



Sustainability report 2023 Finja Betong AB



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CEO's Message

Finja Betong has continued its investments in sustainability and climate in 2023, constantly working towards reducing environmental impact. We believe in a sustainable future with robust homes and materials that last for generations. Remaining at the forefront, we drive environmental efforts within the construction industry forward. Through our green ECO product line, we aim to offer building products with a lower carbon footprint.

Our three-year climate goal, the green ECO line, includes initiatives to halve the carbon impact in the construction of masonry and plastered buildings. This has been achieved through extensive product development and significant investments throughout the year. The result is the groundbreaking product line featuring built-in carbon sinks in the form of biochar.

"World's first EPD of its kind! An outstanding development! Finja Betong's Murblock Bas ECO, as the first cement-based product containing biochar with accredited carbon sink, has been equipped with a third-party-reviewed EPD."

Our major investment, a new dry mix plant, is now fully operational. It is the second of its kind where we pioneer the shift to replace natural gravel with crushed aggregate. The new facility has had ripple effects, allowing the relocation and shutdown of an older station. We've also moved the production of

EINIA

Gull-Britt Jonasson, CEO of Finja Betong AB

We wanted, we could, we dared – three year climate goal achieved.

foundation elements to a new, more energy-efficient location. Besides reducing energy consumption, these investments have improved internal logistics and ensured a safer working environment. For instance, the transport route for forklift drivers on the premises has decreased, benefiting both emissions and everyone's safety on the factory site.

The new technology has also facilitated the transition of more products, such as our floor screed, from paper bags to plastic bags. The durable and recyclable plastic bag doubles the storage time, reducing material waste. Our digital tools continue to evolve, showing the amount of CO₂e saved by switching from regular products to equivalents from the ECO product line.

To reduce waste of leftover materials, we've launched Finja Reuse, a buy-and-sell group for reuse on Facebook. Our social values and commitment are reflected in a new brand concept, emphasizing warmth, care, and love for the material. We've also introduced a rainbow-colored bag for our Fine Concrete, aligning with our policies on equality, diversity, tolerance, and respect.

Continuing our work to develop climate-improved concrete is essential for addressing significant societal challenges: achieving a climate-neutral society and meeting the need for housing and infrastructure.

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Business and strategy

Information about the company

Finja is a Swedish family business whose journey began with the acquisition of a gravel pit in 1957. Add a large dose of knowledge, commitment, and courage, and you have today's company, one of the country's leading companies in the concrete industry. Finja Betong AB is a part of Finja, focusing on masonry and plastered construction, serving as a nationwide supplier of construction materials with an extensive product range. Through a broad network of qualified retailers, we provide dry mix, blocks, floor screed, adhesives and grout, foundations, cellular plastic, and facade plaster systems. We manufacture our products in Sweden, close to our customers, allowing us to offer fast, secure, and reliable deliveries.

Concrete is a durable material with a long lifespan. When developing our products, we prioritize the

future. In an already resilient material, we embed values that will endure. Finja works towards establishing long-term and value-creating relationships with our customers, suppliers, employees, and society at large. Finja Betong has approximately 135 employees and operates production facilities in Hässleholm and Strängnäs. Finja Betong's products are sold in Sweden and Norway.

Our stakeholders

In our sustainability efforts, it is essential for Finja to maintain a good and open dialogue with various stakeholders in the world, ranging from authorities to customers, neighbors, and different industry organizations. The requirements and preferences gathered in these interactions are used in our internal improvement work and documented in a stakeholder list.



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Our approach to sustainability

At Finja Betong, we have a long-term sustainability strategy that encompasses environmental, social, and economic aspects. We adhere to the core conventions of the International Labour Organization (ILO) and the United Nations Global Compact. Our framework is aligned with Agenda 2030 and a selection of the 17 Sustainable Development Goals (SDG) when developing our internal sustainability objectives.

In 2015, the Finja Group, through Finja Energi AB, invested in green electricity and constructed two wind turbines located on Rödstahöjden outside Sollefteå. These wind turbines collectively generate almost 20 GWh of renewable electricity. This is significantly more than our current company consumption, allowing us to continue growing while contributing to a sustainable society.

