded. Child labor must under no circumstances occur and the applicable minimum age for the worker must be strictly adhered to. The employee's right to organize and be represented by trade unions in accordance with national legislation must be respected. Compliance with the Biltema requirements is checked by executing planned and spontaneous visits to the suppliers. Biltema requires its suppliers to make regular inspection visits with their subcontractors.

BUSINESS ETHICS

Biltema is committed to conducting business based on our company values of fairness and integrity, thereby respecting relevant laws and regulations. To this effect, BILTEMA introduced a Whistleblower Policy in 2022.

This Policy and the Whistleblowing Report System that was launched in 2022 is used to raise concerns about suspected misconduct within Biltema with respect to any (possible) violation of laws and regulations, our Code of Conduct, and/or Biltema policies and procedures.

Examples of concerns that can be raised using this policy are:

- Disclosure of confidential information.
- Improper use of company resources.
- Suspected irregularities of a financial nature including complaints regarding (questionable) accounting controls and auditing matters
- Fraud and fraudulent (financial) reporting
- Discrimination or (sexual) harassment
- Inadequate financial or non-financial recordkeeping.

- Bribery and corruption
- Environmental, health and safety issues.

Goals

- Stable execution of whistleblower policy
- Zero tolerance of any form of bribery and corruption

KPIs

- Number of whistleblower cases
- Number of confirmed cases of corruption; in 2023 there were no confirmed cases of corruption.