SUSTAINABILITY REPORT

2021

BOLON

Contents

About Bolon

We are passionate. The ones that follow our hearts. The ones that never stand still.
We are dreamers and doers. Humble and confident. We are all over the world. And always down to earth.
We believe in creating new dimensions. By challenging traditional boundaries.

Designing great experiences is our game. And we always play to win. That's why we deliver beautiful woven design with an ambition to make the everyday more attractive. We are Bolon and we are innovators at heart.

55
COUNTRIES

93
EMPLOYEES

313
TURNOVER
(Millions of SEK)

People walk on our floors every day, in countries all over the world. As much as 95% of our products are exported and we are present in 55 markets globally. In 2021, our largest markets were the US, Sweden, Germany, France and Italy. Last year, we had a turnover of almost 313 million SEK. Like previous years, this further strengthened our position as a leading, global design brand that produces innovative, high-quality flooring.

A word from our CEO

At Bolon, we have always dared to go our own way. This is something we are very proud of. Every generation of our company has played an important part and succeeded in putting its own innovative mark on all areas of the business.

It makes me proud that we are still driven by a curious, entrepreneurial spirit. And that we continue to let sustainable innovation and development lead us in how we manufacture our floors and conduct our business. For me, it's crucial that our sustainability work is driven by the highest level of our company.

For 20 years, we have gradually reduced the environmental impact of our floors. In 2021, we launched bold climate and circularity goals, which we call our promise. The purpose is to make everything we do more sustainable. Our promise is to halve our climate impact and have at least 50% recycled material in all our floors by 2028. Setting this goal will help us move towards achieving our vision of offering supreme products that are part of a circular material flow, and which are safe for humans and nature with zero climate impact.

When it comes to sustainability, we are pleased with and proud of the progress we have made so far. But at the same time, we realize that there is still a lot to be done to minimize our climate footprint. To achieve our sustainability goals as fast as possible we have increased our resources and started up several different projects. I am convinced that with our knowledge and experience, combined with the drive and innovative spirit that has characterized Bolon from the very start, we will reach our sustainability goals and fulfill our promise.

We want everyone who walks on one of our design floors to know that the inside is just as beautiful as the outside. You will never find any hazardous substances in our products. Instead, you will find quality, care for the environment and a high degree of recycled material, which ensures a low climate impact.

Marie Eklund
CEO, Bolon

SUMMARY

CIRCULARITY

We have had our own integrated recycling facility since 2014.

All our floors contain recycled material.

An average of 26% recycled material is used.

62% more recycled material was used in 2021 compared with 2018.

During four pilot studies in 2020, 2,100 m^2 of used floor was recycled – this was then used to make new floors.

Since 2020, we have used post-consumer materials in our floors.

SUMMARY

CLIMATE

Our production is

100%

carbon neutral

We use

100%

renewable energy
in all production

79%

of our floors are fossil-free

Recovery of 2,100 m^2 of
flooring saved

8,300

kg CO_2

SUMMARY

ENVIRONMENT AND HEALTH

All floors

are free of hazardous substances.

are free of phthalates.

are free of heavy metals.

meet the toughest requirements regarding emissions during use.

All

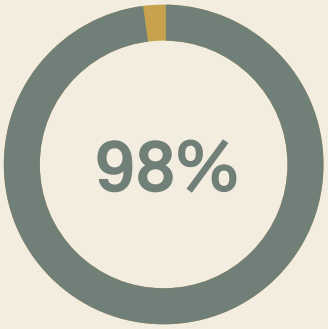
water cooling in production takes place in a closed system with 0% water consumption.

PVC in our floors is eco-labelled.

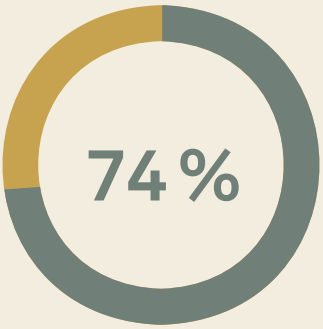
SUMMARY

SUPPLY CHAIN

100% of our floors are manufactured in Sweden.



98% of all raw materials come from the EU.



74% of our materials come from Swedish suppliers – within 250 km from our factory.

100% of our suppliers have an environmental policy and 90% have a social policy (code of conduct).

SUMMARY

SOCIAL SUSTAINABILITY

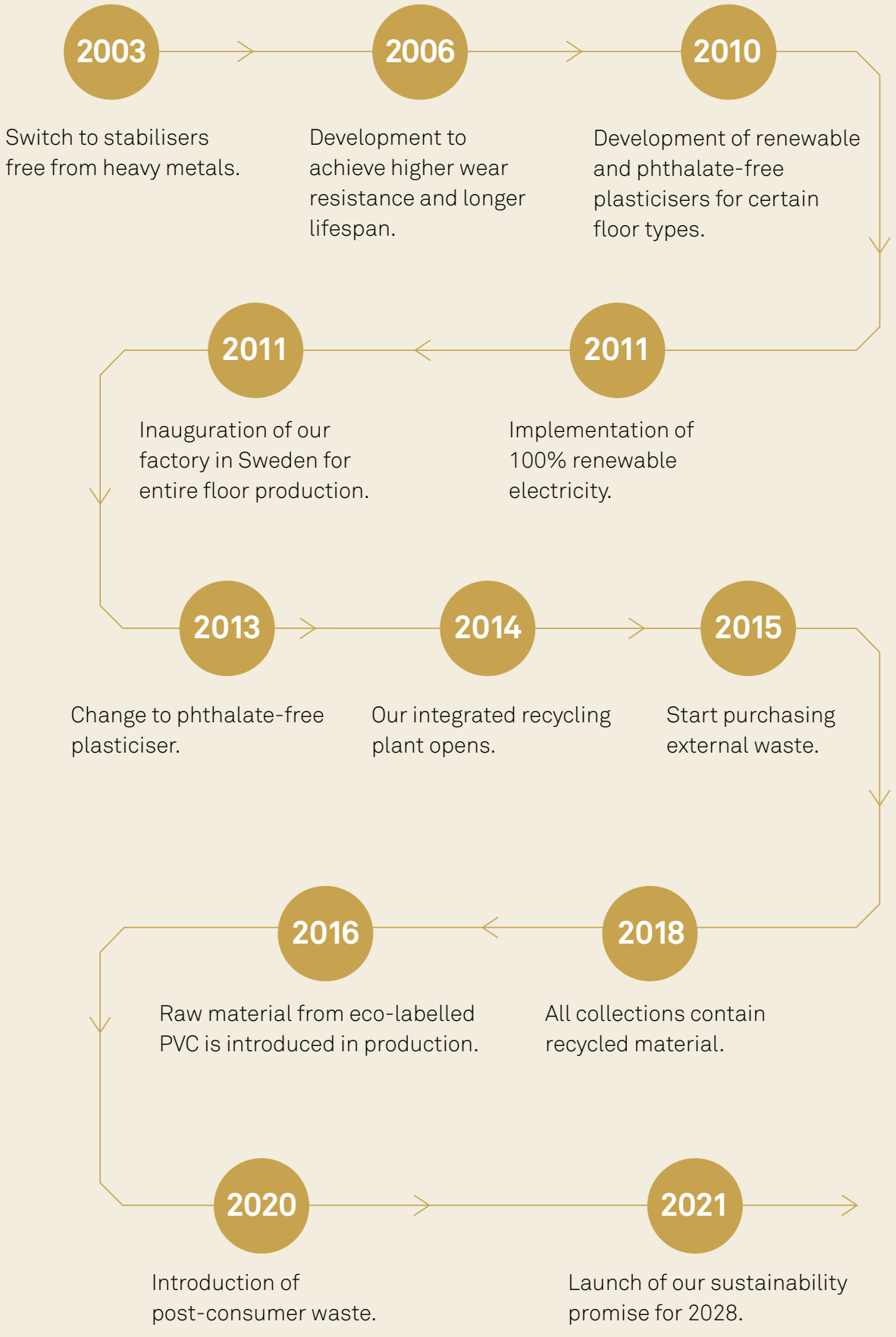
Healthcare and other social benefits are included for all Bolon employees.

