



SUSTAINABILITY REPORT 2023

This document includes Bona's Sustainability Report summary (SECTION I) and Bona's Statutory Sustainability Report (SECTION II). Bona filed its Statutory Annual and Sustainability Report 2023 with the Swedish authorities in March 2024.

Bona[®]

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SECTION II

STATUTORY SUSTAINABILITY REPORT 21



Magnus Andersson
Chief Executive Officer, Bona

STATEMENT FROM BONA’S CEO OUR SUSTAINABILITY JOURNEY CONTINUES

We live in a dynamic, changing world, particularly when it comes to sustainability. From new legislation to innovation to increased requirements, across the globe the pace of actively implementing change for a more sustainable future has increased. At Bona, we know time is of the essence to reach these broader sustainability goals, so we welcome the increased pace of accountability, transparency, and open dialogue.

Sustainability has been central to Bona’s purpose ever since its inception in 1919. We remain committed to our core foundational focus of maintaining and renovating a flooring surface rather than replacing it, which inherently is better for the environment. This core concept is at the heart of our business model and a key driver behind our progress and innovation. And, because we remain a family-owned company, we can stay nimble to adopt new innovations, change direction, or invest in the future of our business.

ACCOUNTABILITY IN ACTION

In 2023, we continued to address the Corporate Sustainability Reporting Directive (CSRD) requirements and performed a double materiality analysis which gave us a foundation on which to improve our environmental and social impact and understand the financial consequences. With this as a starting point, we completed a gap analysis to prioritise our focus for 2024.

To address the complexities of meeting our sustainability goals, we also formed a Sustainability Board in 2023 to ensure our momentum continues. This board is also tasked with implementing the right decisions at the right time so that we keep the long view in focus.

Our 2023 Sustainability Report highlights a few of the key milestones. This includes proactively replacing chemicals in our products ahead of legislation to ensure healthier working conditions and living environments as well as phasing out raw materials of concern to reduce

the environmental footprint of our products. We are also working to increase our use of post-consumer recycled plastics and leveraging renewable energy resources for our facilities.

LOOKING AHEAD

Sustainability, and in particular our focus on floor renovation, has been the foundation of Bona for more than a century, yet world events and increased pressure have amplified and accelerated our journey. Bona’s General Management team is setting the pace by identifying priority areas and providing the resources and training necessary. Additionally, Bona’s sustainability function is working closely with our financial department to infuse financial planning and decision-making with a sustainable perspective.

We know there is work to be done and that our goals are ambitious. Yet our ability as a company to adapt, innovate, and align to the ever-changing global shifts is promising for the future of Bona.

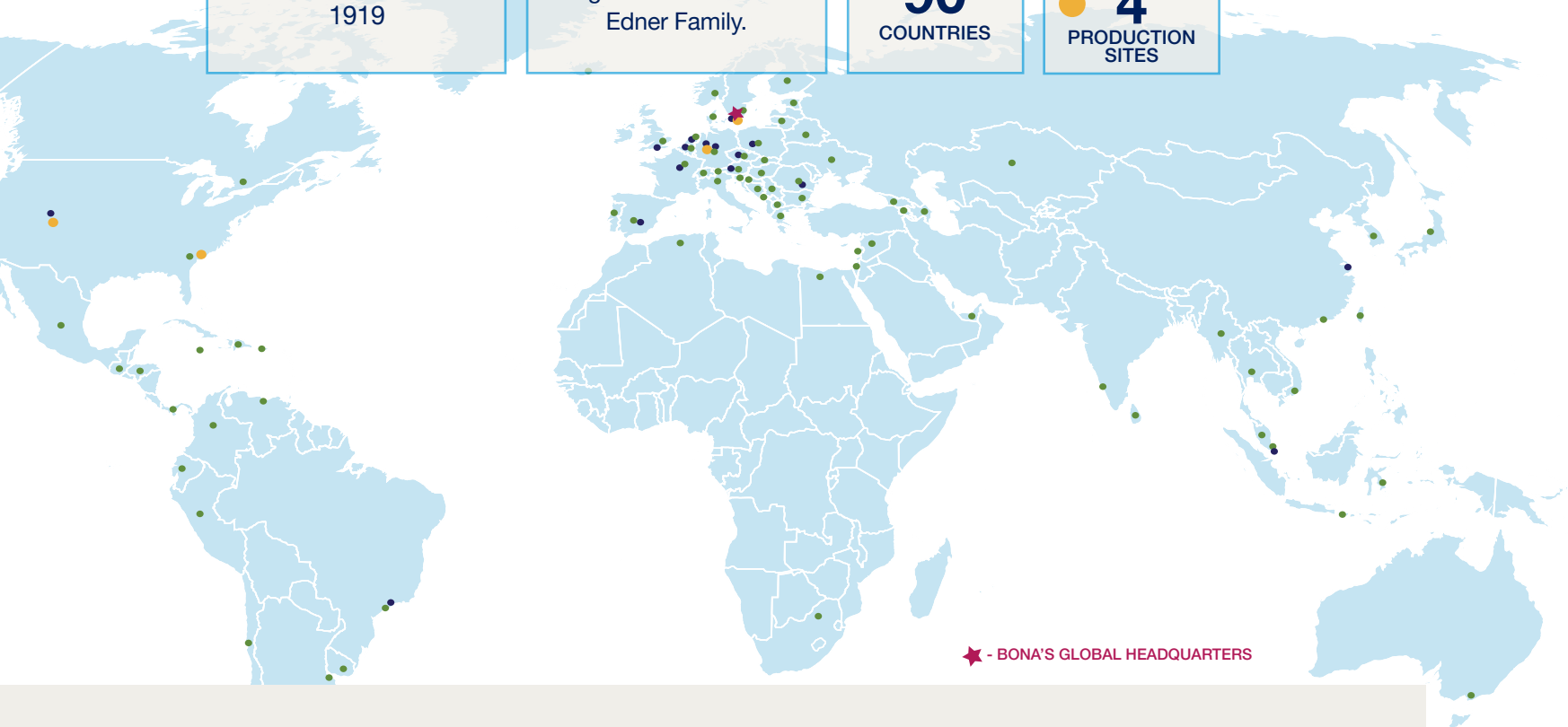
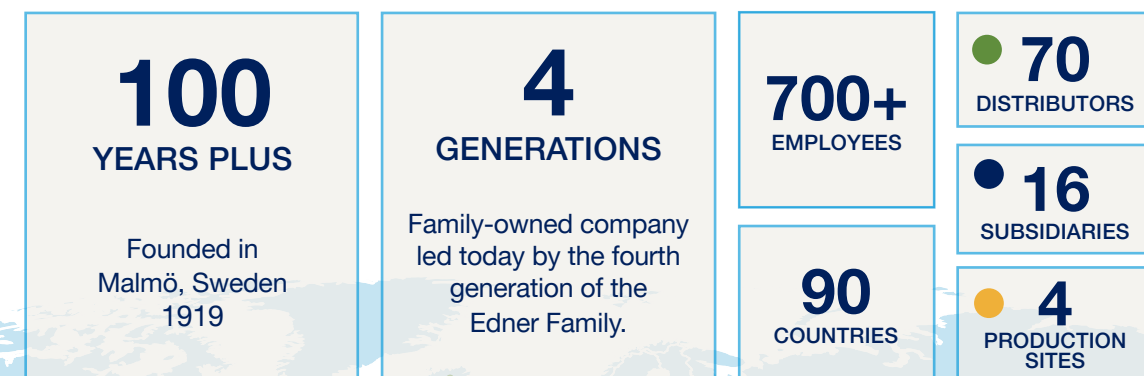
MAGNUS ANDERSSON
CHIEF EXECUTIVE OFFICER, BONA



ABOUT BONA

A GLOBAL COMPANY HEADQUARTERED IN SWEDEN

With our head office in Malmö, Sweden, Bona is led by third and fourth generations of the Edner, Forsberg, and Brask family. Having started from humble beginnings, we are now a global organization spanning more than 90 countries and represented by 16 subsidiaries, 70 distributors, 4 production sites, and more than 700 employees. In 2023, Bona's turnover was 3.8bn SEK (EUR 336 million).



★ - BONA'S GLOBAL HEADQUARTERS

VISION | Bring out the beauty in floors.

MISSION | Creating beautiful floors that bring happiness to people's lives.

VALUES

PASSION

We are passionate about what we do, how we do it and are always fully committed to bringing out the beauty in floors.

PERFORMANCE

Performance means premium quality where we focus on the needs and safety of professional craftsmen, industrial customers, and floor owners in everything we do.

PIONEERING

Pioneering is core to our company. We strive to think creatively and bring innovative ideas forward while remaining open to changes and opportunities in the market.

WE ARE BONA

Bringing out the beauty in floors for over a century

Founded in 1919, Bona is a global, family-owned, sustainably minded company spanning across Europe, North America, South America, and Asia. The focus of our business is to supply products and systems for installing, renovating, maintaining, and restoring premium floors including wood, tile, vinyl, rubber, and laminate. From cleaning products to floor varnishes to machines, our goal is to create floors that last and can be enjoyed by generations to come.

