



BILTEMA

SUSTAINABILITY STRATEGY
BILTEMA 2021



PREAMBLE

"Aware of the importance of integrating sustainability into Biltema/Birgma Group's mission and purpose, this report will display the efforts and commitments of our organization towards a more sustainable world. We aim to meet the needs of our customers while increasing their quality of life.

The exceptional year we left behind has forced us to undertake mitigation measures in order to slowdown the spread of the coronavirus. The pandemic has enforced us to adapt to a rapidly changing reality, as well as increased our aspiration to act with responsibility.

The sustainability strategy 2021 brings together some of our best practices and initiatives that we see emerging across our business during this decade.

Sustainability is at the core of Biltema/Birgma Group. We constantly strive for sustainable development in terms of consumption and production aiming to improve the life of our customers while taking good care of the resources of our planet."

Adelina Voci Vice-VD Biltema Sweden



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*The Whole family's
department store*

INTRODUCTION

BILTEMA is a company that offers a wide range of products across diverse areas. We believe in renovating and repairing, and we have something for the whole family. The world today requires a different kind of consumption where the focus is more on 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. 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.

Following below are a few issues related to sustainability that BILTEMA will be working actively with moving forward in order for the company to be more eco-friendly, namely packaging, materials, symbols, circular economy, buildings, transport, supply chain, Biltema Foundation and the UN's Global Goals.

PACKAGING

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.

Our ambition

By 2030

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

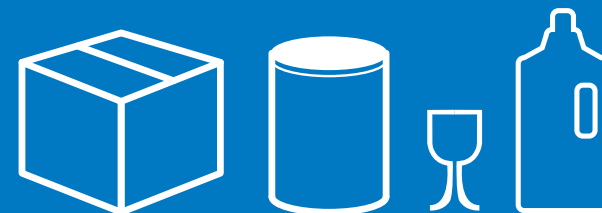


Reduce plastic



PRODUCTS

As part of making our packaging more sustainable, we also intend to incorporate the use of more sustainable material alternatives, such as recycled materials and natural fibres.





No
Packaging
containing PVC in
2030

MATERIAL

Our ambition:

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

Plastics

The focus has been on reducing plastic in packaging, but now we will also look at other materials in 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.



MATERIAL

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 Billema products shall contain palm oil.

SYMBOLS

BILTEMA has designed symbols for use on packaging and to show that we are committed to working on the materials used in packaging and products. The symbols shall be used where we have made an active choice regarding packaging or products that are better environmental alternatives. The symbols we have designed are listed below.



BIO-BASED MATERIALS:

This product and its packaging is made of bio-based and renewable material. This means that it has less impact on the climate than many other products. When the time comes, be sure to recycle the product and packaging according to instructions at your local recycling station.



RECYCLED PAPER:

This paper package is made of recycled paper. When the time comes, be sure to recycle the packaging.



RECYCLED PLASTIC:

This product is made of recycled plastic, such as polypropylene (PP). This makes it a little kinder to the environment than many other products. When the time comes, be sure to recycle the product.



LESS PLASTIC:

By purchasing this refill pack, you are consuming less plastic than if you had purchased a new original pack. This makes it a little kinder to the environment. When the time comes, be sure to recycle the product.



RECYCLABLE PAPER:

This packaging is made of paper. When the time comes, be sure to recycle the packaging.



MADE IN' SYMBOLS

These symbols show where the product was made.

CIRCULAR ECONOMY

Recycling constitutes a significant portion of today's environmental efforts. Throughout the Group, recycling is an important aspect of our daily work. In addition to recycling, we also endeavour to find new ways of working, such as through high availability of spare parts and service workshops.





BILTEMA stores

BILTEMA stores in the Nordic countries work according to established recycling laws and regulations. All stores offer possibilities for customers to hand in their old electronics products, lights/light bulbs, chemicals, oil and batteries to make it easier for our customers to recycle.

BILTEMA Café

Our cafés work tirelessly to reduce food waste. In most stores, food waste is sorted separately and kept in waste bins for collection, after which it is used for biogas or biodiesel. At most cafés there is an environmental station for customers to be able to sort plastic bottles, glass and mixed waste.

**BILTEMA
CAFE**

Our ambition:
- By 2030, all BILTEMA cafés shall recycle bio-waste.



Offices

Our offices around the world also take responsibility for better sustainability. Waste sorting is of the highest priority and something we already doing today. We believe it's important to contribute to a more circular economy. Waste sorting may vary due to recycling capabilities in different countries.

We engage in carbon offsetting for longer business trips. We encourage all employees to choose trains or public transport over flights and cars when travelling for work-related purposes.



BILTEMA Logistics

Plastics we receive as waste at BILTEMA Logistics are sent to a local recycling company, which is located about 5 km from our premises. The company washes and processes the plastic, which, at the end of the process, comes out as pellets. These pellets are then sold to companies that manufacture new plastic products. We have chosen this option from an environmental perspective. It is more beneficial to the environment than if we managed the plastic ourselves at BILTEMA and found companies able to make new products for us. The main reason is that the recycling company is very close to us, which means there is no need for unnecessary transport that releases high levels of CO².



