



SUSTAINABILITY REPORT

BE Group's sustainability work is based on the ambition to create corporate social responsibility, which pervades the entire business. BE Group is working to limit the organization's environmental impact and is striving to be an economically, socially and ethically responsible actor. This sustainability report applies to the Group and all wholly owned subsidiaries.

"The past year has been tough for many businesses due to the extensive effects of Covid-19. Completely new challenges have required sustainable solutions and the focus has been on efficiencies and reducing costs. Working from home has become part of everyday life and the lack of social contacts has been challenging the employees. The operations were adapted during the year and, as in many other companies, most meetings now take place digitally. The personal meetings have been replaced and we are all struggling to adapt to the new normal. Sustainability work has become increasingly important, we realize that we are very vulnerable both personally and as a company when a pandemic is at the door. This is neither the first nor the last crisis we will go through, the climate is changing and societies are changing, but if we are strong and adaptable, we will, together, develop sustainable solutions."

Peter Andersson, President and CEO

Business model

BE Group is a trading and service company that offers efficient distribution and value-generating production service in steel, stainless steel and aluminum to the construction and manufacturing industries in Europe.

BE Group's role is to compensate for the gap between steel producers' delivery capacity and steel consumers' needs. In general, the individual steel producers provide a limited selection of products, often in large quantities and with relatively long lead times. However, many steel consumers seek a single coordinated supply of several different products in smaller quantities with short delivery times. Purchasing is then normally conducted via a steel service company, where BE Group is one of the leading producer-independent alternative in its markets. BE Group creates value to its customers through efficiency and coordination of sourcing, transportation and warehousing of a wide selection of commercial steel, engineering steel, stainless steel and aluminum. BE Group's sales to customers take place in three different ways; Inventory sales, Production service sales and Direct sales.



Strategy

The overall strategic focus is for BE Group to become the best in our industry at sales and customer experience with three focus areas:

- Sales culture – The heart of our business
- Customer experience – Customized offerings with efficient distribution and value-generating production service
- Digitalization – Focus on developing new sales channels through digitalized processes

As a part of this work, sales training was held in 2020 and each country organization have been working on identifying what is good and what can be improved and have developed priority areas for the respective operations. This work will continue in 2021. During the year, the Group also worked on an e-commerce portal that is to be launched in the first half of 2021.

BE Group’s sustainability work

The sustainability issues are an important part of the operations and the goal is for them to be an integral part of daily activities and be taken into account in all strategic decisions and investments. The scope of the sustainability work is set by the Group management team and issues concerning strategy, goals, follow-up and communication are handled by them. The managing director of the respective unit has the operating responsibility and sets local goals and plans that are followed up by the Group management team. The results of this work is reported to BE Group’s Board of Directors and through the sustainability reporting to investors, media and other external stakeholders.

The sustainability work is based on the UN Global Compact’s 10 principles for responsible enterprise and the Group works with the following:

- *BE Group strives to create a safe, inclusive and stimulating workplace*
The Company shall work for a good and safe working environment where accidents, injuries and illness are prevented and that the right expertise and knowledge are in the Company. BE Group works to ensure diversity and equal opportunities. The goal is for everyone in the organization to be aware of BE Group’s Code of Conduct and comply with it, and to adopt the Group’s values.
- *BE Group works in a goal-oriented way to limit its environmental and climate impact*
The Company strives to continuously improve its own facilities regarding energy consumption, emissions and waste management.
- *BE Group shall be a reliable partner to its business partners, suppliers and customers*
The Company will apply sound business principles and be financially responsible. The prevention of corruption is an important part of this work. BE Group strives to develop and maintain a transparent and responsible dialog with its key stakeholders.

In 2020, the Group management team began work to map the business based on the global sustainable development goals in Agenda 2030. Group management has defined the following goals as particularly relevant to the business. Goal 5: Gender Equality, Goal 7: Affordable and Clean Energy, Goal 8: Decent Work and Economic Growth, Goal 12: Responsible Consumption and Production, Goal 13: Climate Action, Goal 16: Peace, Justice and Strong Institutions. The work of identifying ways to measure and follow up the goals will continue in 2021.