All employees can organize in a union – without any restrictions.

Everyone who works with us is covered by a collective agreement.

We are an equal opportunities company – today, 42% of our employees are women and 50% of managers are women.

OUR SUSTAINABILITY JOURNEY



Our promise

In 2021, we established a new vision for all future sustainability work. Based on this vision, we set new goals. To achieve these goals, we will work with the following three focus areas: circularity, climate and chemicals.

To offer supreme products that are part of circular material flows and which are safe for humans and nature with zero climate impact.

Based on our vision, we have formulated the following measurable promise: By 2028, all our floors will be 50% circular and we will halve the climate impact of our flooring.

Today, our floors are free from hazardous substances and have very low emission levels over the course of their entire lifetime. This is better for people and the environment – and it's not something we are going to change as we continue developing new flooring solutions.

For the first time in our company's history, we have set proactive and operational sustainability goals. These goals will be integrated into all business areas – from research & development and purchasing to production and sales – and will become a natural part of our working day. We will not only have one special "green collection" – instead, all of our floors will have the same environmental performance.

We are also expanding what parts of the value chain to include: from the current focus on raw materials and how they are used to also include what happens to our floors that have reached end-of-life. This will make a significant contribution to the development of our sustainability work.

To control and steer our future sustainability work in the right direction, we have also set key figures that are followed up annually.

We have received clear signals from many markets that both the climate and circular thinking are important to our customers. We see great potential to strengthen our position in the market – while reducing the environmental impact of our floors.

Towards circularity

The goal with “50% circular” floors is to design floors that contain recycled material and where after use the materials in our floors can be recycled into new products.

This means the end of linear material flows where everything that is manufactured and used eventually becomes waste. Manufacturing floors that are 50% circular will halve the resulting waste in society and lead to a significantly better use of resources.

To achieve this, we will focus on two areas:

1. The use of recycled raw materials in the manufacturing of our floors.

For the last eight years, we have used pre-consumer waste when manufacturing new floors. There is a lot more we can do here. We will put more effort into finding both waste and recycled raw material that can be used in our floors. The goal is to find, test and drive new material flows into our floors. As our business expands, more recycled materials will be required to increase the content of recycled material in the floors we sell in all markets.

2. What happens after a floor is sold.

When a floor is installed, waste is left over from installation. Then, when the floor itself reaches end-of-life, it also becomes waste that is either incinerated or put into landfill. We strive to recycle the materials in our used floors and then use them again in new products.

To succeed in this, we are looking at the possibility of retrieving and reusing used floors in our production, as well as obtaining recycled raw materials through collaborations with recycling companies. Everything to stop used floor materials going to waste and to help them live on as part of our circular floor manufacturing.

Our climate promise

The goal of halving our climate footprint means that all carbon dioxide emissions from our floors – from raw materials to end-of-life – will be reduced by 50% compared with the base year 2018. This is independent of our growth. The 2015 UN Paris Agreement states that the entire world will reach net zero emissions by 2050. To succeed in this, we all need to halve emissions by 2030. We intend to be a pioneer in this respect.
To achieve this, we will focus on two main areas:

1. Our raw materials.

Most of our climate impact comes from raw materials. Therefore, we are now intensifying our efforts to find raw materials with a lower climate footprint and to increase the proportion of recycled raw materials in our production.

2. After delivery.

A significant part of our climate footprint also comes from the delivery of our floors from our factory in Ulricehamn, Sweden. To achieve our climate goals, we must also consider what happens once our floors leave our factory. First and foremost, it is a matter of ensuring that materials from end-of-life floors are retrieved, taken care of and transformed into new resources, which is in line with our goal of a circular economy.

Our target is set for 2028

Depending on which way you look at it, seven years is both a long and a short time. It is long enough to show that we are serious and think long-term. But it's a relatively short time in which to successfully develop, design and implement something new.

Seven years can also be too short to properly study and analyse a new part of our business, i.e. what happens once a product with more than a 10-year lifespan has been delivered. It takes a long time to see the results that come from making use of end-of-life floors.

We have allocated resources and will focus, gather knowledge, and develop processes to gradually realise our sustainability goals.

Leadership and corporate governance

We have set up a quality control system to ensure that our sustainability work is properly implemented and develops in the right direction. This system consists of three parts:

1. POLICY
VISION AND STRATEGY

2. GOVERNANCE

3. DOCUMENTATION

Our policy is based on completed risk analyses relating to business opportunities within sustainability. The policy consists of vision, scope and goals for sustainability work.

Governance describes how all parts of our company can drive our sustainability work and ensure that it is carried out successfully.

Documentation takes place at all levels – from steering group protocols to individual data collected.

OUR SUSTAINABILITY MANAGEMENT

Steering group for sustainability
This group consists of the highest-ranking employees in our company: the CEO, Chairman of the Board, owner and Head of Sustainability. The steering group meets once a quarter to evaluate and make decisions that ensure quality and drive our sustainability work forward. All work is based on the vision and strategy outlined in our sustainability policy.

Sustainability department
This department is responsible for analysing, organising and conducting environmental work within our operations. The sustainability department follows set goals each month and ensures the documentation of important data and key figures. Everything is documented in the company's system and reported regularly to the management team. This department is also responsible for following-up with suppliers regarding sustainability requirements and mapping of risks in the supply chain.

Manufacturing
Our production must meet local authority requirements. We have quality managers in manufacturing who are also responsible for ensuring that these requirements are met and that all materials are handled correctly. All environmental data from our production is reported in the sustainability department's system.

Product compliance
Our products are subject to regulatory requirements as well as requirements that we have imposed on ourselves through different certificates and declarations. When it comes to product compliance, we have appointed a certification expert and a steering group for the development and follow-up of different certificates.

Sales and marketing
Based on facts and information provided by the sustainability department we create credible marketing communication, which often references standards and reliable sources. Prior to product launches where sustainability is included in the communication, all marketing material is reviewed by the sustainability manager.

MEASURABLE GOALS

By 2028, our products will be 50% circular and we will halve the climate impact of our flooring. We have divided these goals into several sub-goals and activities. The outcome of these environmental initiatives is presented annually. For all our efforts to bear fruit, we carefully describe, document and follow-up everything we do, so that everyone can follow our sustainability journey and all sub-goals can be analysed and evaluated.

2028

50%
CIRCULAR

50%
CLIMATE IMPACT

Climate

Today, the climate issue is at the top of the sustainability agenda. At the 2015 UN climate summit in Paris, world leaders decided to achieve net zero emissions of greenhouse gases by 2050. For this goal to become reality, we need to be halfway there by as early as 2030. At Bolon, our ambitions are higher than that. In fact, we want to halve climate emissions throughout our value chain by as early as 2028 – and achieve zero emissions long before 2050.

The climate impact from our floors comes mainly from the materials they are made of – both in the form of raw materials and waste that comes from installation and after end-of-life. A total of 63% of our climate impact comes from raw materials. If we then add waste from installation and after end-of-life, no less than 80% of our climate footprint is directly related to materials. 4% of our climate impact comes from maintaining installed floors in the form of cleaning. To reduce this, we try to make our floors as easy to maintain as possible. We are also actively working to reduce transport, which today accounts for 8% of our climate impact. As our production is powered by renewable electricity, it is carbon neutral and does not contribute to any climate footprint at all. 37% of our climate impact occurs after our floors have left our factory.