Finja Betong's production facilities are strategically located near major markets in Sweden. By producing locally, we can reduce the environmental impact from transportation.

Agenda 2030 and the 17 Global Goals for Sustainable Development form the foundation of our long-term efforts.





































Finja Betong supports the United Nations' global goals for sustainable development.

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Climate and environment

Environmental aspects

We aim to contribute to sustainable development in our daily operations and manufacture products with low environmental impact throughout their lifecycle. We are certified according to ISO 14001. With a proactive strategy and responsible management of our environmental aspects, we continuously work to minimize the negative environmental effects of our operations, products, and services. We strive to avoid materials and methods that may pose an environmental risk when good alternatives are available.

The Finja Group, through Finja Energi AB, owns two wind turbines that generate significantly more electricity than the Finja Group currently consumes.

Here are several significant environmental aspects that we are addressing for reduced impact:

Transportation

We continue to work towards reducing transportation by manufacturing close to the customer, increasing the load factor in transportation, and imposing environmental requirements on our suppli-

ers, such as the environmental classification of vehicles, type of fuel, safety regulations, and emission statistics. Throughout the year, we have modified our delivery setup to enable higher load factors and better planning, resulting in a nearly 5 % reduction in the CO₂ footprint.

In our freight agreements, we require EURO VI-classified vehicles and that our freight forwarder actively collaborates with us on sustainability. Among other things, the freight forwarder provides a sustainability report for Finja, including the total number of kilometers driven, the impact of driver training, and load factor. Our freight forwarder has begun replacing its fleet with electrified trucks for Finja's transportation. Our own vehicle fleet is gradually being replaced with primarily plug-in hybrids and electric vehicles where possible. CO₂ emissions have decreased by 9 % for our own vehicles and 21 % for company cars.



Energy

The energy situation in Europe and Sweden has been strained, with a risk of electricity shortages. Finja has worked intensively to reduce its electricity consumption, thereby assisting the world and mitigating electricity costs.

Starting from last year, numerous energy-saving measures have been implemented, including improved management of excess heat, transition to LED lighting, investments in energy-efficient equipment, and the replacement of IT servers. We have also closed down and relocated a couple of production units to more energy-efficient premises and replaced oil with a more energy-efficient and environmentally friendly alternative for both heating and processes. The ongoing work to identify further improvement areas has been encouraged through an internal energy-saving competition. Together, our measures for more efficient energy use have resulted in a 28 % savings compared to the previous year.

Investments

In terms of investments, we work from a sustainability perspective. This may involve replacing outdated machines with new ones that have better energy performance, ergonomics, and efficiency.

The new dry mortar factory in Hässleholm is now fully operational, and we continue the work of replacing natural gravel with crushed aggregates. Natural gravel is a finite resource crucial for, among other things, our drinking water. Phasing out natural gravel and thus preserving the riverbeds and their significance for the environment and groundwater has long been a relevant issue in the concrete industry.

The transition has been successful thanks to revolutionary technology, new factories, and substantial development efforts from the company's employees. For Finja Betong, this initially means a reduction in natural gravel usage by at least 50 percent. Due to the new factory, we have been able to move and shut down an older station on the production site during the year. Additionally, we have relocated the production of edge elements to a new, more energy-efficient location.

Beyond lower energy consumption, the investments have created a better and safer working environment. For example, the transport route for forklift drivers on the premises has decreased, which is beneficial for both emissions and safety in the factory area.



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Sustainable product development

Greenhouse gas emissions primarily occur through cement usage. Therefore, we continuously work to optimize the type and quantity of binders in our products to reduce CO₂ emissions. During the year, we have introduced three additional ECO products with lower climate impact to our green line, including our unique product series with a lifetime carbon sink.

Green ECO product line

Our three-year climate goal has been achieved through significant investments and extraordinary product development. The work on our climate goal has resulted in the establishment of a green ECO product line with climate-positive products for a more sustainable construction industry. The ECO line includes the revolutionary product series with a built-in carbon sink, which is a result of the successful development work.