BE Group ´s key stakeholders

In both the long term and in the daily work, BE Group affect and are affected as a company by various stakeholders, including these key stakeholders:

| Stakeholder | Expectations on BE Group | Example of dialogue |
|---------------------|---|--|
| Customers | BE Group shall add value to all customer segments in accordance with its business model and acts with responsiveness to customer needs and in a manner that promotes trust, strengthening relations with existing customers and attracting new ones. | Dialogue is conducted for example through personal interaction, daily contacts, trade fairs, customer surveys and the website. |
| Employees | BE Group shall act responsibly both internally and externally to attract, develop and retain competent employees. Our core values guide us in how we behave towards one another in our day-to-day work. | Dialogue is conducted for example in everyday discussions, workplace meetings, employee surveys, union collaboration, internal training, incident follow-up, performance and guidance talks. |
| Shareholders | BE Group is to generate value for its shareholders through responsible and profitable company based on the Group’s business model and strategies for profitability. | Dialogue is conducted for example through the Annual General Meeting, annual reports, sustainability reports, interim reports, the website and investor meetings. |
| Suppliers | BE Group shall add value by providing efficient distribution, warehousing, pre-processing services and knowledge about our markets. The Group strives to strengthen sustainability work among suppliers through dialogue and by setting requirements. | Dialogue is conducted for example through personal interaction, daily contacts, quarterly meetings and cooperation projects. |
| Society | BE Group wants to contribute to positive social development by generating job opportunities in its own operations and among partners. BE Group shall be an open and easily accessible actor that communicates with the greatest possible transparency within the regulatory framework regarding market-sensitive information. | Dialogue is conducted for example through study visits, collaborative projects, networks and sponsorship. |

Corporate culture

BE Group strive to create and be an attractive work-place where everyone is treated with equal respect and dignity and encourage a culture with equal opportunities and diversity. All of the workplaces shall be free from harassment and discrimination. The Group strives to create a sustainable and healthy work environment and all workplaces in BE Group shall be safe and pleasant. The employees are our most valuable asset and a prerequisite for the Company to perform well.

Code of conduct

BE Group's Code of Conduct is established by the Board of Directors and comprises all operations and employees within BE Group. The ethical guidelines provide guidance in the daily work to achieve the Group's goals and point out everyone's responsibilities towards business partners, owners, employees and society. The Code addresses issues of business ethics, anti-corruption, child labor, equality, work environment, career issues and competence development.

The Core values

BE Group's corporate culture is based on what is defined as the Group's core values. These values act as a guide in the day-to-day work of everyone within BE Group. They address how to behave towards one another, as well as towards customers, suppliers and others you come into contact with. These are:

- Dynamic – Innovative and action-oriented
- Transparent – In performance and leadership
- Sustainable – In all daily and strategic decisions regarding environment, people and profitability

Leadership principles

In addition to the values, BE Group has leadership principles that are common to the entire Group. These should create uniformity and clarity regarding the expectations of how the managers should be and act to contribute to creating a good working environment and a successful company.

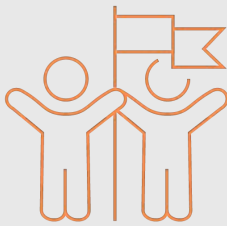
Work environment and health

A Safety First policy has been in place since 2019 with a zero vision regarding workplace accidents, where the basic idea is that all accidents can be prevented. Safety must come first at all times. There is still some way to go to the zero vision, but in 2020 the number of accidents that resulted in absence was nearly cut in half compared with 2019. During the year, training was conducted and safety reviews are a part of the daily operations. Each accident and incident is to be reported, evaluated and followed up.

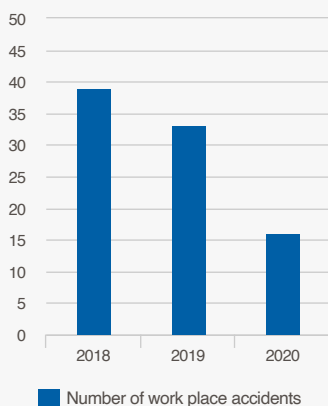
Once a year, BE Group conducts a Group-wide employee survey to ensure that the strengths and improvement areas that exist in the work environment are illustrated. The survey is done anonymously and takes up issues that, among other things, include the Company's strategy, values and safety and shed light on any harassment at the workplace. The results are presented by department and every group work on preparing an action plan for the improvement areas established. The employees shall have the possibility of influencing their work situation and, besides the employee survey, performance reviews are held with the immediate manager.

Whistle-blower policy

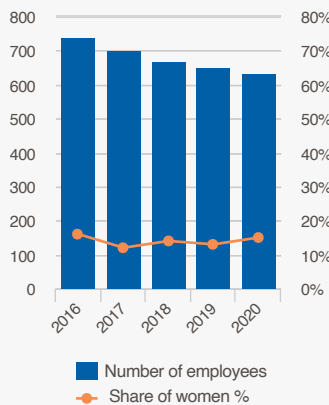
There is a whistle-blower policy, translated into all languages, which means that all employees have the possibility to anonymously report serious irregularities within the Group to an external party without risking being opposed or harassed.