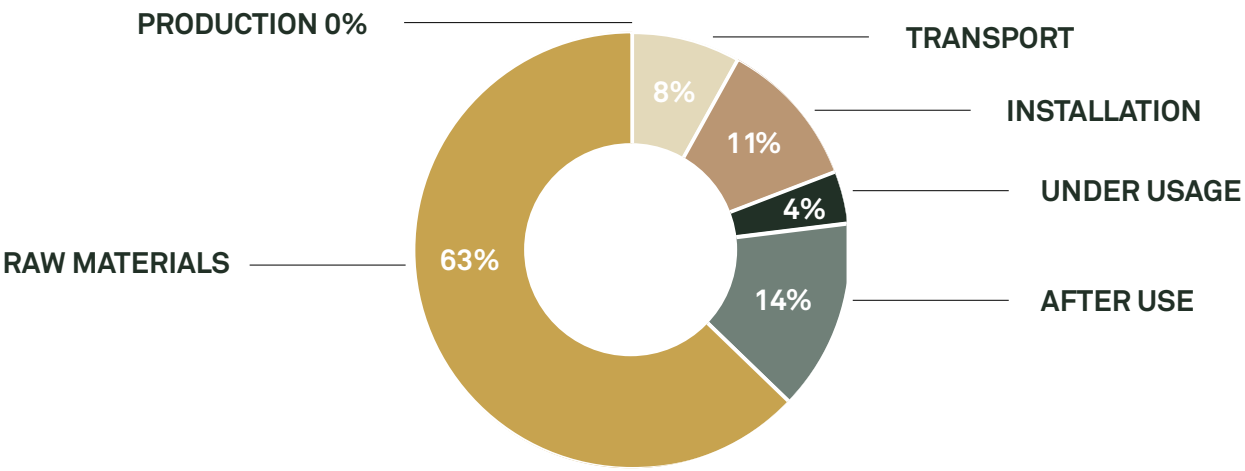


Fig. 1: Climate footprint of entire value chain for our floors.

OUR CLIMATE FOOTPRINT

More and more markets want to know the climate footprint created by our floors. The climate footprint is calculated through Environmental Product Declarations (EPD) certified by a third-party. These standardized and certified declarations determine the environmental impact of a product throughout the value chain. We produced our first EPDs as early as 2016. These EPDs were updated for all our floors as recently as October 2021.

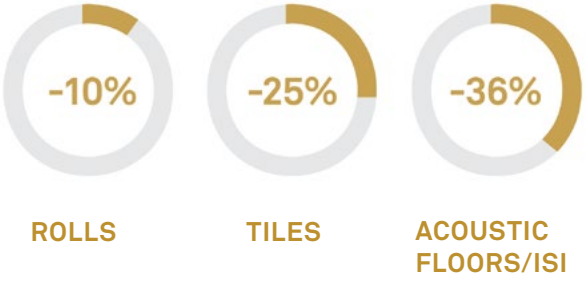


Fig. 2. Reduced climate footprint EPD 2021 compared with EPD 2016. Note: refers to parts A1-A3 in an EPD.

A comparison between EPDs from 2016 and 2021 shows that we have reduced our climate impact per square metre for all floor types. The biggest difference is found in our acoustic product, which has been improved by as much as 36% thanks to a new design. This reduced climate footprint for all products is largely due to the fact that we have increased the content of recycled materials used in the bottom layer of our floors.

To make reasonable comparisons between different products and materials, information from the first step in an EPD is often used – this step includes raw materials and production. This is the measurement markets are asking for as it is part of the climate impact that is built into a building. This is also something that the Swedish National Board of Housing, Building and Planning has decided to introduce in the next few years.

What determines the climate footprint of our floors is their weight. So, we divide the climate footprint into rolls, tiles and acoustic floors. Our other collections where the floors do not have standard dimensions are also sorted into these three main categories.

Fig. 3. Climate footprint of our floors in kg CO_2 per square metre. Note: Refers to raw material for delivery according to A1-A3 in an EPD.

RECYCLING VS. CLIMATE IMPACT

There is a strong link between recycled materials and climate impact. With every kilo of recycled material, we can reduce our climate impact by up to 2 kilos of carbon dioxide. With this in mind, we have set our sights on increased recycling in our production to further reduce our climate impact.

OUR CLIMATE JOURNEY

2011

100% renewable energy in all production.

2018

Recycled material in all collections.

2021

More recycled materials used than ever before.

OUR EMISSIONS OVER TIME

We have chosen to index our climate emissions. We have chosen 2018 as a base year with the goal of halving emissions by 2028. This gives us the opportunity to make different comparisons. In the graph below, there is also a turnover index based on 2018. Here, you can see how our climate footprint has changed throughout the entire value chain every year.

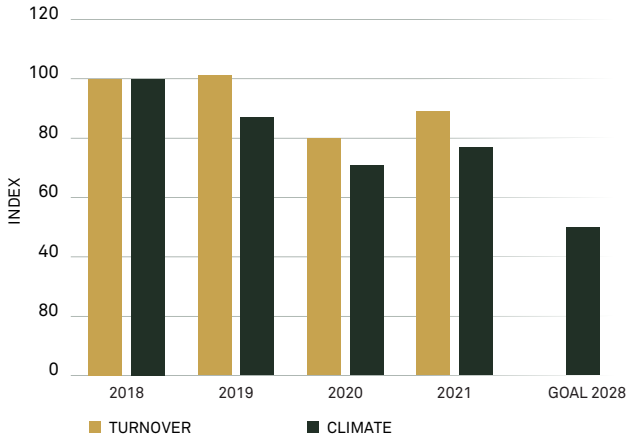


Fig. 4. Climate index vs turnover index

The figures speak for themselves. Our efforts to increase the proportion of recycled material used in all our collections have contributed to reducing our climate footprint during the period 2018 to 2019 – while at the same time sales have increased. 2020 shows a clear decline in sales due to Covid-19, which also affects the climate index. This means that our climate impact will increase in 2021 compared with 2020. But overall, our climate footprint has decreased by 23% between 2018 and 2021.

Our goal is to halve our absolute emissions based on the figures for 2018. This means that we will go from 10,460 tonnes of carbon dioxide to 5,230 tonnes by 2028. This is completely independent of our growth.

We have chosen to compare our climate impact with our turnover. This gives us the opportunity to see how we can continue increasing sales while reducing our climate footprint. This is represented in kilos of carbon dioxide per Swedish krona of turnover.