AN UNFOLDING SUSTAINABILITY JOURNEY

Since founding the company over 100 years ago, Bona's business has been rooted in renovating floors. This core of our company has mapped our multifaceted sustainability journey over the years. Today we are guided by our vision to lead the sustainability transformation of our industry, caring for people and planet. An important part of our vision is to strive towards our sub-vision of becoming carbon neutral by 2040 relative to Scope 1, 2 and 3. This ambitious goal, together with our vision, is shaping our company for the future by keeping sustainability high on the agenda. While we have work to do, we are making progress toward a more sustainable future.



CONNECTION TO THE GLOBAL GOALS AND THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

The United Nations Sustainable Development Goals provide a common pathway for how we can tackle global challenges and create long-term sustainable development. The goals are largely accepted in society, business, governments, and Non-Government Organizations. As a global company, Bona acknowledges that the best contribution to sustainability is to work where we make the largest impact. Therefore, we have chosen to focus on three of the goals for sustainable development.

THE SUSTAINABLE DEVELOPMENT GOALS THAT ARE THE MOST RELEVANT AND WHERE BONA CAN MAKE A DIFFERENCE ARE:

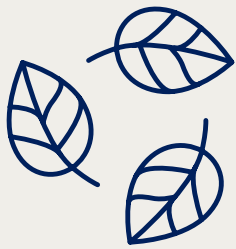


A FEW OF BONA'S THIRD PARTY PRODUCT CERTIFICATIONS INCLUDE:



HIGHLIGHTS

2023 SUSTAINABILITY HIGHLIGHTS



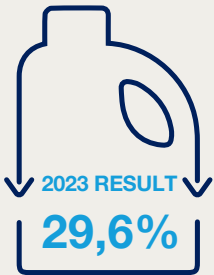
INTRODUCTION OF BIOBASED PRODUCTS

We introduced USDA Certified Biobased formulations in North America. Most notably, our new products Bona Hardwood Floor Cleaner and Bona Hard-Surface Floor Cleaner contain 95 percent and 92 percent biobased content respectively, and Bona All-Purpose Cleaner is only one of a few surface cleaners on the market that is 99 percent biobased. By using more biobased ingredients we are evolving our cleaning formulas to use more renewable ingredients and move away from fossil resources.

PLASTIC PROGRESS

During the year, we reached a reduction of 29,6 percent in fossil-based virgin plastic in our product packaging, moving us over halfway to our goal of 50 percent reduction by end of 2025 in relation to 2020. Bona will continue its journey to reduce virgin plastic use to reduce the use of fossil resources.

2025 GOAL

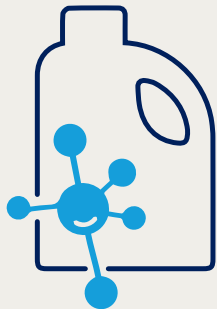
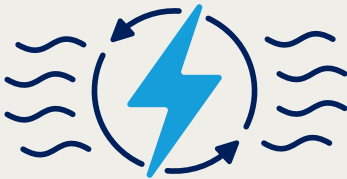


SUSTAINABILITY BOARD

In 2023, we established the Bona Sustainability Board with the purpose to drive our sustainability strategy and work throughout our global organisation. This board is charged with ensuring that Bona stays on track to achieve our vision and sub-visions and that the company maintains accountability

RENEWABLE ENERGY

Bona has invested in renewable energy options for its facilities in Sweden, Germany and US. In May 2023 the US headquarters in Englewood, Colorado enrolled in the WindSource program to purchase renewable wind power.

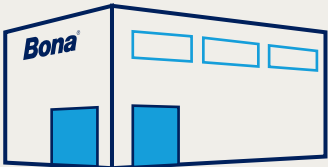


BONA TRAFFIC GO

Bona launched Bona Traffic GO in 2023. This one-component floor finish offers an evolved chemistry including a curing technology and built-in hardener making it easier for contractors to apply while meeting high levels of safety and health requirements.

OPENING OF DC2

With the opening of our new distribution facility DC2 in Monroe, North Carolina (US), we can better streamline our operations. The facility has also meant a significant increase in our workforce, resulting in the creation of more job opportunities benefiting the local community. Additionally, Bona now has more control over its distribution, operations, and environmental impact now that we own the facility.



BONA MARKET AND CUSTOMERS

With a wide range of products and systems for installing, maintaining, and renovating premium floors, Bona focuses on the entire lifecycle of a floor. This means that whether our customers are refinishing, renovating, installing, or maintaining a floor we create value by offering the solutions and necessary support to achieve the ideal outcome.

AUDIENCE



HOMEOWNERS



PROFESSIONALS



FACILITIES



INDUSTRIAL MANUFACTURING

THE CUSTOMER			
Consumers and retail customers	Wood and resilient flooring craftsman; Architects and designers	Facility managers/owners/ decision makers, and sustainability managers	Floor manufacturers
WHAT DO THEY NEED?			
Efficacy, reliability, trust, suite of solutions, sustainability, and value	Reliability, ease of application, durability, safe use, range of choices (colour, sheen), design aesthetic, system-approach (suite of products/solutions), partnership, training and education	Reliability, value (short and long term), durability, safe/clean/ hygienic, range of choices (colour, sheen, etc.), alternative to replacement, design aesthetic, sustainable, easy procurement process, training and education	Durability, reliability, safe, trusted, range of choices (colour, sheen, etc.), innovation, availability, easy to use, production process, and trusted brand
WHAT IS BONA'S VALUE?			
Trusted brand, 100-year heritage, innovative, sustainable, full solution, recommended by professionals, customer service solutions, services, and sustainability	Trusted brand, industry leader, 100-year heritage, innovative, sustainability, full solution, partnership-minded, training, education and customer service	Trusted brand, 100-year heritage, innovative, sustainable, full solution, partnership-minded, training, education, and customer service	Trusted brand, industry leader, 100-year heritage, innovative, sustainable, full solution, and partnership
WHAT PRODUCTS DO THEY USE?			
- Bona Floor Care (maintain) - Bona System (install/renovate) - Bona Resilient System (renovate)	- The Bona System (install/renovate) - The Bona Resilient System (renovate)	- Bona Floor Care (maintain) - Bona System (install/renovate) - Bona Resilient System (renovate)	- Bona Floor Care - The Bona System - Bona Industrial Coatings

BONA'S BUSINESS MODEL

Bona's business model can be broadly classified into **Inputs, Offerings, Approach** (What We Do) and **Value Creation**. It is structured to ensure that future growth considers the environment, the economy, and social conditions and adheres to our core focus of floor renovation. We work to ensure that Bona's value chain maximises positive and minimises negative impacts. Along the way we implement check points and measurement tools to ensure alignment to our goals and strategy.

RESOURCE INPUTS

Raw material | Water | Energy

At Bona, our approach to innovation means careful selection of raw materials which our in-house research and development team then develops and formulates into finished products. This enables tight ingredient control for our product formulations and inspires the development of more sustainable solutions without sacrificing quality or performance.

HOW WE TAKE RESPONSIBILITY

- Continual efforts towards sustainable sourcing of raw materials, supported by frequent internal audits to monitor advancements.
- Decreased volatile organic compounds (VOC) in final products.
- Ongoing assessment of ingredients and raw materials to ensure the most innovative, sustainable formulations are in the market.
- Supplier requirements aligned with Bona Code of Conduct.
- Responsible management of water use.
- Defined targets for minimizing energy consumption.
- Initiatives to boost in-house energy generation through renewable energy sources.

OUR OFFERINGS

Systems | Certification | Training service | Support

Bona's global offering is a complete range of products and services that are developed with quality and sustainability in mind. An important part of our business model is our in-house training and support that insures optimal use of our products.

HOW WE TAKE RESPONSIBILITY

- Certification and validation verified by third-party organizations.
- Bona Certified Craftsmen Program ensures the latest knowledge and training is shared with key contractors.
- Training for all professional craftsmen to ensure that Bona's products and systems are used correctly.
- Reliable and accessible service and support with Bona experts.



OUR APPROACH

Production in-house | Distribution center and warehouses | Waste management in production

Bona's production, distribution, and warehousing is largely owned and operated in-house giving us control over resources and the ability to manage and strive toward our sustainability goals. We have four production sites in Malmö (Sweden), Limburg (Germany), Monroe (North Carolina, US) and Pueblo (Colorado, US) along with two distribution centres in Limburg (Germany) and Monroe (North Carolina, US).

HOW WE TAKE RESPONSIBILITY

- Continuous evaluation aimed at mitigating adverse health and environmental effects.
- Implementation of training and safety protocols to maintain a safe workplace.
- Strategic placement of warehouses for streamlined logistics and collaboration with customers to enhance product distribution efficiency.
- Regular review of sustainable transportation alternatives based on each country's infrastructure.
- Minimization of waste in internal production processes.
- Commitment to sustainable practices through the adoption of electric vehicles for transportation.