The ECO products make it possible to erect a building with a halved climate impact, which was the ultimate goal. In our project example, a shed, the building's GWP total* has been reduced by 62 percent by replacing the regular product range with products from the ECO product line.

Product series with built-in carbon sink

This year's major climate effort has been the launch of our groundbreaking product series with a built-in carbon sink in the form of biochar. These products are part of our ECO assortment and include blocks and two kinds of mortar, with a climate impact reduction of 56 and 75 percent of GWP total*, respectively, compared to their predecessors. Murblock Bas ECO is the first cement-based product to be equipped with a third-party-reviewed EPD.

Climate compensation

Where our efforts to reduce the product's climate impact fall short of becoming climate-positive, we compensate for the potential climate impact of ECO products through a project in Brazil that converts biogas into electricity. The project is certified according to the UN's CDM (Clean Development Mechanism) and also meets the criteria for the Gold Standard. Atmoz Consulting is our partner in facilitating the investment in the climate compensation project. In our sustainability work, we adhere to the independent standard ISO 14021.



*Modul A1-A3 (ISO14025:2010) samt indikator GWP-total, global warming potential, (EN 15804+A2). För livscykelanalyser daterade före 2022 används indikator GWP (EN 15804+A1).

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Life cycle perspective

Finja Betong is certified according to ISO 14001:2015, which partially requires us to consider the entire life cycle of our products. The life cycle perspective is integrated into all our processes, from purchasing goods to delivering them to the customer. For example, we prefer to choose suppliers from the local area, and in product development, we take into account the environmental impact of new raw materials from the supplier's manufacturing and transportation. Almost all waste generated in our production can be recycled.

We disclose the environmental impact of our products by producing eBVD (electronic building product declaration), EPD (environmental product declaration), and by registering and/or assessing them in databases such as Basta, Sunda Hus, Svanens Husproduktportal, and Byggvarubedömningen. Our EPDs are also available on the sustainability platform Prodikt.

The most sustainable construction is the one that doesn't need to be demolished, and there are many advantages to a masonry and plastered building. The material lasts over generations with minimal maintenance needs. Lightweight concrete is an in-

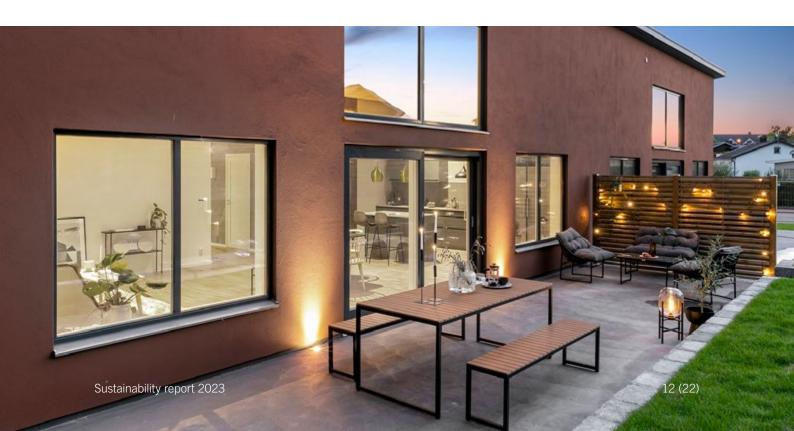
organic building material that resists moisture, mold, and fire. It stores heat on warm days and releases heat on cold days, providing a more consistent indoor climate regardless of the season. Lightweight concrete blocks provide the opportunity to build well-insulated and energy-efficient homes.

Circular economy

Circular economy is a significant area for us in achieving a sustainable society. It is used to address global resource challenges. It is an economic system where resource flows are designed according to circular principles, similar to nature's cycles. The opposite is a linear economy where natural resources are extracted, processed into products that, after a short period of use, become waste.

Our sustainable and durable building materials are becoming increasingly important in a circular economy. This is supported by a report from the UN, which states that new construction is the largest emitter of greenhouse gases globally. To achieve global climate goals, buildings need to be reused more and demolished less.

Below are some examples of how we work with circular economy.