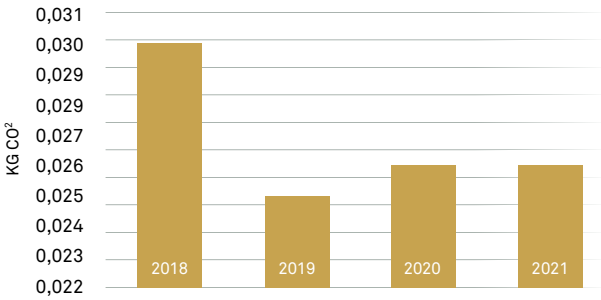


Fig. 5. Turnover in SEK per kg CO_2

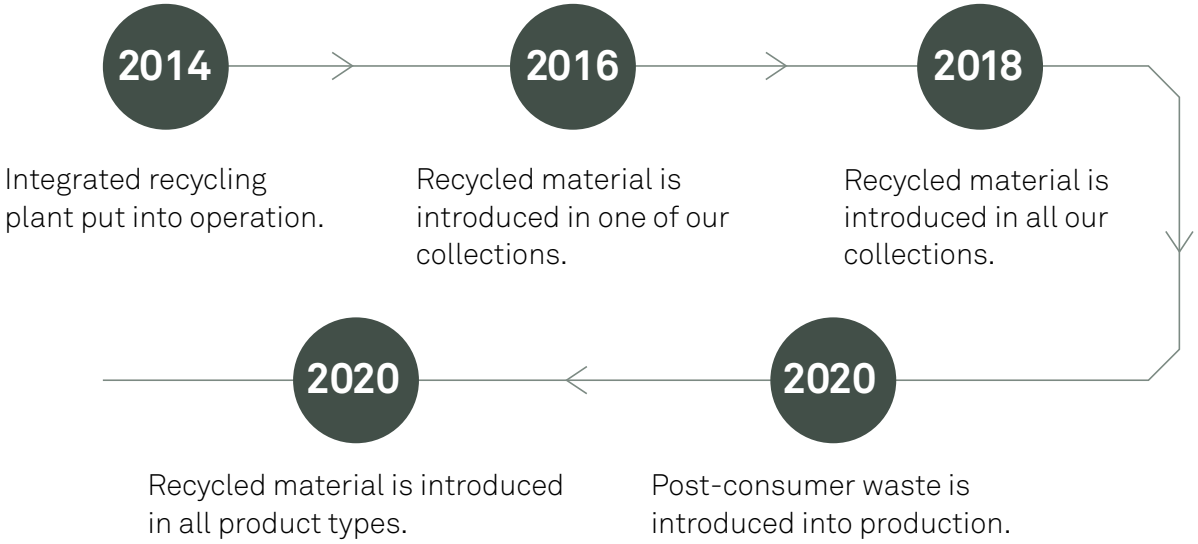
Viewed from an economic perspective based on the amount of carbon dioxide emissions per Swedish krona of turnover, we can see a clear decline between 2018 and 2019. This is compared with 2020 – 2021, which shows almost the same values as 2019. Emissions decreased by 16% during the entire period. When we summed up 2021, the final figure was 0.026 kilos of carbon dioxide per Swedish krona of turnover.

Circularity

There is a growing interest in the circular economy and circular flows. There is a clear link between material flows and climate impact. It is basically a matter of moving from linear material flows, which always lead to large amounts of waste, towards circular flows and zero waste – where used floor materials are retrieved, taken care of and become new resources. We began strategically investing in circular flooring as early as 2014, by building our own recycling plant directly connected to our factory.

Circular floors enable us to continually review our material flows and carefully study where the materials come from – whether they are virgin materials or recycled raw materials. In 2021, we purchased a total of 3,900 tonnes of raw materials to manufacture floors for our customers. It is worth noting that since 2016 we have mixed used materials and recycled floor materials in our production.

OUR JOURNEY TOWARDS CIRCULARITY



We have now successfully achieved an important sub-goal by including recycled material in all our products and collections. We have deliberately chosen not to offer separate “green floors” – instead, all our collections will meet the same high environmental standards. The volumes of recycled material are steadily increasing, as are the environmental benefits to which our business contributes. We see this as something unique. Whatever floors our customers choose, they can feel reassured that they have made a good environmental choice.

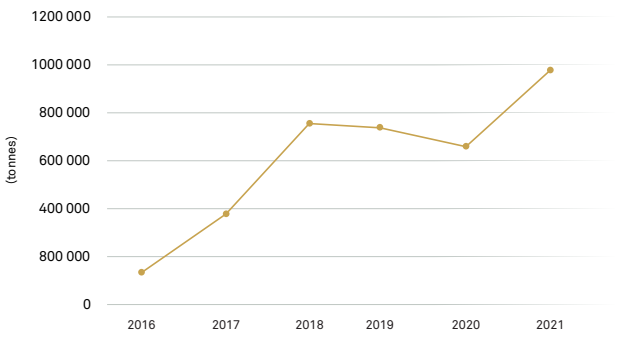


Fig. 6. Use of recycled material in tonnes per year.

In 2021, we reached up to 980 tonnes of recycled material in production – an almost sevenfold increase in five years. To reach our target for 2028 we must continue increasing our use of recycled raw materials, which need to replace the virgin raw materials we use today. The increase in returned raw materials must occur through purchasing. Our own processed waste, which today accounts for a third of the recycled material in our production, is expected to decrease. We need to purchase recycled raw materials to maintain a continued increase in the proportion of recycled materials and to pave the way for an increase in our total floor production.

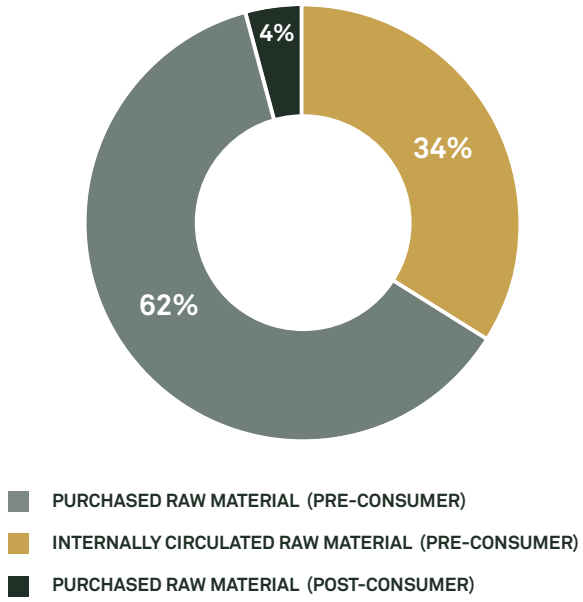


Fig. 7. Proportion of recycled material.

The chart above shows how the flows of recycled raw material are distributed for 2021. 62% is purchased recycled raw material that would otherwise have been incinerated or gone to landfill. The proportion of post-consumer waste amounts to 4%, while internal waste processed in our own recycling facility accounts for 34% of the total recycled material.

The reporting of figures and the definitions of post- and pre-consumer waste are in accordance with ISO standard 14021.

To show how much recycled material we use in relation to the total amount of raw materials, we have created a circulation index. From 2018 to 2021, our index has gone from 15 to 25. The goal is to reach an index of 50 by 2028. The circulation index is also related to a turnover index, which in the base year 2018 equals 100.

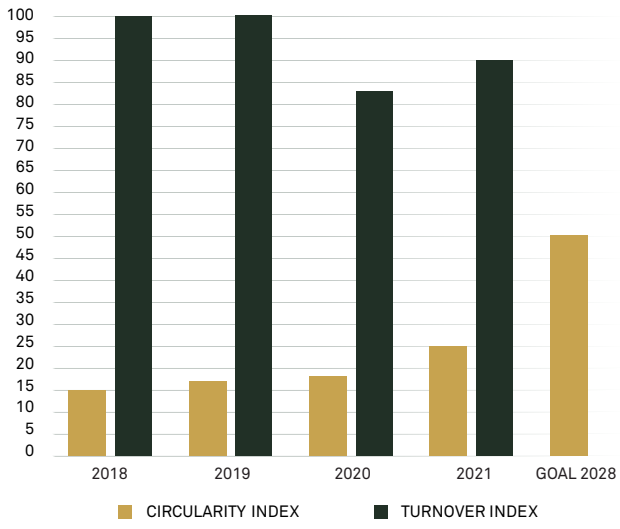


Fig. 8. Circularity index vs turnover index.

In 2021, the circularity index shows a positive development. This is because the amount of recycled material used in our floors has steadily increased.