THE VALUE WE CREATE

Extending the life of floors | Stakeholder collaboration | Strategic partnerships | Engaged workplace

The core of Bonas' long-term value creation is prolonging the life of floors through renovation and proper maintenance. Bona enhances stakeholder value by actively collaborating with industry partners, engaging with academic institutions, and participating in relevant industry associations. Additionally, Bona strives to cultivate a workplace environment that offers growth opportunities for committed employees.

HOW WE TAKE RESPONSIBILITY

- Engagement with third-party experts resulting in key certifications
- Long-term company profit goals without compromising our environmental or social responsibility
- Cultivation of an attractive and engaging workplace.
- Commitment to contribute, engage, and strengthen relationships with our communities.
- Partnership with non-profits and NGO organizations.



OUTLOOK ON CURRENT TRENDS

Bona’s products and solutions are found on the shelves of major retailers, in the toolboxes of professional craftsmen, and in the cupboards of homeowners around the world. With our presence in everyday life, we are affected by current trends and shifting attitudes within the market and our wider industry.



SUSTAINABILITY CONCERNS ON THE MARKET

Customers are outspoken about their environmental concerns and are engaging with brands that are clear and transparent about their actions. Therefore, retailers are driving their own sustainability efforts and are demanding more detailed information from suppliers. Similarly, professional craftsmen are becoming more interested in the contents of the products they use and how these product affect working conditions, living areas, and health. These contractors are also getting requests from floor and homeowners to use more sustainable systems. Employees are also pushing companies to set more ambitious goals and targets, with purpose-driven corporate sustainability becoming a central factor during recruitment.

These developments make Bona acutely aware that much work is yet to be done. However, it also reaffirms the relevancy of our business model and that promoting renovation and maintenance is a solid foundation to build on.



RAISED REPORTING REQUIREMENTS

The European Union is presently at the forefront of sustainability legislation, but the rest of the world is catching up. Specifically, with the Corporate Sustainability Reporting Directive (CSRD) comes new requirements for reporting and the importance of companies, like Bona, to be clear about data and related metrics in ensuring sustainability targets are in track.

The CSRD presents many challenges and will likely have a significant effect on the way business is conducted. As a global company with head offices in Sweden, we are also faced with the challenge of adhering to the European requirements while at the same time communicating and being in step with market demands and customer expectations outside the EU. We are taking steps to ensure we are meeting these new demands.



SUSTAINABILITY DUE DILIGENCE

In line with the EU’s Green Deal, new legislation has been passed relating specifically to how companies are overseeing the work performed by their suppliers. The Corporate Sustainability Due Diligence Directive (CSDDD) puts much needed emphasis on the respect for human rights and environmental aspects and requires companies to have rigorous procedures to analyse and manage risks throughout the supply chain.

We welcome these changes and while the CSDDD does not apply directly to Bona, it will likely have an impact as the new rules will apply to some of our stakeholders. As they work to adhere to the CSDDD, developed due diligence processes will also become necessary for us in order to satisfy increased demands for information concerning the work with our suppliers.



Peter Sjöberg (left)
Chief Financial Officer

Björn Johansson (right)
Global Sustainability Manager

THE IMPORTANT LINK BETWEEN FINANCE AND SUSTAINABILITY

Looking back, 2023 has been an important milestone on Bona’s sustainability journey. During the year, our work accelerated to adapt and transform our global organisation to better meet present and approaching demands. While the on-going shifts in both the market and legal landscapes are challenging, it nevertheless sharpens our focus and propels us forward.

GOING BEYOND COMPLIANCE

Our efforts in 2023 were driven by an increased sense of urgency widely shared within the company. The challenges posed by the Corporate Sustainability Reporting Directive (CSRD) go far beyond reporting. To merely satisfy the requirements, companies must find entirely new ways of governing, working, measuring, and reporting sustainability.

While complying with the demands of the CSRD could be considered a sufficient goal, at Bona we intend to go beyond compliance and do what we can to stay ahead of legislation and regulations. As a sign of this, we have in this year’s report already begun adapting our way of presenting our detailed sustainability information in accordance with the Environmental Social Governance (ESG) structure, which may be found on **pages 21 – 33**. As best we can, we aim to stand by our vision to lead the sustainability transformation of our industry.

A NEW STRUCTURE TO SUSTAINABILITY

The creation of the Sustainability Board represents a new chapter in our sustainability journey. Consisting of members from General Management and Bona’s key departments, the Sustainability Board creates a direct connection between the strategic and operative levels allowing for more efficient decision-making and swifter action. The role of the Global Sustainability Manager is to lead and coordinate the work of the Board, to bring forward matters from the organisation, and to ensure that efforts align with strategic decisions and policies.

SHARPENING OUR FOCUS

Having performed a double materiality analysis, we now have a clearer sense of our impact, risks and opportunities and thereby our environmental and social priorities. The results will be instrumental to our work during 2024 to comply with the CSRD and to determine goals and KPIs for our future work.

The cooperation between Bona’s financial and sustainability departments further sharpens the focus for our sustainability work. By strengthening the bond between the Chief Financial Officer and Global Sustainability Manager, we create a link between the long-term financial success of Bona and our sustainability performance.

We enter 2024 with a sense of urgency, but with a renewed feeling of enthusiasm. While we remain humble to the challenges we face, today we are in a better position to live up to our sustainability vision and reach our HOME sub vision of carbon neutrality by 2040.

PETER SJÖBERG
CHIEF FINANCIAL OFFICER

BJÖRN JOHANSSON
GLOBAL SUSTAINABILITY MANAGER

HOME

Environmental Stewardship

COMMITTED TO OUR GLOBAL HOME

Bona's commitment to the environment is based on our concern and care for where we live – our home as well as our planet.

Bona's business model is rooted in the concept that it is better to renovate and maintain rather than replace existing flooring material. Reuse of materials means important environmental benefits including reducing the strain on our world's limited resources, less energy usage and fewer emissions. In this way, by innovating and producing products that help craftsmen and homeowners to preserve the beauty of a floor, we contribute to limiting the environmental strains.

Within Bona's focus pillar of HOME, we have established a sub-vision of reducing our environmental impact, with the of becoming carbon neutral by 2040. Detailed information on our environmental work may be found on **page 26**.

CARING FOR OUR HOME

Bona's concern for a more environmentally friendly home begins with our solutions for renovating or installing a new floor in conjunction with our solutions for floor care and maintenance. Ensuring a safer and healthy indoor environment is a priority to us and drives us to constantly review the ingredients in our products and to constantly assess the chemical content of our solutions. Additionally, we are innovating our packaging to create less overall impact on the environment. Read more on **page 26**.

CARING FOR OUR PLANET

In line with our sub-vision, we have set specific emissions targets for the coming three years, with an aim to cut our mobile combustion (part of Scope 1) and energy usage (Scope 2) emissions respectively in half by 2026, based on our 2022 levels. Bona's Sustainability Board is leading this initiative and identifying pathways to reduce emissions.

Mapping the indirect emissions throughout our value chain (Scope 3) is a momentous task. Important work is underway, where the Sustainability Board is currently collecting information on our climate impact both up and downstream. With this information, our intention is to set concrete targets that will help us reach carbon neutral by 2040.

KEY INITIATIVES DURING 2023

ADVANCES IN RECYCLED PLASTICS

Using recycled plastics in our packaging is an important measure to limit our climate impact. However, using recycled plastics is a complex task and it is crucial that our packages can safely store the contents of our products.

In 2023, Bona evolved our packaging in Sweden and the US to consist of 50 and 30 percent recycled plastics respectively. Our German operations, which already used a high proportion of recycled plastics in its packaging, averaged 56,6 percent at the end of the year.

PHASING-OUT CHEMICALS

We are actively phasing out chemicals considered unhealthy to people and the environment.

This process is occurring on a product-by-product basis, as the specific ingredients of our formulas must be carefully balanced to maintain function and quality.

During the year, we conducted extensive work to phase out PFAS from some of our products. For many of these products, ingredients have been changed to alternatives that do not contain PFAS. Our work will continue with the goal of completing the PFAS phase-out for all the products concerned.



BIOBASED INGREDIENTS

In May of 2023 Bona released new product solutions containing biobased ingredients and certified these products as USDA Certified Biobased. These products are made from renewable ingredients and reduce dependency on fossil-based raw materials and include Bona's All-Purpose Cleaners in Lavender White Tea and Lime Basil scents, which contain 99% biobased content, Bona Hardwood Floor Cleaner which containing 95% biobased content and Bona Hard Surface Floor Cleaner containing 92% biobased content.

SAFER CHOICE PARTNER OF THE YEAR

For the third consecutive year, Bona US was awarded the Safer Choice Partner of the Year award by the US Environmental Protection Agency. The award highlights our innovative work to introduce biobased and more sustainable ingredients in our products and recognises our efforts to help consumers gain access to products that are safer for human health and the environment.