NUMBER OF WORK PLACE ACCIDENTS WITH ABSENCE



EMPLOYED MEN/WOMEN



The work of creating equal opportunities and diversity will be intensified in 2021. For example, the percentage of women in the organization is low and work will begin to look at how to create conditions to attract more female employees and managers. This is part of the management team's work linked to the global sustainable development goals in Agenda 2030.

Environment

BE Group actively works with environmental issues as an integrated part of the operations and the foundation of the environmental work is a Group-wide environmental policy. The units work locally with the environmental issues linked to the operations with focus on continuously improving its own facilities regarding energy consumption, emissions and waste management. All operations, except for Lecor Stålteknik, are certified according to the international environmental standard ISO 14001. During 2020, 80,7 percent (77,7) of purchase came from ISO 14001 certified suppliers.

In the processing chain from the steel producers to the customers, it is at the producer level that the majority of carbon dioxide emissions take place. With its position between steel producers and customers, it is in the area of transport in particular that BE Group is able to contribute in reducing the environmental impact. According to BE Group's estimates, the Group's facilities account for around 1 percent of the total carbon dioxide emissions in the value chain, the transports to and from the facilities account for around 5 percent and the remaining 94 percent originates from the producer level.

GHG calculations

Since 2013, BE Group has made calculations of carbon dioxide emissions according to the recommendations in the Greenhouse Gas Protocol, GHG Scope 1-2. Calculations indicate that the Group in total had CO₂ emissions of 9 kilo per sold ton (8,5) in 2020 which is a decrease in emissions by around 60 percent compared to the base year of 2013 but an increase compared to last year. The deterioration is because the tonnage handled decreased during the year, but the need for heating at the facilities remained the same and that all thermal energy is still not carbon-dioxide free.

BE Group's total energy consumption amounted to 77 kWh/ton (80) during the year. Carbon dioxide emissions from in-house operations are reduced through greater use of fossil-free energy carriers, such as electricity, biogas and district heating, and by a more efficient energy consumption. Consumption is affected by the delivery volumes and production activities (material processing and service), which are most energy intensive. Warehousing in itself is less energy intensive.

Emissions and waste handling

BE Group's own operations cause only limited emissions. Emissions primarily originate from the production units in Malmö, which is being closed, Norrköping and Turku where operations such as painting and blasting are carried out. The purification of solvents (VOCs) from painting facilities and dust from blasting and cutting equipment is efficient and is continuously followed up.

Residual materials in BE Group's operations are principally metals, wood and cardboard. These are sorted and recycled to the greatest possible extent. Steel production is a heavy and energy-intensive industry, but at the same time, the life expectancy of steel structures is long and the recycling rate is high compared with many other materials. In 2020, the Group recycled a total of 99 percent (98.7) of the total number of residual products from the operations.

Transportation

The objective is that as much of the material as possible is to be sent by train or boat and, where this is not possible, the transports are made by truck. Less than half of the transports are today made by road and the Group is actively working to find transport companies that have an explicit and deliberate sustainability and environmental focus. The transports are increasingly made by trucks powered by diesel with an add-mixture of non-fossil HVO/BIO components and today, there are also a few trucks powered by biogas. The units in Sweden and Finland are, together with the transport companies, gathering detailed data for current fuel consumption to obtain more knowledge of the emissions and how the company can affect them from an environmental perspective.

Travel

During the year, travel decreased considerably mainly due to restrictions related to Covid-19. Video conferencing equipment was purchased for the facilities in Sweden and Finland to facilitate digital meetings. The work on a new car policy that promotes environmentally friendly options is ongoing.



Operations

BE Group strives to be a reliable partner to its business partners, suppliers and customers and encourages transparency and openness, on condition that it does not harm the business or is in conflict with Nasdaq's rules for publicly traded companies. BE Group seeks to be a reliable, long-term and responsible members of society that acts based on current laws and rules and transparently balances shareholder interests with societal interests.

In order to grow and develop, good business ethics must be ensured and the subsidiaries are expected to comply with the ethical guidelines in the Code of Conduct. The managing directors of the respective companies are responsible for it being applied in the operations.

Anti corruption

BE Group's Code of Conduct contains guidelines for business ethics and anti-corruption. As part of the management team's work with Agenda 2030, the work towards anti-corruption is to be intensified and management will prepare an anti-corruption policy in 2021.

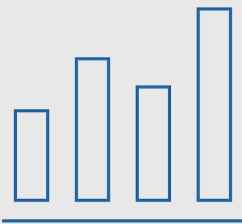
Code of conduct for suppliers

The Code of Conduct for suppliers was introduced in 2017. It requires the suppliers to act responsible when it comes to human rights, work conditions, business ethics and environment.

Taxes

BE Group conducts operations in various countries with different tax laws and legislative authorities and strives to pay the correct tax in every country. Changes in laws and case law are continuously monitored so that taxes are handled in accordance with current laws and rules. Cautiousness and transparency are to be guiding concepts for all decisions in which tax legislation, case law and/or statements by authorities lead to unclear or conflicting answers to how a certain tax issue should be interpreted. If applicable, guidance is sought at the local tax authority or with external tax advisers, such as audit and accounting firms, to clarify relevant tax issues.

BE Group shall refrain from aggressive or advanced tax planning. Aggressive tax planning refers to transactions that have no other business purpose than to lower taxes or transactions that may risk the Company's reputation and the perception of the Company as a responsible member of society.



Examples of steering documents/activities

- Code of Conduct
- Core Values – Dynamic, Transparent, Sustainable
- Leadership principles
- Performance reviews
- Employment surveys
- Training and competence development
- Whistle-blower policy
- Internal control, such as for example audits of the environmental and quality work

- Customer surveys
- Supplier evaluations
- Code of Conduct for suppliers
- Calculations of carbon dioxide emissions (GHG)
- Mapping of transportations
- Use of fossil-free energy carriers
- Recycling of residual materials
- Certificates and standards, such as ISO 9001, ISO 14001, EN 1090-1, 1090-2 och 1090-3

Sustainability-related risks and risk management

BE Group identified a number of sustainability-related risks and uncertainty factors for the operation. These risks and the work on them are briefly described below.

Environmental impact

Risk

Increased sales and production lead to a greater overall environmental impact. Currently unknown decontamination costs may also negatively impact BE Group's operations, earnings and financial position. Compliance with relevant environmental legislation and other regulations in the environmental area are a prerequisite for avoiding sanction measures.

Management

BE Group works systematically to comply with rules and laws and to reduce the company's environmental impact and conduct quality and environmental management work that makes requirements on the units. BE Group works to reduce the environmental impact in the value chain, through the production and distribution process from suppliers to end users. This includes following up the removal of solvents from the painting facilities and dust emissions and waste management of residual products.

Energy use

Risk

Increased production leads to greater energy consumption. Not using energy from renewable sources, where this is possible, negatively impacts the environment.

Management

BE Group measures energy consumption at all of its facilities and in the procurement of energy, energy from fossil-free energy carriers shall be the first choice if possible. Looking at energy efficiency is also an important factor in investments.

Greater emissions from transports

Risk

BE Group primarily sells its products in six markets, which mean that transports of materials are unavoidable and use of transport services most often entails use of fossil fuels.

Management

BE Group works to optimize the logistics flows. The objective is that as much as possible is to be sent by train or boat and, where this is not possible, the transports are made by truck. More detailed data for the current fuel consumption are being gathered together with the transport companies and the Group is working actively on finding transport companies with an explicit and deliberate sustainability and environmental focus.

Deficient health and safety

Risk

The work environment, health and safety are central issues for BE Group. Deficiencies in safety and the work environment leads to a greater risk of illness and incidents for the company's employees.

Management

BE Group has a systematic work to secure and improve the work environment called Safety First. BE Group continuously monitors a number of parameters in the area of health and safety. Possibilities of improvements are discussed by the Group Management Team and locally at the units. Each accident and incident are reported, evaluated and followed up.

Deficient gender equality, diversity and discrimination

Risk

Shortcomings in implementation and compliance with BE Group's values can lead to deficient gender equality and diversity.

Management

BE Group annually conducts an employee survey with active follow-up of the results, where action plans are prepared for the identified improvement areas. The work is done with full transparency in relation to guidelines, employee manuals and reporting of violations regarding discrimination.

Human rights violations

Risk

BE Group is a company with units in several countries in Northern Europe and a geographically widespread supplier base. This means that insight regarding human rights may be limited and there is a risk that the company may involuntarily contribute to human rights violations.

Management

These issues are addressed in BE Group's Code of Conduct and it applies to all employees within BE Group including the Group Management Team. Board members, business partners, customers and suppliers are also encouraged to follow this Code of Conduct. For suppliers, there is also a separate Code of Conduct. Reporting of potential problems, inaccuracies, illegal behavior or improprieties can be made to the immediate manager or anonymously through the whistle-blower system.

Corruption

Risk

Corruption can exist to varying degrees in some countries and different sectors of society. Like many other companies, BE Group runs a risk of becoming involved in unethical transactions in the areas comprising sales and purchasing processes.

Management

Within BE Group, there is zero tolerance to unethical business practices. The company conducts reviews of the company's Code of Conduct for the company's employees, suppliers and cooperative partners. Together with the framework for internal control and follow-up, this forms the basis of a business ethics approach and accurate financial reporting. BE Group applies central and local authorization manuals to avoid conflicts of interest and uses procurement processes that ensure good business ethics.