Our goal for 2028 is for the circularity index to reach 50, while the turnover index will continue to rise according to the sales targets set. The fact that 25% of our materials currently consist of recycled raw material shows that we have come a long way and are heading in the right direction towards circular manufacturing.

The proportion of recycled material in floors sold has risen steadily. We also see a clear trend in the transition from our previous acoustic product, ISI, to acoustic flooring. We had originally set a goal of increasing the proportion of recycled materials in our products by 10% between 2018 and 2020. We have far exceeded this – in fact, the increase was as much as 62%. This achievement is down to our acoustic floors. Here, we have gone from 0% to 30% as well as introducing a mixture of 12% post-consumer waste from old PET bottles.

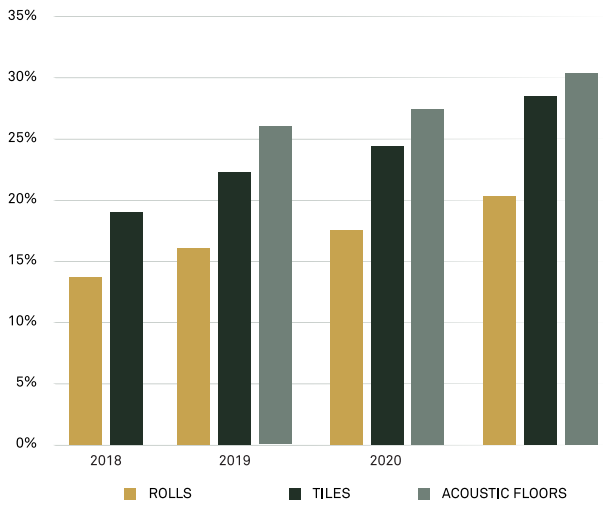
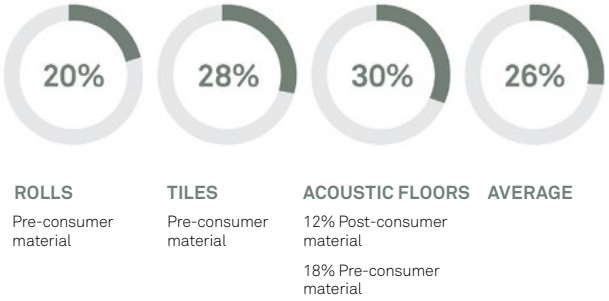


Fig. 9. Proportion of recycled material in our floors 2018 – 2021.



ROLLS
Pre-consumer material

TILES
Pre-consumer material

ACOUSTIC FLOORS
12% Post-consumer material
18% Pre-consumer material

AVERAGE

Fig. 10. Our recycling figures 2021.
Note: All according to ISO 14021.

In 2021, the use of recycled materials has increased in all our product types. Tiles, which are heavier than rolls, received a higher proportion of recycled content. Acoustic floors, which contain a layer of felt from recycled PET bottles, received the highest recyclable value. Thanks to an average annual increase of 3%, our products now have an average of 26% recycled material. A result that means that we are halfway towards our 2028 circular goal.

The difference between the material index and the proportion of recycled material in our floors is that the material index is based on all material flows throughout our factory, while recycled material is shown per square meter – regardless of how many different floor types we sell. The latter figure is the most relevant for our customers while the index reflects our total circularity.

During 2020, we conducted four pilot studies to explore how we can retrieve and recycle our end-of-life floors in the best possible way in the future. We are fully convinced that the demand is there, while this is also something that can help us meet our sustainability goals.

On two previous occasions, we retrieved a total of 2,100 square metres of flooring. This was transformed into new raw materials for new floors in our integrated recycling plant – with no material losses along the way. We have also successfully tested lifting a floor and laying it in a new environment. We have even taken back extremely old, glued-down floors to learn how to clean them. A climate calculation showed that, after transport was deducted, a total saving of 8,300 kilos of carbon dioxide was made.

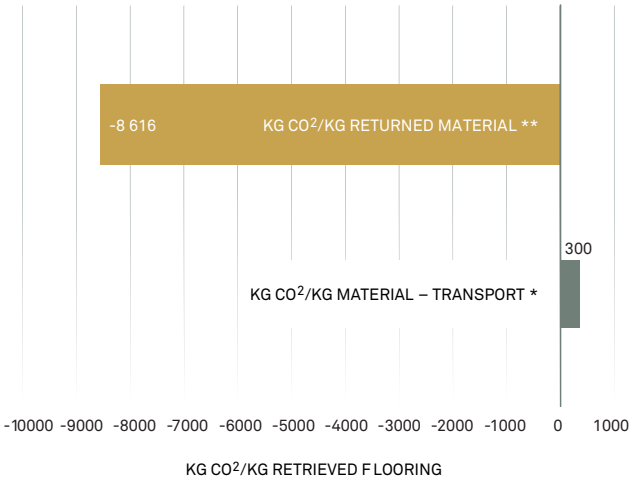


Fig. 11. Pilot study of climate benefits from retrieved floors.
** Climate calculator via freight forwarder*
*** CO_2 calculations for returned material based on EPD (BOL-20160285-CBC1-EN) module A1-A3.*

Our ambition with these pilot studies was to see how an installed floor could be retrieved, transported and handled in our recycling facility. The pilot studies were a success. We documented the experience as well as different data. This now forms the basis for future development that will see us retrieve floors on a larger scale.

As the diagram opposite shows, the climate impact of transport is very small compared with the climate benefits of recycling our floors.

Thanks to our strategic recycling plant, we can easily carry out pilot studies as we have the technology and resources to grind down and reuse old floors in our production.

MATERIAL

Our floors consist of three parts. PVC plastic holds the entire floor together and creates the weave and design we are known for. Fillers are used to create the weight, stability and volume we want. And last but not least, various additives are added to give our floors the right properties and look.

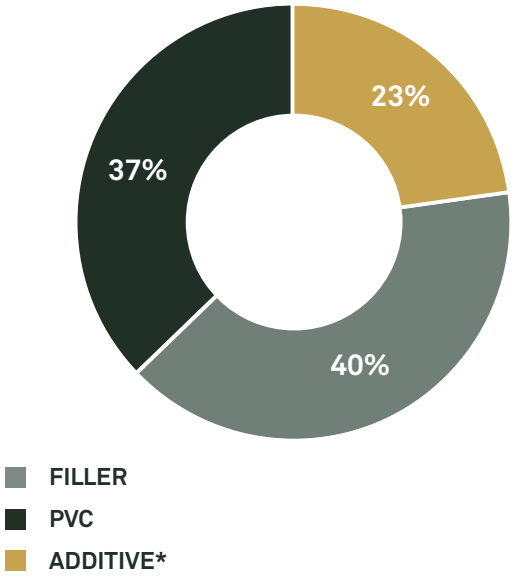


Fig. 12. Proportion of materials.
** Additives include PES wire and fibreglass.*

No fewer than 79% of our floors are fossil-free. This means that if a floor is incinerated for energy recovery after use, it only contributes to 21% carbon dioxide emissions. Most of our floors come from chalk. There is a large surplus of chalk around the world, which forms the basis of concrete production. Polymer PVC, which is composed of 57% ordinary salt, is the second largest component. The additives we use consist of a total of 56% non-fossil material.

The concept of fossil-free comes from energy production, where oil, coal and gas are examples of fossil raw materials. When it comes to our definition of fossil-free, we define it as the proportion of our floors that does not originate from new oil, coal or gas.