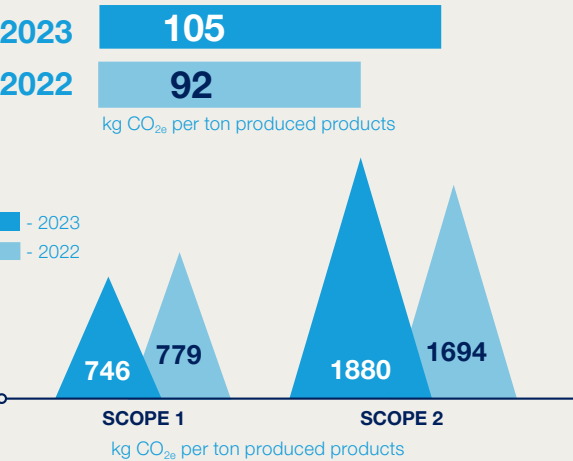
INCREASING RENEWABLE ENERGY

We continue to look for avenues to use renewable energy in our facilities. We produce our own solar power and geothermal heating and buy certificates for renewable energy. In Germany, 9 percent of total energy usage now comes from own solar power production, 36 percent from bought certificates of renewable electricity and 49 percent from bought certificates of biogas. We also successfully lowered our climate impact from electricity at our North American headquarters by starting to buy wind power certificates.

GREEN DEAL PARTNERSHIP IN THE NETHERLANDS

During 2023, Bona Netherlands became a partner to the Green Deal Healthcare initiative by the Dutch Ministry of Health, Wellbeing and Sport. By joining the partnership, we are offering our support in helping to make the Dutch healthcare sector more sustainable.

OUR PERFORMANCE DURING 2023



CLIMATE IMPACT

SUB-VISION TARGET: Carbon neutral by 2040.

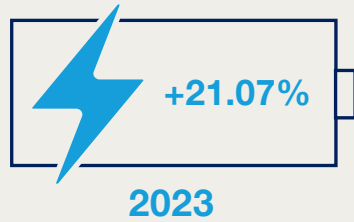
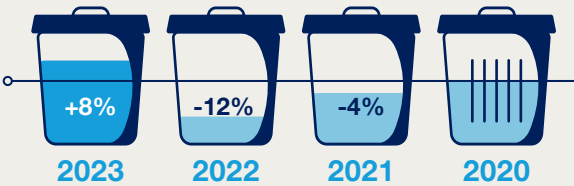
Bona's climate impact increased between 2022 and 2023 due to the opening of the new warehouse in the US (DC2) which had previously been managed by an external warehouse (Scope 3). Much work is ongoing to improve our climate impact. We are confident that we will improve these results in the coming years. See **page 29** for full explanation.

Figure 1. 2022 is the first year Bona measures Scope 1 and 2 climate impact from all producing sites, offices, and warehouses: Bona Group. Figures have been rounded. The figures for 2022 have been corrected and therefore differ from the reported values in last year's sustainability report.

REDUCE WASTE

GOAL FOR 2023: Reduce waste by 4 percent by 2023 in relation to levels from 2020.

Generated waste from 2020-2023 increased most likely linked to the start-up of new facilities. Bona is scrutinising this more closely to act and address issues. For more information see **page 26**.



REDUCE ENERGY CONSUMPTION

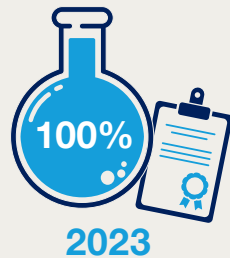
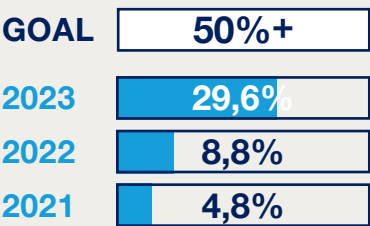
GOAL for 2023: Reduce energy consumption by 4 percent before the end of 2023 (compared to 2020).

This goal was not met and can be explained by reduced volumes, due to market changes and decreased construction. The effects of the new warehouses (DC2 in the US and Staffanstorp in Sweden) on energy consumption have been as expected. The two new warehouses accounted for just over 12% of the total energy consumption in 2023, which affected the percentage change in 2023 compared to 2020.

PLASTIC FOR PACKAGING

Goal for 2025: Reduce fossil-based virgin plastic in Bona's primary packaging material by more than 50% (compared to 2020).

Bona is over halfway to our goal of replacing fossil-based virgin plastic. In Sweden, we have introduced packaging with 50% recycled plastic, while in the US it is at 30%. The German operation already has a high proportion of recycled plastic in its packaging, with an average of 56.6% for 2023. The substitution work continues alongside an extensive project to find more efficient packaging with reduced climate impact. For more information see **page 26** for full explanation.



GREEN CHEMISTRY

GOAL: 100 percent risk-assessed on new raw materials.

Choosing chemicals with an improved environmental profile is crucial for the company. Great care is taken to evaluate all new chemicals and review existing raw materials regularly throughout the global operations. Bona is on track with the goal that 100% of new raw materials should undergo a risk assessment. For more information visit **page 26**.

HEALTH | Effective Governance

HEALTHY BUSINESS THROUGH INNOVATION AND LEADERSHIP

We believe that long-term profitability and success are the result of a sustainable and responsible business. At Bona, a 'healthy business' means that we apply an innovative and adaptive mindset to how we develop our products and the way we conduct business. It also means providing solid foundations and visionary leadership that guides Bona to meet future sustainability challenges.

By nurturing a healthy business, it allows us to maintain and grow our strong market position, supply our customers with premium solutions, provide work and stability for our employees, and support our business partners with the tools to grow their businesses. Detailed information on our sustainability governance may be found on **page 22**.

RESPONSIBLE GOVERNANCE

A healthy business also carries a responsibility for the social conditions and human rights within Bona and our supply chain. This sits at the core of Bona's approach to governance and is ingrained in the policies followed by our global organisation. Through responsible governance, we may ensure the sustainability of our operations uphold the trust from our many stakeholders and grow our financial strength that will allow us to continue to lead the sustainability transformation of our industry. Read more about our governance approach on **page 23**.

SUSTAINABILITY AS A STRATEGIC PRIORITY

A new Strategic Plan has been established for the years 2024-2026 consisting of 10 key targets areas. Signalling its importance, sustainability is its own stand-alone goal with a focus on striving to meet our vision and targets. For this, specific KPIs have been defined for our three strategic focus areas of HOME, HEALTH, and HUMANITY.

KEY INITIATIVES DURING 2023

ESTABLISHMENT OF THE SUSTAINABILITY BOARD

In 2023, Bona introduced its Sustainability Board with the explicit purpose to drive Bona's sustainable development. Led by the Global Sustainability Manager, the board will combine diverse competences and give strategic priority to new initiatives from the entire organisation.

TRAINING AND COMPETENCE DEVELOPMENT ON SUSTAINABILITY

During 2023, efforts were made to raise awareness and educate the i.e. General Management (GM) and Board of Directors of developments Bona is facing regarding the future of sustainability. In May, our GM undertook specific training related to ESG, sustainability communication, new reporting requirements (CSRD), and other relevant legislation related to sustainability coupled with discussions on how they might affect Bona.



DOUBLE MATERIALITY ANALYSIS PERFORMED

As a step to comply with the CSRD, a double materiality analysis was performed during the year. By identifying our most material financial, environmental and social impacts, risks, and opportunities the analysis clarifies our key focus areas and will guide how we will prioritise our efforts, initiatives, and reporting during the coming year.

MAPPING OF SUSTAINABLE INVESTMENTS

As we have embarked on an ambitious process to significantly reduce our Scope 1 and 2 emissions, various alternatives are being considered that may contribute to our goals. During the year, we have identified various investments options that will garner the greatest effects in

terms of reductions.

ONE BONA SP2026

Bona released its global, company-wide training, One Bona SP2026, to educate all employees on the strategic direction of the company. The training, which started as two digital education modules and ended with an in-person workplace gathering, covered Bona's ten strategic goals and related initiatives including how Bona will achieve these goals. Sustainability is one of the ten goals as a stand-alone focus.



AWARD FOR INNOVATION

Bona Germany was awarded the BSFZ Seal by the German Ministry for Education and Research for three of its innovative and groundbreaking R&D adhesive projects. The seal is awarded annually to companies performing innovative R&D work in various fields during the prior year. One of Bona's projects focused on a new silane curing technology that led to the development of the new and improved Bona Titan.

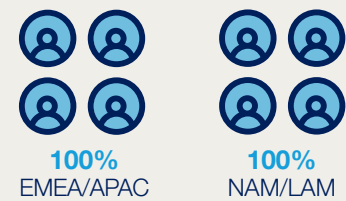


OUR PERFORMANCE DURING 2023

EMPLOYEE TRAINING IN CODE OF CONDUCT



GOAL	100%
2023	100%



GOAL: All employees shall undergo training in business ethics and anti-corruption every third year.