One of our focus areas is to optimize the amount of cement in our products and find environmentally better alternatives, hence our investment in our ECO line. In our production, we manage production waste and use it in new manufacturing as a replacement for new raw materials. We continuously work to reduce our waste and send it for recycling. 46 % of our waste has been recycled as material recycling. 40 % has been used for energy recovery, and 9 % has been disposed of in landfills. This provides significant climate benefits and contributes to reducing CO₂e emissions by 192 tons.

In recent years, we have invested in new packaging, and in 2023, additional products have transitioned from mixed to plastic bags, including small bags for floor leveling. The plastic bags are durable, moisture-resistant, and 100 % recyclable, doubling storage time and reducing waste. Through a packaging change at the polystyrene factory, we have reduced the need for plastic by 24%. This means that this year's consumption reduced GWP (Global Warming Potential) by 39,400 kg CO₂e.

We participate in the construction industry's return system for pallets. In 2023, we saved the construction industry 3,669 containers of discarded pallets, equivalent to over 2,751 tons of waste and 174,992 kg of $\rm CO_2$. Since its inception in 2007, Finja has saved nearly 72,000 waste containers, equivalent to approximately 3,380 tons of carbon dioxide.

In favor of circular lifecycle management, we have reduced the possibility of ordering new IT equipment and office furniture. The Finja Group saved nearly 10 tons of ${\rm CO_2}$ by reusing obsolete IT equipment.

Waste

Our goal is to recycle safely and environmentally responsibly and minimize the amount of residual waste. All non-contaminated polystyrene residues are ground down and returned to production. Discarded blocks are crushed and also returned to production. We have improved the automation level in our floor manufacturing to streamline our raw material use. We have continued to focus on our production process to streamline our raw material consumption and reduce production waste. Just as the introduction of plastic bags, which double the shelf life, better inventory procedures also mean reduced product wastage.

Environmental savings

We have replaced fossil diesel with more environmentally friendly alternatives for internal transportation. We have also worked to reduce the use of natural gravel in our production. One of the focus areas has been and still is to investigate the possibility of using more recycled material in packaging and products. We continue to switch our packaging to packaging made from up to 100 percent recycled material.

Water reservoir

Our water reservoir works for the environment and operates as a closed system. If necessary, for example in the event of an oil spill or leakage from trucks, we can easily shut off and clean the pond before it flows into the nearby river. It also collects rain and stormwater to be pumped out in a steady flow, giving mussels and crayfish a better chance of a long life. The pond is also interconnected with four fire hydrants on the factory premises that can provide 10 hours of full irrigation if a fire occurs.

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Digitalisering and communication

We aim to make it easy to make environmentally friendly choices and compare different options. By choosing the right product and the right quantity, we minimize overconsumption and contribute to sustainable construction projects over time. To encourage reduced waste of leftover materials, we have launched Finja Reuse, a buy-and-sell group for reuse on Facebook this year.

Our user-friendly digital tools such as product selectors, quantity calculators, and carbon footprint calculators continue to evolve. During the year, they

It should be easy to choose sustainable options.

have been enriched with features that make it easy to switch out products in the product list for the ECO version of the product. These tools automatically calculate, based on the quantity of blocks or bags needed for a project, how much carbon dioxide can be saved by choosing the ECO product.

The customer portal, our e-commerce platform for our contract customers, has been equipped with freight calculation tools and invoice prices, in addition to the new features in our tools.

On finja.se, our products' environmental assessments in various environmental databases have been provided with product filtering and a popup function. This allows for quick and easily accessible information on the product's environmental assessment and environmental databases.

Our products with EPDs are now available on the sustainability platform Prodikt. It displays all environmental data for individual building products, building systems, and entire construction projects, providing an overview of the construction project's total climate impact.



We have continued to present complete construction projects with our products, such as project pages for outdoor kitchens and decks. On the project page, you'll find drawings, material lists, and interactive installation instructions.