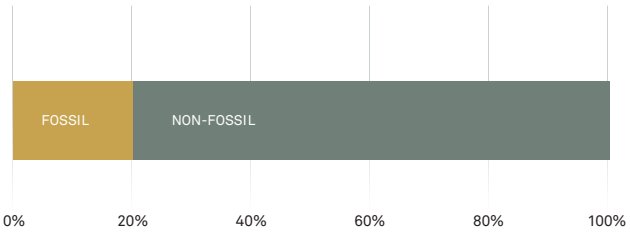


Fig. 13. Fossil content.
Note: Non-fossil means both recycled material and virgin non-fossil.

WASTE

Our floor production generates by-products that we try to take care of in the following order:

1. Our own recycling process
2. External material recycling
3. External energy recovery
4. Waste to landfill

99.8% of our production waste is disposed of through material recycling or energy recovery. Only 0.2% goes to landfill.

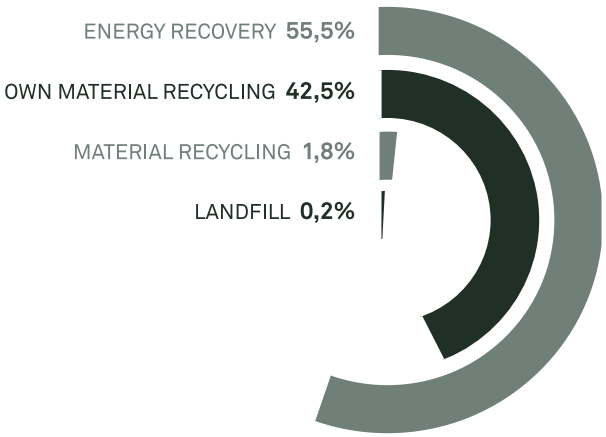


Fig. 14. Production-related waste.

Over the past four years, the proportion of purchased material that has become waste at landfill has decreased – from an already very low level – to only 0.03% in 2021.

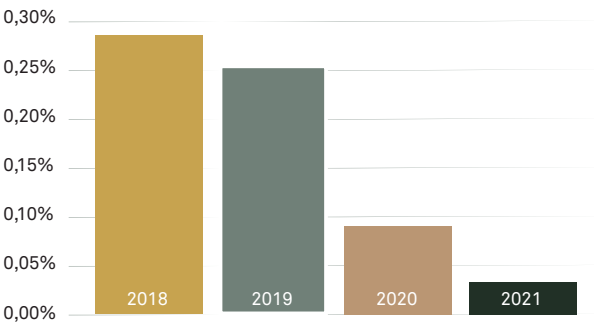


Fig. 15. Proportion of waste to landfill of total material used.

Environment and health

Reducing emissions and preventing the spreading of hazardous substances is important to health, nature and to create circularity. We have focused on environmentally hazardous substances in our sustainability work for a long time now. 20 years ago, we removed all heavy metals that were then commonly used as stabilizers in plastic. Our floors have been completely phthalate-free since 2014. Completely non-toxic floors are essential if we are to create a circular economy where old floors become new resources. For our customers, it is also important to know that emissions from our floors are very low.

In our work within environment and health, we handle the chemicals that are used as additives to create the right properties and look in our floors as well as the emissions from our factory and the emissions that occur during the time our floors are in use.

Our long-term goal is to manufacture floors that have no negative impact on humans and the environment. So, we constantly strive to use additives that are not labelled with risk phrases. We also want to be able to offer floors with very low emissions throughout their lifespan.

COMPONENT	SPECIFICATION	WEIGHT%
Plasticiser	Mesamoll® (Alkylsulfonic acid phenyl ester)	2,5–10%
Plasticiser	DOTP	2,5–10%
Stabiliser	Calcium/Zinc	<1–2,5%
Stabiliser	Soybean oil	<1%
Pigment	Various	<1%
Reinforcement	Fibreglass	1–2,5%
Reinforcement	Polyester thread	1–2,5%
Felt back*	Polyester felt	10–25%

Fig. 16. Our additives.
**Only in acoustic flooring.*

Additives are extremely important during the production process and for ensuring product quality. Plasticisers such as Mesamol® and DOTP belong to the largest group of additives used instead of phthalates. Calcium / zinc and soybean oil are currently used as plastic stabilisers. To give our floors stability and other important properties, fibreglass, polyester thread and polyester felt are added.

OUR JOURNEY TOWARDS HARMLESS ADDITIVES

2003 | **PHASING OUT LEAD AS A STABILISER**

2013 | **PHASING OUT PHTHALATES AS PLASTICISERS**

As well meeting the EU's strict requirements and continually meeting the requirements of REACH, our products are registered in the Swedish BASTA system (www.basta.se). The fact that we are part of this system shows that our work is moving in the right direction regarding the phasing out of substances with dangerous properties. BASTA goes further than current legislation and covers both chemical products and goods.

EMISSIONS DURING USE

We test our floors for emissions that can occur during their entire lifetime according to international standards. To be able to live up to the different systems and requirements that exist in different markets we use several different certifications when it comes to emissions and health. We meet the strictest requirements, i.e. less than 0.5 milligrams / m3 air for volatile hydrocarbons (TVOC). This means that our floors can be used in all conceivable environments.

CERTIFICATION	REGION/COUNTRY	DESCRIPTION
Floor score	International	Strict requirements for low emissions. Gives points in LEED, BREAM, WELL.
French VOC	France/ International	Mandatory French emissions certificate. Awards rankings in different levels. Bolon has A+ which is the best ranking.
Green TAG PHD	Australia/ International	Focus on chemicals and health.
M1	Finland/ International	Tough requirements for low emissions in end products.
NAAF	Norway	Tough membership certificate from the Norwegian Asthma and Allergy Association.

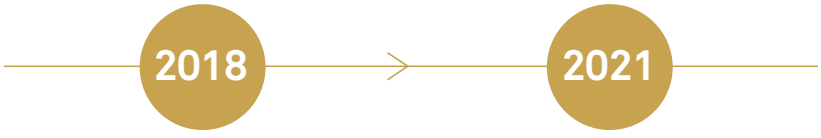
Fig. 17. Emissions certifications.

Our factory

All our production takes place in Ulricehamn, Sweden. The entire factory is a dry plant. This means we do not handle any liquids there except water, which is used as a humidifier to prevent static electricity. We have a closed, circular water system for cooling which is free from additives. The water is taken from deep drilled wells where it cools down before cooling our plant.

We have a duty to report our operations to the local authority, which is the supervisory authority. Our entire production is currently classed as a Class C facility. Between each inspection, we carry out our own inspections to check the impact of our operations on people and the environment. We have not received any complaints and have never had any incidents that threatened the surrounding environment. A quality manager at the factory ensures that we maintain our permits and comply with relevant laws and regulations.

We regularly measure our emissions released into the air via our ventilation system in line with current conditions. These emissions are summed up in a total number of kilograms of hydrocarbons per year. We generally have very low emissions levels. The latest measurement shows that we emit less than 0.5 kg of hydrocarbons per day. We only use certified renewable electricity in our production. In other words, there are no emissions from gas combustion or similar. All heat is produced using heat pumps.



Total kg hydrocarbons: 273 **Total kg hydrocarbons: 166**

Fig. 18. Factory emissions.

OUTPUT

Total floor production	
Floor produced	1 090 000 m^2
Waste	
Landfill	1 200 kg
Energy recovery	420 000 kg
Material recycling	23 600 kg
Emissions into air*	
Emissions into air	166 kg hydrocarbon
Water consumption	
Factory humidification	928 m^3

INPUT

Material use	
Virgin raw material	3 300 tonnes
Purchased return raw material pre-consumer	607 tonnes
Purchased return raw material post-consumer	41 tonnes
Circular raw material pre-consumer	331 tonnes
Circular raw material post- consumer	0 tonnes
Packaging material**	
Plastic (virgin PE)	7 tonnes
Corrugated cardboard	93 tonnes
Energy consumption***	
Factory and HQ	4 750 MWh

Fig. 19. Factory flows of materials and energy.

** Emissions are calculated through FID measurement and the previous year's production hours.*
*** Does not include wooden pallets and packaging details.*
**** Head office energy use is included in the result.*

Supply chain

Our large purchases consist of chalk and PVC thread and foil for the weave. Together, these goods make up just over 95% of our purchases.

In 2021, the proportion of material purchased from Germany increased compared with previous years. This was due to an increased amount of pre-consumer waste in our recycling facility, which is something we strive for to increase the amount of recycled material in our floors.

Felt deliveries from France also increased in line with the increase in sales of our acoustic floors that contain felt.

We want to keep our suppliers close by. This is important. No less than 74% of all purchased material comes from Sweden.

A majority of our Tier 1 suppliers are within 250 km, which gives us a flexible supply of raw materials. It is also a requirement that the PVC raw material our Tier 2 suppliers deliver is eco-labelled by a third party. 98% of Tier 1 suppliers and 100% of Tier 2 suppliers are within the EU.

RAW MATERIAL	ORIGIN
PVC granules	Sweden
Chalk	Germany
PVC foil and PVC thread	Sweden
Chalk and PVC mixture (dry blend)	Sweden
Polyester thread	China
Polyester felt	France
Fibreglass	Czech Republic, Germany, China
Pre-consumer waste	Germany, Sweden
Pigment	Sweden

Fig. 20. Purchasing of raw materials by country 2021.

OUR SUPPLIER INVENTORY

In 2020, we carried out an inventory of our 10 raw material suppliers within Tier 1 and Tier 2, as well as all significant suppliers of packaging and distribution services. In total, 27 suppliers were closely scrutinized.

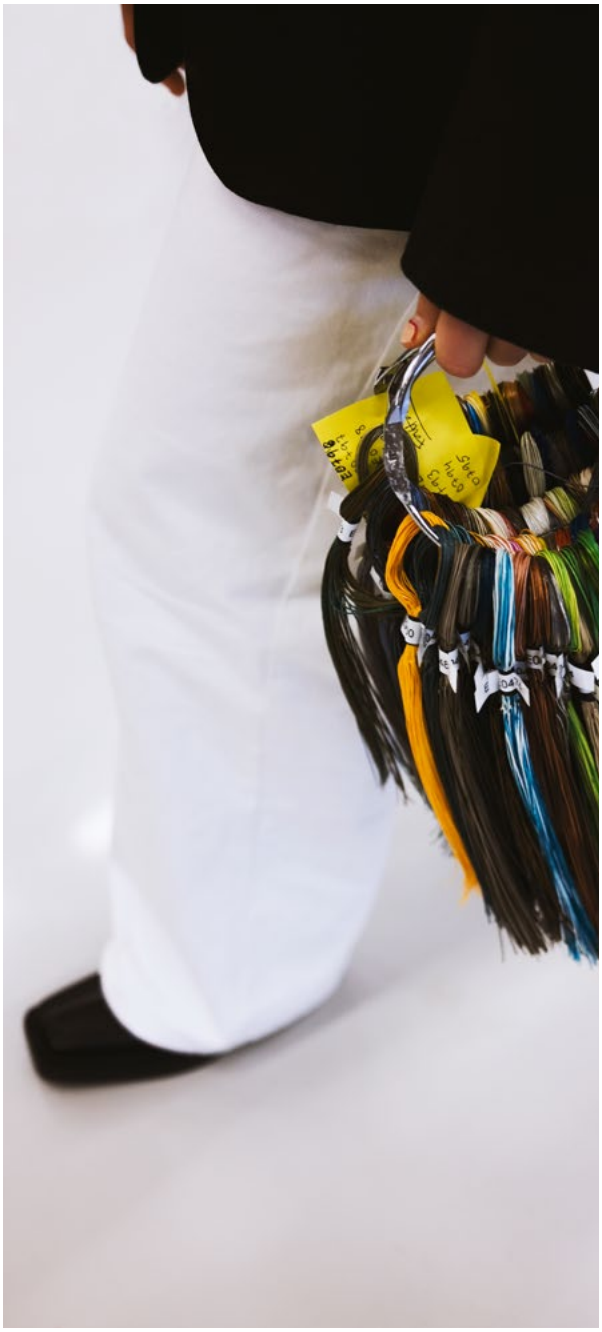
The results of this inventory are now used to set future requirements in our supply chain. Our conclusion is that suppliers generally carry out active environmental work, even though there are sometimes no sustainability reports on some smaller companies. However, everyone has an environmental policy and 88% of suppliers have some form of social policy (code of conduct).

Since 98% of our deliveries come from Sweden or Germany, two countries that we have good knowledge of, we can say with great certainty that the standard of social sustainability is high.

SUSTAINABILITY AREA	RESULT RAW MATERIAL	RESULT PACKAGING	RESULT FORWARDING
Provides climate data	60%	60%	100%
Has a sustainability report	50%	30%	70%
Has an environmental policy	100%	100%	100%
Has a social policy and/or code of conduct	90%	90%	80%
Are ISO 9001 and/or 14001 certified	90%	90%	90%

Fig. 21. Mapping of suppliers

In our future work, we will continue to use our inventory results to review social risks and identify opportunities to reduce the climate impact of suppliers.



ECO-LABELLED PVC

When it comes to PVC raw material, we have taken the step of having a third-party eco-label the production process that supplies our Tier 1 suppliers with this important raw material. The label is called Best Environmental Practice PVC and it assesses the impact of the production environment on workers and nature. Energy efficiency, mercury-free processes and good working conditions are just some of the important areas covered by this label. Factories that have received an eco-label are regularly inspected by independent certifiers.

Social sustainability

We are a Swedish company. Our floors are made in the Swedish city of Ulricehamn and our head office is also located here. For us, it is natural to respect the laws that regulate the working environment, working conditions and labour laws. A large proportion of our employees are union members, and all employees are covered by collective agreements. A 40-hour week counts as full-time employment for everyone. We have a personnel handbook that describes the long list of commitments the company has made to all employees.

WORKING ENVIRONMENT

When it comes to the working environment, we have set a high standard for everyone. To identify risk and prevent accidents, we conduct thorough and detailed safety patrols on a regular basis. Our goal is to have a world-class production facility where no employees are exposed to accidents or risk.

During 2020 and 2021, we focused on security more than ever. Ten planned security inspections were carried out. The risk factors discovered were immediately addressed. Since 2019, the number of injuries resulting in lost working hours has decreased significantly. But even though we see a continued downward, positive trend, we continue to work hard on our proactive safety work. Our goal: zero accidents leading to lost working days.

EQUALITY

At Bolon, we have had a good balance between women and men for a long time. Both in terms of total employees as well as in management positions and on the board. In the last four years, 42% of our employees have been women. Half of our managers are women, and our board consists of 80% women.

From Bolon's gender equality policy: Men and women must be treated on equal terms. The same conditions apply for all jobs carried out at the company and men and women are treated equally regarding both internal and external recruitment –as well as in staff development and setting salaries. All employees have the right to be treated with respect and with regard to everyone's legitimate demands for privacy – regardless of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age. Discrimination in any form is not accepted at Bolon.

To ensure a good balance between men and women continues, we have established a gender equality plan.

All employees, regardless of role or position within the company, have private health insurance through their employment which he/she can use when needed.

	2018	2019	2020	2021
FEMALE EMPLOYEES	47%	47%	47%	42%
FEMALE MANAGERS	57%	67%	70%	50%
FEMALE BOARD MEMBERS	67%	67%	80%	80%

Fig. 22. Equality.