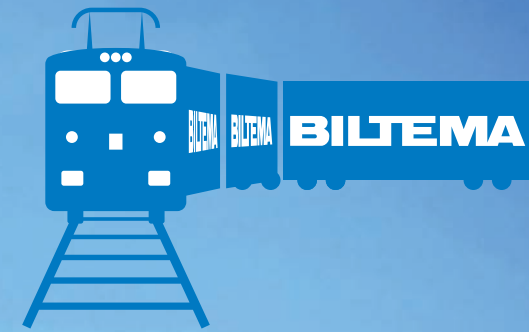
Spare parts

Access to spare parts is advantageous and often saves you money. It may be cheaper to look after and repair what you have than buy new things. Our consumption of new products consumes a lot of energy when we extract the material for the products, when we manufacture them, and when we transport them to stores and homes. For this reason, Biltema intends to increase the availability of spare parts in order to offer a wider range and provide better possibilities for repairing instead of throwing away.

Service workshops

Our in-store workshops are yet another initiative for reducing waste. By distributing workshops in existing stores across the country, we are able to offer quick and convenient service with greater accessibility. We believe in repairing products and giving them a second chance instead of scrapping them. Material recycling is an important step for a sustainable future. In addition, each store shall increase the proportion of repaired products in order to reduce the number of claims.





BILTEMA

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BILTEMA

TRANSPORT

BILTEMA Logistics is working to become more climate smart when it comes to transporting BILTEMA's products. A few of the measures being implemented by BILTEMA Logistics include:

- Using cardboard pallets for long-distance transportation. This lightens the load and eliminates return transport with empty pallets since the pallets can be recycled, which reduces CO² emissions.
- Rail transport is used wherever possible.

BILTEMA is investing in rail transport for environmental reasons. Rail transport to the stores in the northern parts of Sweden commenced after the first warehouse was built in Halmstad 2007. The rail transport was expanded and trialled in Norway in 2017. Initially, five stores received goods via rail with a few departures per week. Owing to the success of the trial, it has been progressively

expanded. Half of the BILTEMA stores in Norway now receive their deliveries by rail. More than half of all goods to Norway will be transported by rail. This is equal to around 80 trucks every week. The reduction in carbon dioxide is estimated at almost 90 percent, or 5,100 tonnes annually. There are plans to introduce additional rail transports across Norway.

BIRGMA is responsible for the global transports. We choose carriers that can meet the requirements we have to be able to continue with our growth and development. A partner who understands our business and can keep up with supply and demand. We place great emphasis on digital solutions and optimize the volume of goods during transport - which in turn reduces the environmental impact by being climate and resource efficient.

A large industrial building is under construction. A red tower crane stands to the left of the building. Scaffolding is visible on the left side of the building. The building has a light-colored facade and large windows. The sky is overcast.

BUILDINGS

Construction:

A major aspect of our environmental efforts can be seen in our construction projects and renovation of existing buildings. Biltema has elected to partner with local construction companies with highly skilled workers, who can accomplish complex projects such as a new Biltema megastore.

We build so-called inert buildings, which means that we use concrete for both walls and ceilings. As a result, weather changes are not noticeable inside. In addition, extra-thick insulation is laid on the roof. Stone wool insulation in walls and ceilings has many positive effects. Among other things, it helps the building to not react to weather changes, but, above all, it is advantageous since it does not burn or melt in the event of fire.

The floors are made from granite, a natural material that only needs to be cleaned with a rotating brush and clean water. No chemicals are required. We work a lot with heating/ventilation/insulation/LED lighting – all to ensure economical operation. This is also a way of protecting the environment.

We have chosen to use LED lighting and the conversion to LEDs is underway in our existing stores and warehouses. The transition to LED lighting will reduce energy consumption, increase the life of tube lights/lamps and save the environment. The windows in our stores are self-cleaning. This minimises the need to wash them, which in turn reduces the use of chemicals.

Our ambition:

- By 2022, the conversion to LED lighting shall be complete.



*We are
investing in
Solar cells*

Geothermal heating

Geothermal energy is a renewable and eco-friendly energy source that helps us achieve our environmental goals. Geothermal heating is a way to make use of natural resources. Our stores get their heating and cooling this way. A borehole in bedrock is a 'free supply' of energy. In order for the heat pump to draw the energy needed by the store, it is necessary that there is a sufficient supply, i.e. that the energy well is deep enough. The depth of the energy well and the choice of heat pump used depends on the specific energy needs of a given store. To calculate this, we use sophisticated calculation programs that take into account the size and condition of the building as well as its location in the country. As a result, we always obtain the right depth and the right number of boreholes, and we use the right heat pump. The borehole from which the heat is drawn has minimal impact on the surrounding environment. The collector coil that leads the heat up contains a liquid that is in a closed system and completely non-toxic. The technology involves heating the liquid a few degrees and then

pumping it into the heat pump's heat exchanger. The heat exchanger has an efficiency of over 300 percent, making this the most efficient heating method. We also use geothermal energy to cool our stores in the summer, this cooling is essentially free. While we draw energy for cooling from the borehole, it is heated for autumn/winter, which increases the efficiency. Every day the realisation is growing that greenhouse gases are becoming the predominant threat to the global climate. Combustion creates carbon dioxide, which further testifies to the benefits of geothermal energy as an energy source, as there is no combustion in the heat pump. However, the store does not become completely independent of electricity, as it takes a little electricity to power the heat pumps. To continue the struggle for a better environment, we will invest in installing solar panels on a number of buildings. The project is already underway in Denmark. Solar energy is a renewable energy source that will contribute to less climate impact.