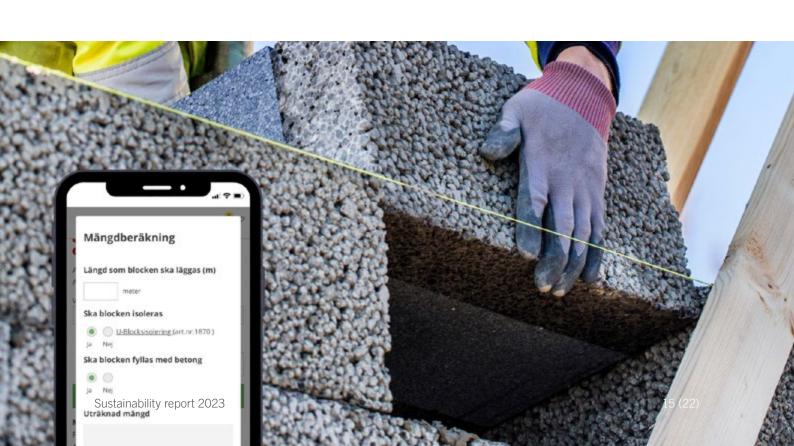
We continue to seek sustainable alternatives for our communication. Our external communication has largely transitioned to digital distribution channels and digital media in 2023.

Our suppliers

We choose our suppliers carefully, considering long-term and sustainable partnerships. We expect our suppliers to focus on their sustainability efforts and work on environmental improvements in a structured manner. This is part of our evaluation when selecting suppliers and partners. We prioritize suppliers who are ISO 14001 certified. Suppliers must comply with applicable labor laws and ensure that work is performed safely.

Our suppliers are expected to uphold the same values as we do. Finja Betong's suppliers should adhere to the UN Global Compact, Articles 1 and 2 on human rights, work systematically on occupational health and safety, and comply with applicable collective agreements or other national regulations to ensure fair working conditions.

To clarify the requirements for our suppliers, we have developed annexes to contracts describing the requirements regarding the environment, sustainability efforts, and safety when delivering to our factories. In our supplier evaluation, we have also conducted a risk assessment linked to the country of origin.



Responsibility in society

Respect for human rights

We adhere to the UN Convention on the Rights of the Child and the Convention on Human Rights, which focus on equality and diversity and entail fair working conditions, freedom of association, and the right to collective bargaining. Finja follows, through information from the Government Offices, the international sanctions issued by the UN and the EU. We also adhere to the guidelines of the UN Global Compact and the ILO's core conventions. Finja is a member of the Confederation of Swedish Enterprise, the Building Materials Association, and the Swedish Construction Federation. We have central collective agreements with IF Metall, building workers' Union, as well as Unionen, Ledarna, and Sveriges Ingenjörer, which regulate the conditions, rights, and obligations of our employees.

Combating corruption

Finja does not tolerate bribery or corruption and shall not offer customers, potential customers, authorities, or other stakeholders any form of compensation or reward that violates laws or good business practices. However, economically insignificant gifts may sometimes be part of business culture. The

guiding principle is the IMM's Code to prevent Corruption in Business. This means that we may not give or receive personal gifts or services exceeding a specified level, or participate in cost-free activities outside normal business operations. We also do not accept or give any promises associated with receiving gifts.

Finja's Code of Conduct

Attitudes, culture, and values are difficult to control through formal requirements. At Finja, we are keen to communicate what we stand for, so that employees and customers know our views on working environment, business ethics, working conditions, sustainability, and social engagement. Finja's Code of Conduct contains guidelines for the responsibility and obligations that all Finja Betong employees and suppliers have regarding health, safety, working conditions, business principles, environment, sustainability, and social engagement.



Sponsoring where it makes the most impact

Finja actively engages and supports high schools, vocational schools, and universities in our operational areas, focusing on our own and the industry's needs. This can be done through internships, thesis projects, or by educating and informing about our operations or the industry. We also sponsor student companies with several free starter kits.

We firmly believe that healthy employees perform better, and therefore, we encourage all activities that promote employee health. We sponsor clubs, associations, and organizations in sports, culture, and society where our employees are involved as leaders or members. We invest in activities that we believe in and can stand behind. Sponsorship is part of our overall communication and marketing efforts. It should reflect our values and our brand.

Support for Bris

We care about our future generations. This is evident in our development towards sustainable and climate-positive materials, as well as our concern for the well-being and optimism of young people. In 2023, we initiated a collaboration with Bris.

