

SUSTAINABILITY REPORT

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BE Group has a team working with sustainability issues, comprised of representatives from the Group Management Team, HR and HSEQ from Sweden and Finland. The team discusses current issues in the focus areas deemed especially important for the Group. The focus areas have been evaluated based on the UN Global Compact's 10 principles that build on international conventions in human rights, labor law, the environment and anti-corruption.

BE Group's key stakeholders

In both the long term and in the daily work, BE Group affect and are affected as a company by various stakeholders, including these key stakeholders:

Stakeholder	Expectations on BE Group	Example of dialogue
Customers	BE Group shall add value to all customer segments in accordance with its business model and acts with responsiveness to customer needs and in a manner that promotes trust, strengthening relations with existing customers and attracting new ones.	Dialogue is conducted for example through personal interaction, daily contacts, trade fairs, customer surveys and the website.
Employees	BE Group shall act responsibly both internally and externally to attract, develop and retain competent employees. Our core values guide us in how we behave towards one another in our day-to-day work.	Dialogue is conducted for example in everyday discussions, workplace meetings, employee surveys, union collaboration, internal training, incident follow-up, performance and guidance talks.
Shareholders	BE Group is to generate value for its shareholders through responsible and profitable company based on the Group's business model and strategies for profitability.	Dialogue is conducted for example through the Annual General Meeting, annual reports, sustainability reports, interim reports, the website and investor meetings.
Suppliers	BE Group shall add value by providing efficient distribution, warehousing, pre-processing services and knowledge about our markets. The Group strives to strengthen sustainability work among suppliers through dialogue and by setting requirements.	Dialogue is conducted for example through personal interaction, daily contacts, quarterly meetings and cooperation projects.
Society	BE Group wants to contribute to positive social development by generating job opportunities in its own operations and among partners. BE Group shall be an open and easily accessible actor that communicates with the greatest possible transparency within the regulatory framework regarding market-sensitive information.	Dialogue is conducted for example through study visits, collaborative projects, networks and sponsorship.

Risk and risk management

BE Group has identified a number of risks and uncertainty factors for the operations. These were divided into three areas: Market risks, Operational risks and Financial risks. Read more about this in Risks and risk management in the Board of director's report.

Focus areas

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

The People

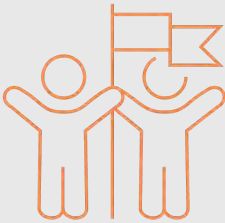
BE Group respect its employees and their human rights. All of the workplaces shall be free from harassment and discrimination. BE Group strive to create and be an attractive workplace where everyone is treated with equal respect and dignity and encourage a culture with equal opportunities and diversity.

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

In 2018, the Group Management Team started the Safety First project. This is to put further focus on the safety at the workplaces. There have been initial mappings of some of the largest workplaces in the Group and the work will continue in 2019 with more mappings, action plans and courses, among other efforts.

BE Group is dependent on skilled employees in order to be a successful company. The ability to recruit, retain and develop qualified employees and to be an attractive employer is important. BE Group's commercial competence is continuously developed through training and recruitment. Training efforts include broad programs aimed at many employees, as well as specialized solutions for individuals.

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



Recruitment and integration project in Norrköping, Sweden

BE Group works on diversity at its workplaces and in 2018 started a recruitment and integration project together with the Public Employment Service in Norrköping with the goal of offering permanent employment to recently arrived individuals who had difficulty establishing themselves in the labor market. The project means that employment would begin with a four-week internship, which would then transform into a six-month probationary employment with the goal that all participants would be offered permanent employment. A job description was prepared and the Public Employment Service identified some 20 suitable candidates. After interviewing them, 11 people began their employments at the beginning of summer 2018.