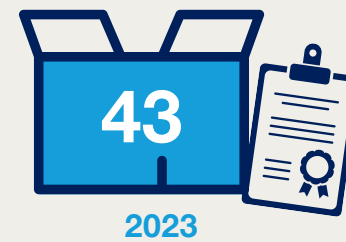
All new employees were introduced to Bona's Code of Conduct. The document is always available to all employees on the company Intranet site.

QUALITY CONTROL

GOAL: Costs related to problems with quality must not exceed 0.5 percent of sales.

GOAL	< 0.5%
2023	0.8%
2022	2.1%
2021	1%

In 2023, the costs for scrapping and complaints remained high but have been on a downward trend since 2022. For more information see [page 25](#).



EVALUATION OF SUPPLIERS

GOAL: Continuous evaluation of Bona suppliers.

In past years, supplier evaluations were not a core focus for Bona. In 2024 the company is building a new Global Supplier Evaluation process to better meet this goal.

HUMANITY

Social Responsibility

COMMITTED TO HUMANITY

As a global company, we touch the lives of a number of people in and outside our organisation. With this comes a great sense of responsibility to promote the well-being of not only our employees, but also the people working within our supply chain. Additionally, we look for ways to positively impact the areas in which we live.

Within the focus pillar of HUMANITY, we have set the overarching sub-vision of ensuring fair and equal opportunities for our employees and supply chain. Detailed information on our social responsibility may be found on **page 30**.

CARING FOR OUR EMPLOYEES

The dedication shown every day by our 700+ colleagues around the world ensures the momentum of our sustainability work and is a major driving force behind our vision to lead the sustainability transformation of our industry. It is therefore essential that we provide a safe, fair, and inspiring workplace where our employees may thrive and grow. Read more on **page 31**.

SHOWING CARE WITHIN OUR SUPPLY CHAIN

We depend on the strong relationships we share with our supplies. Through these relationships, we have an opportunity to influence the sustainable progress of our suppliers and a responsibility to promote the safe and fair conditions of people throughout our supply chain. Read more on **page 31**.

CARING FOR SOCIETY

Bona's most significant contribution to society is the creation of local job opportunities and generation of tax revenue. In addition to this, we are also involved in various community initiatives, charity projects, and scholarship awards.

KEY INITIATIVES DURING 2023

GROWING ORGANISATION

During 2023, our newly constructed distribution centre DC2 in Monroe, North Carolina (US) opened for business. This meant that 120 new employees were welcomed to Bona, representing a major expansion of our workforce. These new employees received training for their roles at DC2, among whom 83 employees were given specific training on Safety, Health & Environment (SHE) procedures. Management training was also provided to all DC2 leads, supervisors, and managers.

ELEVATING DIVERSITY

As the company expands, particularly in the US, Bona's workforce is larger and more diverse. With input from our employees, we are planning to roll-out specific trainings on diversity, equity, and inclusion in 2024, coupled with the launch of a new Diversity, Inclusion, and Equity Policy.

FOCUSING ON EMPLOYEE HEALTH

Our work to improve physical and mental health continued in 2023. At most of our locations, wellness exams are carried out by a nurse or physician and vaccines are offered on site. Depending on location and type of work, flexible workdays are offered to help maintain a healthy work-life balance. To promote mental health awareness among our employees, information is distributed regularly via our internal channels and virtual mental health counselling is now widely being offered.



WHISTLEBLOWER FUNCTION

To ensure that our strict ethical business demands are upheld, Bona's Whistle-blower Reporting Tool allows employees, suppliers and partners to provide insight or report any potential issues. In 2023 Bona moved its whistleblower function to the external website and made it available to our entire value chain.

WEFOREST

Bona continued its partnership with WeForest, an international nonprofit that specialises in restoration projects. WeForest conserves and restores the ecological integrity of forests and landscapes and engages communities to implement lasting solutions.

Specifically, Bona supports WeForest's Brazil project along the Tietê river where it is collaborating to restore the forest on the edges of the river and its tributaries with native species. Since partnering with WeForest Bona's support has restored 9.74 ha (almost 10,000 square meters) by growing an estimated 19,480 trees.



SUPPORTING LOCAL FOOD BANKS

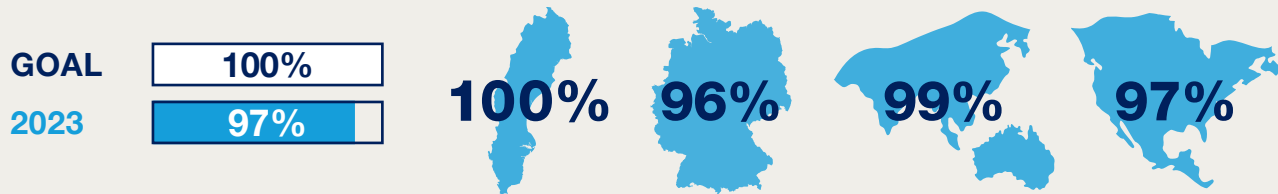
During 2023, we raised more than \$8,571 in funds for local food banks in Denver and Charlotte in the US. For every \$1 donated, the local food banks provide 3 meals to deserving families. With this calculation Bona's donations provided 25,713 meals.



**25,713
MEALS**

OUR PERFORMANCE DURING 2023

ANNUAL DEVELOPMENT REVIEWS



GOAL: All employees shall have an annual development discussion.

In 2023, annual development discussions rated as follows:

- 100 percent in Sweden
- 96 percent in Germany
- 99 percent in Rest of EMEA + APAC
- 97 percent in North America

Results entirely as expected. Variation is explained, among other things, by employees on sick leave. Numbers may differ slightly from Statutory Report which accounts for number of reviews averaged by employee count not accounting for employees hired in December who are not eligible for a review until the following month.

CONFLICT-RELATED INCIDENTS



GOAL: Zero conflict-related incidents.

The increase in the number of reported incidents is partly explained by the company's efforts to raise awareness and knowledge of Bona's whistleblower policy, as well as increased accessibility to report suspected cases of Code of Conduct violations. The number of employees within Bona's North and South American operations also increased by 45 percent, contributing to the rise in reported incidents. For details and more information see **page 31**.

WORK-RELATED ACCIDENTS



GOAL: Zero work-related accidents.

In 2023, 24 work-related accidents were reported:

- 3 in Sweden
- 12 in Germany
- 0 in Rest of EMEA + APAC
- 9 in US

The increase in the number of work-related accidents in Sweden is due to unsafe navigation within the facilities, which has highlighted the importance of safety procedures and regulations. In Germany, it mainly concerns minor falls and handling of goods, with all incidents being addressed through quarterly safety discussions with managers, safety specialists, and company doctors. Work accidents in the US decreased compared to the previous year, despite an increase in the number of employees by 31%.

SECTION II

Statutory Sustainability Report 2023
regarding fiscal year 2023.

STATUTORY SUSTAINABILITY REPORT

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GOVERNANCE

BONA'S SUSTAINABILITY ORGANISATION

Bona’s board has the overall responsibility for the company’s sustainability work. Supervision of the sustainability work takes place within the framework of Bona’s regular organization and management. The CEO, together with the executive management, is responsible for implementing strategies, goals, measurements, and follow-ups.

The executive management develops the strategic plan based on the company’s long-term goals where sustainability issues are a crucial part. In addition to the CEO, the executive management consists of representatives from sales, product management, research and development, HR, finance & IT, marketing and communications, strategic development, and production & procurement. The executive management meets monthly. Work and progress are reported to Bona’s board four times a year by the CEO.

Bona has a global sustainability manager who reports to Bona’s CEO. The global sustainability manager is also co-opted to the executive management, and sustainability issues are presented there by either the global sustainability manager, the CEO, or the group’s CFO. Additionally, Bona has a sustainability board that coordinates Bona’s sustainability work and is led by Bona’s global sustainability manager. The sustainability board has several expert committees that address specific areas. Decisions are made in the sustainability board and expert groups, which are then implemented in Bona’s operations.

Bona collects sustainability data and KPIs from across the business and uses a network of data reporters in all of Bona’s organizational parts for this purpose. Supporting the network are Bona’s global environmental department and global sustainability manager. By 2024, the number of data points and KPIs is expected to increase significantly in line with CSRD and ESRS requirements. The sustainability organization has initiated the development work and will collaborate with the entire organisation in 2024 to meet the need.

Work is reported monthly to the sustainability board and then to the management group and board. A key task for the sustainability council is to ensure that sustainability work is conducted in accordance with Bona’s strategy and policies.

GUIDING PRINCIPLES FOR BONA

Three key documents establish the overarching guiding principles for how Bona conducts its operations, which are reviewed, evaluated, and approved annually by the board. The documents are mandatory and apply to all of Bona’s global subsidiaries and employees.