Bris, the Children's Rights Organization, stands up for children's rights by supporting children based on their needs, mobilizing society, and influencing decision-makers. They amplify children's voices.

Together with Bris, Finja will contribute and provide conditions for a safer and more secure upbringing through our support. We create opportunities for the future.



Employees and safety

Finja Betong strives to be a responsible and attractive employer. We work systematically to provide a safe and inclusive work environment, addressing both physical and psychosocial aspects. Employee well-being is central to our sustainability efforts, extending from external initiatives supporting local community projects to an internal focus on the well-being and development of our own employees.

Ensuring a safe and secure work environment is our highest priority

As an employer we are committed to the well-being of our employees, and safety always comes first. No one should become ill or injured due to their work. Everyone present at our workplaces—employees, temporary staff, subcontractors, and visitors—are expected to adhere to Finja's rules and safety regulations.

In the past year, we have relocated several production units to create a better and safer work environment. For example, we have reduced the transport routes for forklift drivers on the premises, which enhances safety for everyone in the factory area.

Additionally, we have developed new, more intuitive signs and instructions that inform about safety equipment and procedures for various situations. Every employee has the right and responsibility to halt work if there is a risk of accidents.

Alcohol or drug use is strictly prohibited in our workplaces

Through systematic work environment management, including risk assessment, preventive measures, and knowledge sharing, we continue to strive for a zero-accident vision at our workplaces. Regular occupational health and safety training is conducted across all our operations. Through informational efforts, we reinforce a culture where safety is paramount.



Annually, we conduct a safety day for all employees. This is done to engage in dialogue to identify both challenges in the work environment and good ideas for solutions, with a focus on simplification and support. This occurs in conjunction with similar activities organized by Byggföretagen (the Swedish Construction Federation).

Continuously, we work towards our zero-accident vision for workplace injuries. Early risk observations combined with preventive measures, increased clarity, and improved follow-up of systematic work environment management are at the forefront. We continue to focus on developing the safety culture and connecting good leadership with collaboration. An important aspect is each individual's responsibility for their own and their colleagues' work environment.

To ensure that our employees are exposed to as few risks as possible, we invest in new systems, modern machinery, and competence development.

The employees are our most important resource

The employees are Finja Betong's most valuable resource and are a prioritized strategic area. HR and personnel issues play a central role in the company's management, and the employees themselves are the prerequisite for us to achieve our strategic objectives year after year.

The foundation of our corporate culture lies in our values: customer focus, maintaining the advantages of being a small and agile company, commitment, cost-consciousness, creativity, and focus. This, combined with our guiding principles – We want to, we can, and we dare – should make it easy to follow the path in Finja Betong's work, which we believe is the way to engaged workplaces and employees.

It is important for us that our newly hired employees feel safe throughout the process and are quickly introduced to the operations, values, and environmental work.





Training

Finja Betong aims to be a secure workplace where our employees have the opportunity to develop and thrive. The goal of our HR work is to provide the right conditions to perform both individually and in groups. Having competent, engaged, and well-being employees drives the business forward and is important to us.

Central elements to achieve our goals and have access to the right skills include, among other things, a precise recruitment process and internal development programs.

Zero tolerance against discrimination and harassment

Finja Betong has a zero-tolerance policy against all forms of discrimination and harassment. We aim to be a company that promotes diversity, respect, and tolerance, where all employees enjoy their work. Our policy and action plan thus exclude all forms of discrimination, harassment, or other negative treatment based on gender, gender identity or expression, ethnicity, religion, disability, sexual orientation, or age.

Social values

As part of our social sustainability efforts, in 2023, we offered our Finbetong in a rainbow-colored sack. The project with the sack is in line with our policy and values regarding respect, tolerance, gender equality, and diversity. The sack stands for everyone's right to be themselves.

We work for everyone's right to be themselves.

Whistleblower policy

Finja Betong strives for a culture where there is an open dialogue about any problems that arise in the business. Our whistleblower policy specifies how we as employees or anyone else who has reason to point out misconduct can act.

In accordance with Swedish legislation, an annual salary survey is conducted with accompanying analysis of women's and men's salaries.

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