

SUSTAINABILITY REPORT

BE Group’s sustainability work is based on the ambition to create corporate social responsibility, which permeates 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. The sustainability work is based on creating corporate social responsibility, which permeates the entire business and this sustainability report applies to the Group and all wholly owned subsidiaries.

The overall guidelines come from the Group. Beyond them, each country follows the laws and rules that exist in the respective country, such as those concerning labor law and union organizations, and have local certifications and standards, as well as more specific guidelines for areas, such as travel, entertainment and cars.

BE Group has a team working with sustainability issues, comprised of representatives from the Group Management Team, HR and HSEQ from Sweden and Finland. The team discusses current issues in the focus areas deemed especially important for the Group. BE Group are using the UN Global Compact’s 10 principles as a base in the sustainability work and to identify the prioritized focus areas.

In order to create further transparency and a clearer direction, an effort will be initiated in 2020 in the Group Management Team, which will look at the business based on the global sustainable development goals in Agenda 2030.

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.

Focus areas

BE Group has identified a number of areas that are especially important for the Group and they are divided into three focus areas: the People, the Operations and the Environment.

The Operations

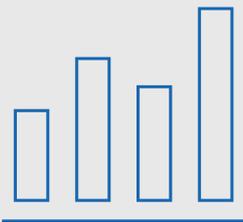
BE Group is a trading and service company that offers efficient distribution and value-generating production service in steel, stainless steel and aluminum to the construction and manufacturing industries in Europe. The Group offers efficient distribution through coordination in purchasing, transportation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

BE Group plays an important role in the value chain. The company compensates 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 strives to be a reliable partner to its business partners, suppliers and customers. BE Group complies with rules and laws that apply in the respective countries in which the Group have operations and this is complemented by the Code of Conduct.

BE Group's Code of Conduct details the Group's responsibilities towards its 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 ethical guidelines included in the Code of Conduct cover all employees in BE Group and every unit manager is responsible for ensuring that the employees are familiar with and follow them.

BE Group requires honesty and integrity from all of the units in BE Group and expects the same from all business relationships, such as customers, suppliers and partners. BE Group works against all forms of corruption, including bribes and all kinds of compensation to agents, suppliers and partners must accordingly be based solely on relevant products and services. More information on this is available in the Code of Conduct and in the Code of Conduct for Suppliers, both of which are available on the website.



Focus

BE Group strives to be a reliable partner to its business partners, suppliers and customers. This is achieved by ensuring that everyone in the organization is aware of BE Group's Code of Conduct and complies with it, and also adopts the Group's values. BE Group also strives to develop and maintain a transparent and responsible dialog with its stakeholders.

Examples of steering documents/activities

- Code of Conduct
- Core Values – Dynamic, Transparent, Sustainable
- Internal control, such as for example audits of the environmental and quality work
- Customer surveys
- Supplier evaluations
- Code of Conduct for suppliers
- Certificates and standards, such as ISO 9001

The People

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 they come into contact with. The core values are Dynamic, Transparent and Sustainable.

In addition to the values, BE Group has leadership principles that are common to the entire Group. They must 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.

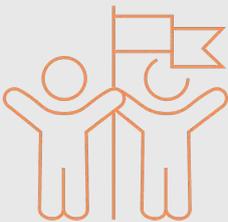
BE Group strive to create and be an attractive workplace where everyone is treated with equal respect and dignity and encourage a culture with equal opportunities and diversity. All of the workplaces shall be free from harassment and discrimination.

All workplaces must be safe and pleasant. In 2019, the Group's focus continued to be on highlighting and improving the safety at the

workplaces through the project Safety First. After having audited all of BE Group's workplaces in 2018, trainings for managers and employees were held at all of the companies in the Group in 2019. A Safety First policy has been adopted 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.

The Group has had a whistle-blower policy for several years, which means that all employees have the possibility to anonymously report when they see problems, inaccuracies, illegal behavior or improprieties with regard to BE Group's interests or the individuals' lives and health.

BE Group conducts a Group-wide employee survey once a year. The goal is to introduce a more systematic and transparent approach and to ensure that the strengths and improvement areas are known to the company. The results are presented by department and are used in a process where every group can work on preparing an action plan for the improvement areas established.



Focus

BE Group seeks to work for a safe, inclusive and healthy workplace, where the values are the base of how one acts. This is achieved by working for a good and safe working environment where accidents, injuries and illness are prevented, that the values are complied with and that the right expertise and knowledge are present in the company. BE Group strives to ensure diversity and equal opportunities.

Examples of steering documents/activities

- Safety First
- Code of Conduct
- Core Values, Dynamic, Transparent, Sustainable
- Leadership principles
- Performance reviews
- Employment surveys
- Educations and competence development
- Whistle-blower policy

The 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. This has been developed to make it simple for all employees to understand how they can reduce our environmental impact in their day-to-day tasks. The units then work locally with the environmental issues linked to the operations. Here, focus is on continuously improving its own facilities' energy consumption, emissions and waste management.

The majority of the operations are certified according to the international environmental standard ISO 14001. During 2019, operations in Lithuania was certified according to ISO 14001 and the operation not yet certified is Lecor Stålteknik.

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 help reduce 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.

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 a decrease in emissions by around 60 percent per ton of delivered steel compared with the base year of 2013. Carbon dioxide emissions from in-house operations were reduced through increased use of fossil-free energy carriers, such as electricity, biogas and district heating. The facilities within BE Group are also

working to streamline 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.

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 have together with the transport companies begun to gather more detailed data for current fuel consumption. The goal is to obtain more knowledge of the emissions and how the company can affect them from an environmental perspective.

BE Group's own operations cause only limited emissions. Emissions primarily originate from the production units in Malmö, 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. The Group also carefully follows up the work of its recycling service providers. Steel production is a heavy and energy-intensive industry. At the same time, the life expectancy of steel structures is long and the recycling rate is high compared with many other materials.



Focus

BE Group works in a goal-oriented way to limit its environmental and climate impact. This is achieved by an overall environmental policy and that every company then works with the measures that are relevant to the operations.

Examples of steering documents/activities

- Estimations of carbon dioxide emissions
- Mapping of transportations
- Use of fossil-free energy carriers
- Recycling of residual materials
- Certificates and standards, such as ISO 14001 and REACH

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 in relation to production and distribution of the company's products. 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 field 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 has begun to be 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. Improvements are implemented and reported on continuously.

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.