BUSINESS ETHICS

We value good business ethics and have formulated a policy complete with a plan of action to counter corruption and bribery.

We carry out risk analyses and take a preventative approach to fighting corruption. For us, this is not just a way to minimize risks and unethical elements in the workplace. We also see it as part of our social responsibility.

Our business ethics policy covers all our operations, including subsidiaries, representatives, agents, joint ventures and suppliers. This applies to ourselves and everyone we collaborate with.

Certification and regulations

Today, we operate in more than 50 markets. In these markets, there is a wide range of voluntary product certifications that bring credibility and meet customers' expectations and requirements regarding our floors. These certifications cover indoor environments, materials and durability.

We take great care to ensure that we live up to all rules and legislation that apply to our business and our products in every market we operate in. Today, we are a global player and operate on five continents. Our products always comply with all rules in every market. Technical specifications have been developed for each product and safety data sheets are available. This information is updated as our products change.

Our products and processes meet the relevant criteria for even the toughest certifications. These certifications, performed by a third party, are a way for us to be transparent and clearly show that our products and processes maintain high environmental standards.

When it comes to raw materials, we have succeeded in getting them eco-labelled with Best Environmental Practice PVC via a third party. Our products meet the material requirements for various building certificates such as LEED, BREAM and WELL.

We have received the Swedish BASTA declaration for chemicals. And when it comes to emissions during use, we have been awarded the international Floorscore certification. We have also received the flooring industry's circular marking as a rating on our floors after-use.

We have also made an environmental declaration (EPD) for all collections. An EPD is performed by a third party, which is a life cycle analysis based on ISO standards. It shows resource consumption and the environmental impact during a product's entire life cycle. Our latest EPDs were published in October 2021.

CERTIFICATION/DECLARATION

CERTIFICATION /DECLARATION	COUNTRY /REGION	DECLARATION	ENVIRONMENTAL PERFORMANCE	AIR QUALITY /HEALTHT	COMMENTS	
BASTA	Sweden	●	●		Strict requirements regarding chemical content.	
BRE Global	International		●		Ranking of product in different levels. Bolon floors are ranked between A+ and A. Part of the international BREEAM label for buildings.	
Byggvaru-bedömningen	Sweden	●	●		Ranking in different levels, our products are ranked as accepted. Requirements for chemical content and certain life cycle criteria.	
DGNB Navigator	Germany/ International	●			Based on ISO standard. Provides reference to more durable materials.	
FloorScore	International			●	Strict requirements for low emissions. Gives points in LEED, BREAM, WELL.	
EcoProduct	Norway		●		Ranking in different levels based on data in EPD.	
Byggvarudeklaration – eBVD	Sweden	●			Industry-wide database used by, e.g. Byggvarubedömning and Sundahus.	
EPD	International	●			EPD Environmental product declaration. Based on ISO standards.	
FDES (EVEA)	France		●	●	Lifecycle analysis including helath carried out according to French standards.	
French VOC	France/ International			●	Mandatory French emissions certificate. Awards rankings in different levels.	
Best practice PVC	Australia/ International		●		Ecolabelling of the production of PVC raw material.	
Green Tag	Australia/ International		●		Assessment based on life cycle, rankings in different levels.	
Green Tag – PHD	Australia/ International	●		●	Australia/International – Focus on chemicals and health.	
Kretsloppsmärkning	Sweden	●			Declaration of chemicals in the floor as well as care instructions and information about environmentally safe handling after use.	
M1	Finland/ International			●	Tough requirements for low emissions in end products.	
NAAF	Norway			●	Tough membership certificate from the Norwegian Asthma and Allergy Association.	
Sundahus	Sweden		●		Ranking of different material used in buildings.	

Fig. 23. List of certificates and declarations.

APPENDIX

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21	FIGURE 3: Climate footprint of our floors in kg CO2 per square metre.	EPD Reg. number; Roll goods S-P-03839, Tile S-P-03985 and Acoustics S-P-039860. See Other info on page 44. Figure 3.
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APPENDIX. OTHER INFO.

Product stage (A1-A3) [kg CO2-Eq.]	Rolls 3000 g/m²	Tiles 4000 g/m²	Acoustic
2016	5,74	8,25	8,5
2021	5,18	6,19	5,47

Figure 2: Climate footprint for our floors in kg CO_2 per square meter (compared with previous EPD).

Modules declared	A1-A3		A4	A5	B2	C2	C4	D
2021	Raw materials	Manufacturing	Transport to customer	Installation	Maintenance	After use		
Rolls	5,18	0	0,57	1,08	0,35	0,1	2,79	-2,12
Tiles	6,19	0	0,77	0,89	0,35	0,14	4,15	-2,39
Acoustic	5,47	0	0,67	1,11	0,35	0,12	3,7	-2,63

Figure 3. Clarification: The climate footprint over the entire value chain for our floors (excerpt from EPD).

Total floor production	
Floor produced	Production system Jeeves/Qlickview- Production 2
Waste	
Landfill	LBC waste management
Energy recovery	LBC waste management
Material recycling	LBC waste management
Emissions to air*	
Emissions to air	Emissions to air measurement by RISE
Water consumption	
Water consumed/ waste	Own water consumption reading
Factory humidification	Own water consumption reading
Material use	
Virgin raw material	Production system Jeeves/Qlickview-Purchase
Purchased return raw material pre-consumer	Production system Jeeves/Qlickview-Purchase
Purchased return raw material post-consumer	Production system Jeeves/Qlickview-Purchase
Circular raw material pre-consumer	Production system Jeeves/Qlickview-Purchase
Circular raw material post-consumer	Production system Jeeves/Qlickview-Purchase
Packaging material**	
Plastic (virgin PE)	Production system Jeeves/Qlickview-Purchase
Corrugated cardboard	Production system Jeeves/Qlickview-Purchase
Energy consumption***	
Factory and HQ	Invoice from energy company

Figure 19. Sources of factory flows.

* Emissions are calculated through FID measurement and the previous year's production hours.

** Does not include wooden pallets and packaging details.

*** Head office energy use is included in the result.

APPENDIX. OTHER INFO.

	2018	2019	2020	2021
Total floor produktion				
Floor produced	1 465 000 m^2	1 300 000 m^2	1 020 000 m^2	1 090 000 m^2
Waste				
Landfill	15 040 kg	11 140 kg	3 440 kg	1 200 kg
Energy recovery	400 750 kg	575 400 kg	448 460 kg	420 000 kg
Material recycling	41 400 kg	32 660 kg	36 000 kg	23 600 kg
Emissions to air*				
Emissions to air	273 kg hydrocarbon			166 kg hydrocarbon
Water consumption				
Factory humidification	1 853 m^3	1 795 m^3	1 707 m^3	928 m^3
Material use				
Virgin raw material	5 100 tons	4 200 tons	3 500 tons	3 300 tons
Purchased return raw material pre-consumer	174 tons	112 tons	268 tons	607 tons
Purchased return raw material post-consumer	0 tons	0 tons	12 tons	41 tons
Circular raw material pre-consumer	586 tons	623 tons	384 tons	331 tons
Circular raw material post-consumer	0 tons	0 tons	5 tons	0 tons
Packaging material**				
Plastic (virgin PE)	19 tons	13 tons	14 tons	7 tons
Corrugated cardboard	120 tons	105 tons	81 tons	93 tons
Energy consumption***				
Factory and HQ	5 010 MWh	5 000 MWh	4 800 MWh	4 750 MWh

Figure 19. Factory flows of materials and energy – from and including 2018

* Emissions are calculated through FID measurement and the previous year's production hours.

** Does not include wooden pallets and packaging details.

*** Head office energy use is included in the result.

BOLON