- Bona’s Code of Conduct
- Bona’s Rules and Regulations
- Bona’s Global Group Policies

The Code of Conduct is based on the ten principles of the UN Global Compact, the core conventions of the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises. All Bona employees, at all levels and in all markets, are always expected to adhere to the Code of Conduct. The Code of Conduct encapsulates the group’s values and guidelines regarding business ethics and behaviour, working environment, environmental aspects, respect among all employees, whistleblower function, as well as zero tolerance for harassment and discrimination. The Code of Conduct also serves as the foundation for relationships with suppliers, distributors, and business partners. No significant updates were made during the latest review of the Code of Conduct.

Bona’s Global Group Policies are a collection of policy documents that govern the various operational and sustainability-related aspects of the group. The documents are regularly reviewed and updated as needed. Specific owners have been appointed for each policy, responsible for managing the content and ensuring compliance. The global policies of the Bona group are listed below

Global Group Policy Document	Policy Owner	Updates
Corporate Communication	SVP Global Marketing & Communications	Unchanged
Data Integrity	Bona Group Data Protection Officer	Unchanged
Gifts and Representation	CFO and SVP Finance & IT	Unchanged
Company Cars	SVP Human Resources	Unchanged
Innovation	SVP Research & Development	Unchanged
IT	CFO and SVP Finance & IT	Minor Update
Chemicals	Global Environmental Manager	Unchanged
Pricing	SVP Professional and Retail Business Unit	Unchanged
Recruitment	SVP Human Resources	Minor Update

GOVERNANCE

Global Group Policy Document	Policy Owner	Updates
Safety, Health and Environment (SHE-policy)	COO	Unchanged
Procurement	COO	New policy
Social Media	SVP Global Marketing & Communications	Unchanged
Media Relations	SVP Global Marketing & Communications	Unchanged
Sustainability	CEO	Unchanged
Business Travel	SVP Human Resources	Unchanged
Whistleblowing	SVP Human Resources	Unchanged
Work Environment	SVP Human Resources	Unchanged

BONA'S BUSINESS MODEL

Bona’s business model can be broadly classified into **Inputs**, **Approaches**, **Offerings**, and **Value Creation**.

Inputs

Bona’s innovative work through in-house research and development allows for a high level of control over raw materials. This contributes to continuously more sustainable solutions and a premium product in terms of quality and performance. Some of Bona’s raw materials are energy-intensive to produce. Therefore, Bona chooses to invest in its own energy production and increase the share of purchased renewable energy. Water quality is crucial for Bona as it is a key component in many of Bona’s products, leading to high demands on water management.

Approaches

A significant portion of Bona’s production, warehousing, and distribution is done in-house, giving Bona control over resources and the ability to set and drive towards its own sustainability goals. Sustainability aspects are highly prioritised; proximity to production units and customers; efficient transport and energy solutions, and good working conditions.

Offerings

Bona’s system of solutions means a complete range of products, services, and support offered globally. Systems and products are developed to be of the highest quality and security. An important part of the offer is the training and certification of Bonas craftsmen, as well as available and reliable support and service.

Value Creation

Bonas’ long-term value creation is not limited to installation or extending the life of floors through renovation and proper maintenance. In addition, Bona benefits various stakeholders, for example, through collaborations with the business world and the academic community, with industry organizations and authorities in several countries. Furthermore, Bona aims to be an attractive workplace where dedicated employees have ample opportunities to develop.

ANTI-CORRUPTION AND ETHICS

Bona has zero tolerance towards all forms of bribery and corruption. Clear guidelines are established in several group-wide policy documents, specifically Bonas Code of Conduct, Pricing Policy, Procurement Policy, Gift and Hospitality Policy, Business Travel Policy, and Whistleblower Policy.

Cases where the risk of corruption is particularly prominent include business trips, customer and seller events, and supplier gifts. Bona works to reduce risks through communication of policy documents, staff introduction, and approval processes.

Suppliers are regularly evaluated by Bona’s quality and procurement departments. The process involves multiple steps to increase the chances of early detection of potential risks. By selecting suppliers located in low-risk areas, the risk of corruption or violations of human rights is reduced. If a supplier is assessed as a potential risk, Bona’s staff conducts on-site audits.

Bona monitors its work related to the area of anti-corruption through metrics such as the number of whistleblower cases and the number of corruption incidents. Additionally, they track the percentage of employees who have undergone training in Bona’s code of conduct.

GOVERNANCE

RISK MANAGEMENT

In this report, Bona presents its most significant governance-related, environmental, and social risks under each section. In 2023, a double materiality analysis was conducted with the help of an external actor, which included risk identification. The results of the analysis will be processed in 2024 and will form the basis for the further development of Bona’s sustainability strategy and work. Risks are also identified through employee surveys. Furthermore, the responsibility for identifying and managing risks locally lies with Bona’s production facilities as part of their work based on relevant ISO standard.

RISK MANAGEMENT: GOVERNANCE

Bona has identified the most significant governance-related risks based on probability and impact. The risks are shown in the table below, and for each identified risk, Bona describes its management. Risk management is carried out continuously in Bona’s daily operations, with the aim of minimizing probability and impact.

Identified significant risks	How Bona manages risks
Unethical business behaviour, including practices such as bribery or corruption.	All staff are informed of Bona’s code of conduct upon employment.
Non-compliance with laws and regulations.	- Monitoring of laws and regulations through news channels, subscription services for regulations, and through consultants. - Processes to check compliance with relevant laws and regulations before launching new products or in new markets.
Increased vulnerability to price increases due to dependence on electricity and gas heating.	Own solar panels, geothermal heating, and battery solutions in multiple locations.
Increased legal requirements for sustainability reporting and value chain control: increased costs to achieve compliance in time.	Creating and adjusting governance model for sustainability work, with more management focus.

DETAILED INFORMATION: GOVERNANCE

Newly hired employees introduced to Bona’s Code of Conduct	2023	2022	2021
EMEA/APAC, percent	100	100	100
NAM/LAM, percent	100	100	100

Continuous evaluation of Bona’s suppliers (rolling three years)	2023	2022	2021
Supplier evaluations	43	78	128

To meet future requirements, Bona intends to increase the number of supplier evaluations and therefore plans to establish a new global supplier evaluation function in 2024.

GOVERNANCE

DETAILED INFORMATION: GOVERNANCE *cont.*

Costs related to quality issues should not exceed 0.5% of sales	2023	2022	2021
Quality costs as a percentage of sales costs, percent	0,8	2,1	1

In 2023, the costs for scrapping and complaints remained high but have been on a downward trend since 2022. The 2022 result also reflects reservations for complaint costs in 2023. The cost of complaints was 16.2 million Swedish Krona, of which the majority (75%) was attributable to the North American market.

Increase sales of Bona Dust Containment System	2023	2022	2021
Systems sold in the last 10 years	9048	8974	8490
Changes compared to the previous ten-year period, percent	+0,8	+5,7	+12,5
Changes in the sales of high-performance systems compared to the previous ten-year period, percent	+1,1	+3,6	N/A
Changes in systems sold compared to previous years, percent	-22,4	-8,9	+11,6
Changes in the sales of high-performance systems compared to previous years, percent	+8,5	+4,1	-1,9

The changes in systems sold are largely due to an economic downturn and reduced investment interest. The 22.4% decrease is largely attributable to the decline in sales of a specific system in the North American market, as well as products being phased out.

No conflicts (including whistleblower cases)	2023	2022	2021
Reported incidents	11	3	1

The increase in the number of reported incidents is partly explained by the company’s efforts to raise awareness and knowledge of Bona’s whistleblower policy, as well as increased accessibility to report suspected cases of Code of Conduct violations. The number of employees within Bona’s North and South American operations also increased by 45 percent, contributing to the rise in reported incidents. Reported incidents included discrimination, conflicts of interest, unprofessional behaviour, and incorrect time reporting. All incidents underwent thorough investigation followed by appropriate actions such as training, staff meetings, disciplinary measures, and termination of employment.

In 2024, Bona continues to conduct internal training for all of the company’s employees on the Code of Conduct and anti-corruption. The Code of Conduct is an integral part of the onboarding process for new hires and the training of new managers who are also trained in personnel management and maintaining Bona’s group-wide policy documents.

ENVIRONMENT

Bona conducts active and structured environmental work which is managed overall by the group, with goals and plans implemented locally by various facilities within the group. The work is based on both the group's common policy documents and international standards, which are implemented locally based on relevance and needs.

MANAGEMENT OF ENVIRONMENTAL WORK

Bona's environmental work is based on the group's Sustainability Policy; Safety, Health, and Environment Policy (SHE policy); Chemical Policy, and Bona's code of conduct.

The systematic work on quality and the environment is based on and monitored by ISO certifications. The certifications ensure a systematic approach to environmental management and provide a framework for identifying, monitoring, managing, and improving Bona's environmental performance while minimizing energy consumption-related impacts. All of Bona's production facilities are certified according to ISO 14001 (environmental management system). Some facilities are also certified according to other ISO standards specific to their operations.

- **Bona Sweden, Malmö (Sweden):** ISO 14001 (since 2001), ISO 9001 (since 2016), ISO 45001 (since 2020)
- **Bona GmbH, Limburg (Germany):** ISO 14001 (2001), ISO 9001 (2015), ISO 50001 (2016), ISO 45001 (2023)
- **Bona USA, Monroe, North Carolina (USA):** ISO 14001 (2016), ISO 9001 (2019)
- **Bona USA, Pueblo Colorado (USA):** ISO 14001 (2016)

Questions related to chemical use are managed centrally within the group, where a global phase-out list of specific chemicals is established.

Bona organizes the management of its environmental impact according to a structure consisting of seven expert teams, each with its specific goals. The expert teams consist of staff with targeted expertise from the entire organization. The seven expert teams are Communication (internal and external); Raw Materials; Packaging; Production; Transport, Warehousing, and Procurement; Climate Investment and Measurements; Partnerships (including suppliers and production). The expert teams work cross-functionally to mobilize different skills and insights and create new initiatives in pursuit of their assigned goals.

The expert teams propose actions to the Sustainability Board, composed of parts of the group management complemented by other internal sustainability stakeholders. Approved goals are added to Bona's strategic activities as sustainability goals and complemented with appropriate key performance indicators.

RISK MANAGEMENT: ENVIRONMENT

Bona has identified the most significant risks related to the environment, listed in the table below. For each identified risk, Bona describes how the specific risk is managed.

Bona has identified climate change as a risk of particular importance for the business in the future. Regarding climate change, the expert teams work to reduce the group's climate impact in the areas of raw materials, production facilities and offices, packaging, and logistics. Raw material supply and usage have also been identified as a risk area, where Bona is working on various improvement measures focusing on the risk of future raw material supply constraints.

Identified significant risks	How Bona manages risks
Excessive use of the earth's resources and the use of virgin fossil plastic materials.	• Bona participates in research projects aiming to develop renewable raw materials. • Ongoing goals and activities to replace fossil-based plastics in our packaging with renewable and/or recycled plastics.
Hazardous chemicals in raw materials and products with a possible negative impact on the environment and occupational health and safety.	• Closed production systems where required and specific continuity plans for each production unit. • Chemical risk assessments on a semi-annual basis.

ENVIRONMENT

Identified significant risks	How Bona manages risks
Production-related accidents	Closed production systems where required and specific continuity plans for each production unit.
Emissions of greenhouse gases from fossil fuels during Bona's transportation.	• In the U.S., membership in 'SmartWay' prioritizes more efficient transportation where possible. • Ongoing work towards more efficient transport solutions globally and opting for rail transport where feasible.
Greenhouse gas emissions from the value chain	Dialogues with our main material suppliers and discussions with our main transport providers.
Pollution of our environment, both locally and globally.	Product labelling and safety data sheets. Collaboration with local authorities and fire services.
Availability of renewable energy	Own solar panels, geothermal heating and battery solutions at several sites.
Increased exposure to climate impacts, such as storms, floods, and heatwaves.	Work on long-term sustainability risk management has developed in 2023 and will be further developed in 2024.

DETAILED INFORMATION: ENVIRONMENT

Reduce energy consumption by 4% before the end of 2023 (compared to 2020)	2023	2022 ¹	2021	2020
Ratio (kWh/tonne of products produced) 17 facilities: reported energy consumption for all years 2020 – 2023	424	401	391	390
Changes compared to 2020, percentage	+8,54	+2,88	+0,23	-
Ratio (kWh/tonne of products produced) All facilities reporting energy consumption each year	497	421	412	410
Changes compared to 2020, percentage	+21,07	+2,59	+0,26	-
Number of reporting facilities	28	26	28	28

1) The figures for 2022 have been corrected and therefore differ from the reported values in last year's sustainability report.

The changes from the previous year are explained by reduced volumes, due to market changes and decreased construction. The effects of the new warehouses (DC2 in the USA and Staffanstorp in Sweden) on energy consumption have been as expected.

The two new warehouses accounted for just over 12% of the total energy consumption in 2023, which affected the percentage change in 2023 compared to 2020.

ENVIRONMENT

DETAILED INFORMATION: ENVIRONMENT *cont.*

Reduce waste by 4% before the end of 2023 (compared to 2020)	2023	2022 ¹	2021 ¹	2020 ¹
Ratio (kg of waste/tonnes of products produced) 11 facilities: reported waste for all years 2020 – 2023	33	37	40	46
Changes compared to 2020, percentage	-28	-21	-14	-
Ratio (kg of waste/tonne of products produced) All facilities reporting waste each year	80	66	72	75
Changes compared to 2020, percentage	+8	-12	-4	-
Number of reporting facilities	17	17	19	19

1) The figures for 2022, 2021, 2020 have been adjusted and therefore differ from the reported values in last year's sustainability report.

When reviewing the generated waste from 2020 to 2023, we note an increase across our global operations. The reason for this increase is not fully understood yet, but it is most likely linked to the start-up of new facilities. We can compare data from the 11 facilities with a complete history to data from all our facilities. This is an area we will scrutinise more closely and take action to address any issues.

Chemicals with an improved profile (in terms of safety, health, and the environment)	2023	2022	2021
Risk-assessed new raw materials, percent Goal: 100 %	100	100	100
Completed internal reviews of relevant existing raw materials			
Sweden (SE)	2 out of 2: 100%	2 out of 2: 100%	2 out of 2: 100%
Germany (DE)	2 out of 2: 100%	2 out of 2: 100%	1 out of 1: 100%
North America (U.S.)	2 out of 2: 100%	2 out of 2: 100%	1 out of 1: 100%
Completed phase-out activities, percent Goal: >= 80 % of planned activities	4 out of 11: 36%	0 out of 4: 0%	1 out of 4: 25%

Choosing chemicals with an improved environmental profile is crucial for the company. Great care is taken to evaluate all new chemicals and review existing raw materials regularly throughout the global operations. Bona is on track with the goal that 100% of new raw materials should undergo a risk assessment.

The target for the number of completed reviews was achieved during the year. Regarding North America and Germany, the goal for these facilities changed between 2021 and 2022 from 1 to 2, which is now the global standard.

A challenge in the phase-out work has been that it is more time-consuming than expected, where the difficulty lies in both finding alternatives and ensuring product quality. Several phase-out projects are ongoing, but a phase-out is only counted once it is completed. Ongoing projects will continue until they reach the goal. Bona continually updates its phase-out list and monitors developments worldwide regarding new information on chemicals related to the company's operations. If necessary, new chemicals are added to the list, initiating a phase-out project.

Reduce fossil-based virgin plastic in Bona's primary packaging material by more than 50% before the end of 2025 (compared to 2020)	2023	2022	2021
Replaced share of fossil-based virgin plastic, percent (compared to 2020)	29,6	8,85	4,8

The increase in the share of replaced fossil-based virgin plastic is due to Bona widely starting to substitute packaging based on new plastic with packaging made with recycled plastic. In Sweden, we have introduced packaging with 50% recycled plastic, while in the US it is at 30%. The German operation already has a high proportion of recycled plastic in its packaging, with an average of 56.6% for 2023. The substitution work continues alongside an extensive project to find more efficient packaging with reduced climate impact.

ENVIRONMENT

DETAILED INFORMATION: ENVIRONMENT *cont.*

Climate impact Bona Group ¹	2023: incl. DC2	2023: excl DC2	2022 ² : excl. DC2
Scope 1 , tonnes of CO _{2e} : Target: Emissions from mobile combustion <= 352 tonnes of CO _{2e} by the end of 2026	746	745	779
Scope 2 , ton CO _{2e} : Target: Emissions from energy use <= 838 tonnes of CO _{2e} by the end of 2026	1880	1487	1694
Scope 1 and 2, tonnes of CO _{2e}	2626	2232	2473
Scope 1 and 2, kg CO _{2e} per tonne of products produced	105	89	92

1) Figures have been rounded..
2) The figures for 2022 have been corrected and therefore differ from the reported values in last year's sustainability report.

It is not entirely unexpected that our climate impact increased between 2022 and 2023. The main reason for the increase is our new warehouse in the USA (DC2). This warehousing was previously managed by an external warehouse (scope 3). The main impact from this warehouse is now on scope 2. Looking at the numbers and excluding the new warehouse, we see a slight decrease in both scope 1 and 2. One factor that has reduced our scope 2 is the transition to wind power as the electricity source for our US headquarters. Much work is ongoing to improve our climate impact. We are confident that we will improve these results in the coming years.

SOCIAL

As a global company, Bona respects human rights and complies with all relevant laws and regulations in the countries where the group operates. Bona strives to counteract and limit risks for its employees; ensure fair and decent working conditions; promote diversity, inclusion, and equality; and maintain fair wage setting.

PERSONNEL

Bona's global group policy document and Bona's code of conduct clarify the behaviour and responsibilities expected of the group's employees. The code of conduct describes Bona's view on the workplace, human rights, and how all employees should conduct business, read more on **page 22**. The work related to the 'Personnel' area is also governed by specific policy documents for Safety, Health and Environment (SHE policy); Working environment; Recruitment; Corporate communication; Whistleblowing, as well as local employee handbooks. For information on responsible parties, evaluations, and policy updates, **see page 22**.

Working conditions

Through the Occupational Health and Safety policy, Bona seeks to create a fair and equal workplace. The policy document is applied globally and is used as a framework for establishing local country-specific guidelines for each facility.

All new employees undergo an induction programme that includes an overall job description and a review of Bona's code of conduct and global group policy document. Development discussions between employees and their immediate manager are held annually, where employees are also given the opportunity to discuss competence development.

Pay is based on the difficulty of the work, level of responsibility, market value, and the individual's performance, commitment, and competence.

Diversity, inclusion, and equality

As stated in the code of conduct, Bona welcomes diversity and the strengths that an international workforce brings, which are crucial to the group's continued innovative strength and ability to grow and remain relevant. This is an important part of the group's working environment policy. Employees are encouraged to work on cross-border and cross-functional projects, enabling the exchange of creative ideas and new perspectives. Currently, several functions and projects within the company are cross-functional.

Education and Development

Bona actively works to attract, retain, and develop its employees to meet the demands of a rapidly changing industry. This is ensured through continuous competence development and various support systems. Through the strategic learning and communication platform 'One Bona', available on the e-learning platform Bona Training Camp, the group creates conditions for its international workforce to act as one company and communicate with one voice despite geographical distances. The platform enables knowledge sharing and adjustment of efforts according to Bona's strategy, using interactive education and workplace meetings.

Secure and Healthy Working Environment

The SHE policy states that safety, health, and environmental aspects should always take priority in all Bona processes. Each individual is responsible for following instructions and procedures defined by Bona and reporting on risks, which is ensured through appropriate information and training. Bona's work on safety, health, and the environment should be planned, controlled, and continuously monitored to find and implement possible improvements. Depending on the function, parts of Bona's organization are certified according to relevant ISO standards regarding quality and working environment, specifically ISO 9001 (quality management) and ISO 45001 (occupational health and safety management). Compliance with ISO is audited by internal and external auditors.

Potential workplace risks are identified as workplace accidents, stress, work-related health problems. Bona collaborates with authorities in its preventive work to ensure preparedness for possible accidents and to minimize and limit any impact. As a starting point, Bona complies with relevant laws, regulations, permits, and other conditions from authorities in the countries where the group operates. However, Bona's goal is to establish a higher standard for improvements within the framework of a healthy operation. Risks are managed in various ways, such as safety and health meetings, campaigns for a healthy workplace, programs to promote well-being, and training on inclusion, diversity, and anti-discrimination. In different parts of the organization, employees are allowed to work elsewhere to support the balance between work and private life, if the employee's tasks allow for this.

Measurements related to the 'Personnel' area vary depending on the specific national context. Bona conducts many evaluations and programs, both globally and locally, to measure and monitor its work and identify potential risks and areas for improvement. Depending on the country where the operation is located and national legislation, measurements are made on the number of employees, gender, age, nationality, workplace accidents, sick leave, and other types of absence. The group as a whole also measures conducted development discussions, both internal and external training hours, and health-promoting activities.

SOCIAL

DETAILED INFORMATION: PERSONNEL

All employees shall get an annual development dialogue

	2023	2022	2021
Percentage of employees who have had a development dialogue			
Sweden, %	100	84	100
Germany, %	96	87	93
Rest of EMEA + APAC, %	99	100	N/A
North America, %	93	95	100

Results entirely as expected. Variation is explained, among other things, by employees on sick leave.

Zero work-related accidents

	2023	2022	2021
Sweden	3	1	2
Germany	12	3	6
Rest of EMEA + APAC	0	N/A	N/A
North America	9	10	6

The increase in the number of work-related accidents in Sweden is due to unsafe navigation within the facilities, which has highlighted the importance of safety procedures and regulations. In Germany, it mainly concerns minor falls and handling of goods, with all incidents being addressed through quarterly safety discussions with managers, safety specialists, and company doctors. Work accidents in the US decreased compared to the previous year, despite an increase in the number of employees by 31%.

SOCIAL ISSUES AND HUMAN RIGHTS

Good working conditions throughout the value chain are a key issue for Bona. All business partners have the opportunity to report via the whistleblowing system on Bona's website. In order to further strengthen control and transparency within the value chain, work was underway in 2023 to establish a specific code of conduct for business partners. In addition, the development of a due diligence policy, including human rights, was also ongoing in line with the expected EU directive CSDDD (Corporate Sustainability Due Diligence Directive).

WORKING CONDITIONS WITHIN THE SUPPLY CHAIN

Bona collaborates with a selected number of suppliers where long-term relationships are prioritised, historically enabling a close dialogue on social issues such as working environment and conditions. Despite this, some limited transparency exists among suppliers in certain markets. All Bona suppliers are expected to ensure their employees have a safe workplace, where human rights are upheld and respected. In cases where there is a risk that a supplier does not meet Bona's requirements, regular physical visits are conducted with internal staff, where suspected or potential irregularities and direct violations of Bona's guidelines are reported according to the organizational chart (next manager) to the COO and further to the management team.

Close collaboration with suppliers enhances Bona's ability to encourage the implementation of a structured quality and environmental management system and to drive towards reduced negative impacts on safety, health, and the environment. An important part of this is that Bona primarily uses ISO-certified suppliers, such as ISO 45001, or suppliers with similar processes in place.

SOCIAL

CONSUMER AND PRODUCT SAFETY

Bona actively works to ensure that the company’s products are safe for users. However, some products contain chemicals that may pose a health risk to varying degrees if used incorrectly. To address this, Bona actively provides users with necessary information and offers specific training and education in safe handling to all craftsmen. In addition to complying with current legislation, Bona also acts proactively by, whenever possible, phasing out chemicals deemed harmful to health.

RISK MANAGEMENT: SOCIAL

Bona has identified the most significant social risks based on probability and impact. The risks are shown in the table below, and for each identified risk, Bona describes its management. Risk management is carried out continuously in Bona’s daily operations, with the aim of minimizing probability and impact.

Bona takes seriously the potential impact of its products and processes on safety, health, and the environment. The SHE policy specifies that these issues should always be prioritised within the business and in the group’s product development. Bona’s innovation policy also states that sustainability should be a priority in the development of new products.

Identified significant risks	How Bona manages risks
Health risks for Bona’s personnel during the production process, such as exposure to dust and toxic chemicals.	- Safety training for production staff. - Closed production systems and specific continuity plans for each production unit. - Rules and training in the use of protective equipment. - Internal systems for reporting on risks, incidents, and improvement suggestions. - Chemical risk assessments.
Incorrect handling of products, including health and environmental risks.	- Bona certifications with training for professional craftsmen through the Bona Certified Craftsman Program (BCCP). - Online training materials available via the Bona Training Camp (Fuse) platform and through 22 training centres in 17 countries, with ongoing training in connection with meetings. - Product labelling and safety data sheets.
Risk regarding employer branding related to the market competitiveness of salaries and level of career development opportunities.	- Bona Group’s HR policy with guidelines for recruitment, salary discussions, and equal treatment applies to all organization units. - Local salary surveys are conducted to develop and update salary ranges and structures and to maintain competitiveness in the job market. - Development opportunities are offered to all employees when relevant. - All vacant positions are announced within the organization, and eligible employees are encouraged to discuss the opportunities with their immediate managers and apply when relevant.

SOCIAL

Identified significant risks	How Bona manages risks
Discrimination or harassment in the workplace.	- All employees are trained in Bona’s Code of Conduct, which includes Bona’s values as well as guidelines and stance against discrimination and harassment. - A direct hotline for whistleblowers and systems are established for reporting all serious incidents in collaboration with an external third party. - All reported cases are handled according to established procedures.
Risk of mismatch between Bona’s values and employees’ values.	- All employees are informed about Bona’s Code of Conduct upon employment. - Internal systems are established for reporting risks, incidents, and improvement suggestions.
High staff turnover in the USA, risking decreased productivity and higher recruitment costs.	The majority of the high staff turnover is correlated with the opening of the new distribution centre in Monroe, USA. This turnover should decrease as the initial operational issues with the distribution centre stabilize. Until then, the following efforts are made to reduce risks: - Focused recruitment procedures. - Increased number of training programmes for managers and employees. - Establishing multiple levels within the same position to enable rapid career development opportunities and for more senior employees to train new recruits.
Delayed compliance with newly introduced human rights legislation, resulting in a negative brand perception.	A governance model for sustainability work with increased management focus has been established.



This is a literal translation of the Swedish original report.

AUDITOR’S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Bona AB, corporate identity number 556017-6488

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 on pages 1-14* and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR’s auditing standard RevR 12. The auditor’s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

Malmö, 14 March 2024
PricewaterhouseCoopers AB

Eric Salander
Authorised Public Accountant
Auditor in charge

My Lidén
Authorised Public Accountant

*For this document, this refers to pages 21-33.