The Operations

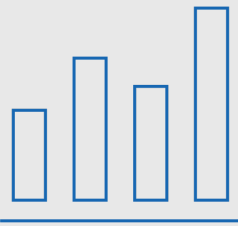
BE Group is a trading and service company that offers efficient distribution and value-generating production service in steel, stainless steel and aluminum to the construction and manufacturing industries in Europe. The Group offers efficient distribution through coordination in purchasing, transportation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

The corporate culture is based, among other things, on what is defined as the Group's core values. These values act as a guide in the day-to-day work of everyone within BE Group. They address how to behave towards one another, as well as towards customers, suppliers and others they come into contact with. The core values are Dynamic, Transparent and Sustainable. Read more in Vision, Business Idea and Values.

BE Group strive to be a reliable partner to its business partners, suppliers and customers. BE Group complies with rules and laws that apply in the respective countries in which the Group have operations. This is complemented by the Code of Conduct, updated in 2018, which the employees were informed of and

given the opportunity to ask questions about. BE Group's Code of Conduct details the Group's responsibilities towards its business partners, owners, employees and society. The Code addresses issues of business ethics, anti-corruption, child labor, equality, work environment, career issues and skills development. The ethical guidelines included in the Code of Conduct cover all employees in BE Group and every unit manager is responsible for ensuring that the employees are familiar with and follow them.

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



Customer in focus

Every year, BE Group conducts customer surveys in the main markets to find out how the customers perceive the deliveries and service. The results are then followed up and analyzed by region and by customer segment and are important input in the Group's strive to constantly improve its operations.

The Environment

BE Group works to limit its environmental impact and has identified the areas in which the company has the greatest impact and can make improvements. These are purchased steel and aluminum products, transportation, energy consumption, emissions from production and waste management.

Reducing carbon dioxide emissions is a major global environmental challenge. In the processing chain from the steel producers to its customers, it is at the producer level that the majority of carbon dioxide emissions take place. It is estimated that BE Group's facilities account for around 1 percent of the total carbon dioxide emissions in the value chain, while transportation to and from the facilities accounts for around 5 percent. The remaining 94 percent of the emissions originate in the producer level. Nonetheless, there are things that BE Group can do to reduce emissions in their part of the chain.

In 2012, BE Group began making estimates of carbon dioxide emissions according to recommendations in the Greenhouse Gas Protocol (GHG) standard. This work has continued and improved ever since. The emissions of carbon dioxide in BE Group's operations (GHG Scope 1-2) have been reduced through less use of fossil-based energy, shifting to more sustainable energy carriers and a continuous transition to greater use of "carbon dioxide-free

electricity" and biogas in the facilities during the period. BE Group also continuously work to improve the efficiency of its energy use.

BE Group will now take the next step in the ambition to understand and reduce the carbon dioxide footprint. Continued development and adaptation of emission estimates according to the GHG standard will take place and also be expanded with components in the GHG Scope 3 area. The Group follow up and calculate the development for the transports used in freight from suppliers to the company and from the company to the customers.

BE Group's own operations cause only limited emissions. Emissions primarily originate from the production units in Malmö, Norrköping and Turku where operations such as painting and blasting are carried out. The filtration of solvents (VOCs) from painting facilities and dust from blasting and cutting equipment is efficient and is continuously followed up.

Residual materials in BE Group's operations are principally metals, wood and cardboard. These are sorted and recycled to the greatest possible extent. The Group also carefully follows up the work of its recycling service providers.

BE Group have actively worked for many years to reduce the environmental impact and the majority of its operations are certified according to the international environmental standard ISO 14001.



Examples of BE Group's on-going environmental work

In a decision on new investments, there is a focus on taking into consideration the Group's environmental impact. For example, during the year, investments have been made in a new laser cutting machine and forklifts in Finland that are more environmentally efficient. LED lights have been installed in Norrköping, Sweden, and Trebaczew, Poland. BE Group also strives to find suitable and profitable solutions/investments based on the detailed energy survey in Sweden and Finland to further reduce the energy consumption.