Charging stations

The majority of the stores in the Nordic region shall 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.

Our ambition

- By 2030, the availability of a charging station will be expanded to multiple department stores in the Nordic region.



Our ambition

- We aiming for multiple of our suppliers to use renewable energy (electricity, heating, cooling and other fuels) in all production.

SUPPLY CHAIN

BILTEMA takes great responsibility for good working conditions at our partners. We have strict requirements 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 always terminate our partnership with such a supplier. Some of the specific requirements we place on our partners include:

- All suppliers must comply with applicable social rights in their country of operation.

- National working conditions such as minimum wages, maximum working hours and safety standards must be strictly adhered to.
 - Under no circumstances may child labour occur.
 - Under no circumstances may punishment of staff occur at suppliers.
- BILTEMA is continuously developing and refining this work. Customers should be able to trust that we take these challenges seriously and that we always strive for higher quality in all operations, but never at the expense of human health and wellbeing.

Another important requirement we place on suppliers involves the volume of greenhouse gas emissions. We work to reduce greenhouse gas emissions from suppliers. Global warming is a serious problem for which we must all take responsibility. Biltema works to increase the use of renewable energy.

For more information about CSR: <https://www.birgma.com/csr/>



BILTEMA FOUNDATION

The Bilema Foundation is a philanthropic foundation that was established to support vulnerable people by contributing to education, healthcare and welfare. The Foundation also provides donations in the event of major disasters and crises, such as the Ebola outbreak in West Africa in 2014-2016, the typhoon in the Philippines in 2013, the refugee crisis in 2015, the wildfires in Australia in 2019, Cancer research 2019, Rädda Barnen 2020 and donations to Cancer research 2021.



2021
Donation

BILTEMA FOUNDATION

During 2021 Biltéma Foundation donated SEK 260 million to research on revolutionary method for cancer treatment FLASH radiotherapy is a new form of radiation treatment developed by researchers at the University Hospital in Lausanne. The method has proven to be very effective in the treatment of cancer, while also sparing the adjacent healthy tissues to a remarkable degree. Biltéma Foundation has now donated SEK 260 million to the project to further develop this revolutionary method for cancer treatment. When patients undergo cancer treatment today, up to 40% of the cancers prove resistant to current standard care. The limitations are often due to the inaccessibility of the tumors, and in the event of treatment, the surrounding tissue would have been excessively damaged. Researchers at Lausanne University Hospital have developed a new type of radiotherapy called FLASH. The intensity of the radiation enables the same radiotherapeutic effect on the tumor, but administered for milliseconds instead of minutes. With this method, the radiation is directed at the tumor with much higher precision, and the surrounding tissue is affected to a considerably lesser extent. The phenomenon that FLASH

radiotherapy is based on was discovered in 2014, and already in 2018, the first patient was treated successfully with this method. With funding from, among others, the donation from Biltéma Foundation, the goal is now to further develop this form of treatment and continue to cure cancer patients. The donation for the FLASH therapy method is a good example of what the Biltéma Foundation works with - a project that is conducted in serious contexts and that benefits in a short time for both society and individuals.

Bourhis, J., et al., Clinical translation of FLASH radiotherapy: Why and how? Radiother Oncol, 2019. 139: p. 11-17.

Bourhis, J., et al., Treatment of a first patient with FLASH-radiotherapy. Radiother Oncol, 2019. 139: p. 18-22.

Vozenin, M.C., et al., The Advantage of FLASH Radiotherapy Confirmed in Mini-pig and Cat-cancer Patients. Clin Cancer Res, 2019. 25(1): p. 35-42.

Wilson, J.D., et al., Ultra-High Dose Rate (FLASH) Radiotherapy: Silver Bullet or Fool's Gold? Front Oncol, 2019. 9: p. 1563.



UN GLOBAL GOALS

Biltema has chosen to focus on the following 10 goals 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

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. Through a new investment into solar panels we are hoping to increase the amount of renewable energy used in the Group. We already use geothermal heating in our stores, which is both renewable and eco-friendly.

5 GENDER EQUALITY



7 AFFORDABLE AND CLEAN ENERGY



10 REDUCED INEQUALITIES





Working conditions

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. In addition to REACH, we use a restricted substances list (RSL) that we continuously update and for which we place stricter requirements on our suppliers regarding hazardous chemicals for more sustainable production. We are aiming for that multiple of our suppliers to solely use renewable energy in their factories.

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION

