

Sustainability report 2023



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This is a sustainability report in accordance with the requirements of the Annual Accounts Act and it is submitted by the board of the parent company and covers all subsidiaries in the group.

Over the last years BST Group has grown into a company with revenues of SEK +1,700 million and more than 700 employees. The growth of the group and the increasing size are directly related to the company's footprint, and we are aware that the larger we grow the larger the impact our business has on the environment and in the societies in which we operate.

As one of the largest fire prevention specialists in the Nordic market, BST Group has the opportunity to help our customers reduce their indirect emissions and help them protect buildings and the people who use their buildings. Therefore, BST has put sustainability in the centre of our strategy where we focus on accountability and measurement of our key material ESG topics.

As part of the work on sustainability BST Group in 2023 for the second year has carried out a Scope 1-3 GHG emissions analysis. In addition to this, group policies has been implemented covering environmental, social and governance topics.

In 2023 BST Group has also implemented a whistleblowing routine to maintain a transparent and ethical business culture. The emphasis on sustainability and especially value creation through sustainability also involves a newly created position as Head of Sustainability which has been appointed in 2024 and an increased focus on ESG priority projects and new targets on working conditions, health and safety and ESG related KPIs.

In our sustainability work a review of BST Groups key material ESG topics has been carried out which is more thoroughly presented on page 5 and 6 in the following report. The review includes environmental (including climate change mitigation and Resources inflows and outflows), social (including working conditions, health and safety and personal safety of consumers and/or end-users) and governance factors (including business conduct, anti-corruption, Supply chain management and Corporate culture). We are eager to continue the development within sustainability and to further improve our work for the coming years.

Sustainability report 2023

MATERIAL TOPIC	RISKS AND IMPACTS	GOVERNANCE	REFERENCE IN THE REPORT	RESULTS
Environmental	<ul style="list-style-type: none"> x Offering products/services with relatively high carbon footprint may lead to losing clients with ambitious climate targets x Higher levels of GHG emissions may result in increased costs associated with future carbon taxes 	<ul style="list-style-type: none"> ✓ Supporting Documents: Sustainability policy, Environmental policy and whistleblowing policy 	<ul style="list-style-type: none"> ✓ Page 6-8 	<ul style="list-style-type: none"> ✓ KPI overview page 13
Employees	<ul style="list-style-type: none"> x Failure to maintain a healthy and safe work environment could result in accidents, injuries, and legal repercussions, leading to both reputational and financial consequences 	<ul style="list-style-type: none"> ✓ Supporting Documents: Code of conduct, inclusion and equality policy, work environment policy, social media policy, alcohol and drug policy and whistleblowing policy 	<ul style="list-style-type: none"> ✓ Page 7, 9 	<ul style="list-style-type: none"> ✓ KPI overview page 13
Social	<ul style="list-style-type: none"> x Poor working conditions can result in increased turnover rates and challenges in attracting skilled workers, ultimately leading to higher hiring costs 	<ul style="list-style-type: none"> ✓ Supporting Documents: Code of conduct, inclusion and equality policy, work environment policy, social media policy and whistleblowing policy 	<ul style="list-style-type: none"> ✓ Page 7, 10 	<ul style="list-style-type: none"> ✓ KPI overview page 13
Human rights	<ul style="list-style-type: none"> x Suppliers with production in foreign countries may lead to low transparency in working conditions in product errors or safety issues could damage brand reputation, leading to decreased sales and potential lawsuits 	<ul style="list-style-type: none"> ✓ Supporting Documents: Compliance program, sustainability policy, code of conduct, work environment policy and whistleblowing policy 	<ul style="list-style-type: none"> ✓ Page 9 	<ul style="list-style-type: none"> ✓ E/T
Anti corruption	<ul style="list-style-type: none"> x Contributing to business misconduct, within own operations or the supply chain, may damage BST Group's reputation and lead to loss of customers and skilled workers 	<ul style="list-style-type: none"> ✓ Supporting Documents: Compliance program, anti corruption and antitrust policy, Code of conduct and money laundering policy 	<ul style="list-style-type: none"> ✓ Page 7 	<ul style="list-style-type: none"> ✓ E/T



Table of contents

About us	5
Key material ESG themes	6
ESG risks and opportunities	7
Climate change	8
Working conditions	9
Health and safety	10
ESG progress in 2023	11
ESG priority projects for 2024	12
KPI overview	13

About us

- BST Group is a Nordic full-service provider of active fire protection services with a market-leading position in the Nordics
- The Company's mission is to protect people, societies and its vital functions by offering fire engineering and consultancy services, installation of fire protection systems and aftermarket and refurbishment services delivered through a network of autonomous local companies
- Inherent to its products and services, BST Group has a positive impact on the entire society, including protecting people and vital functions

Our ESG work

- 2023 was the second year BST Group monitored and measured its Scope 1 - 3 GHG emissions
- BST Group has an ambition to reduce its GHG emission by 50 % by 2030
- BST Group has pledged to make its entire fleet fossil-fuel free by 2030

ESG highlights for 2024

- ESG manager position added in the Group H1 2024
- Increased focus on ESG priority projects presented on page 10
- New targets on working conditions, health and safety and ESG-related KPIs to be implemented during the year



Our key material ESG topics

	UPSTREAM	OPERATIONS	DOWNSTREAM
Environmental			
Climate	Climate change mitigation		
Pollution			
Water and marine resources			
Biodiversity and ecosystems			
Resource use and circular economy	Resources inflows	Resource outflows	
Social			
Own workforce		Working conditions; Health and safety	
Workers in the supply chain		Health and safety	
Affected communities			
Customers and end-users			Personal safety of consumers and/or end- users
Governance			
Business conduct	Supply chain management	Corporate culture	

Climate change mitigation

- BST Group contributes to CO2e emissions across its value chain but mainly through purchased goods and services.
- The Group has the opportunity to help its customers reduce their indirect emissions via climate-efficient offerings.

Resources inflows and outflows

- A large part of BST Group's environmental footprint stems from materials purchased and used in customer projects. Reuse of materials will be a key driver to reduce BST Group's and customers' environmental footprint.

Working conditions

- As a pure-play fire prevention specialist with a large workforce, fostering a positive work environment is crucial for attracting and retaining employees and talents.

Health and safety

- The service and installation industry is typically associated with health and safety related risks. BST Group shall ensure that adequate safety measures and processes are in place to reduce such risks. This not only includes its own workforce, but also sub-contractors used in different projects.

Personal safety of consumers and/or end-users

- Ensuring safety and quality of the customer offering is critical to maintain a license to operate. Therefore, BST Group has product quality and safety procedures in place and uses third-party audits on a regular basis.

Supply chain management

- BST Group uses several suppliers for purchasing of building and sprinkler products. By having insight into both material sourcing and labour conditions, BST Group can reduce potential exposure to reputational, operational and litigation risks.

Corporate culture

- BST Group large workforce makes the establishment of a good corporate culture an important topic to mitigate risks related to business misconduct within own operations.

ESG risks and opportunities related to material topics

MATERIAL TOPIC	RISKS	OPPORTUNITIES
1 Climate	<ul style="list-style-type: none"> x Offering products/services with relatively high carbon footprint may lead to losing clients with ambitious climate targets x Higher levels of GHG emissions may result in increased costs associated with future carbon taxes 	<ul style="list-style-type: none"> ✓ Positioning BST Group's customer offering as a solution to help clients reduce their GHG emissions has the potential to attract customers with ambitious climate reduction plans and drive revenue growth
2 Resource use and circular economy	<ul style="list-style-type: none"> x Dependence on finite resources may expose BST Group to risks such as shortages and cost escalations x Failure to adopt innovative technologies for circular economy practices may result in inefficiencies and/or reduce competitiveness over time 	<ul style="list-style-type: none"> ✓ Implementing efficient resource management practices can reduce costs and improve overall profitability over time ✓ Collaborating with stakeholders to implement circular economy initiatives can create synergies and unlock new business opportunities
3 Own workforce & workers in the supply chain	<ul style="list-style-type: none"> x Poor working conditions can result in increased turnover rates and challenges in attracting skilled workers, ultimately leading to higher hiring costs x Failure to maintain a healthy and safe work environment could result in accidents, injuries, and legal repercussions, leading to both reputational and financial consequences 	<ul style="list-style-type: none"> ✓ Creating a positive work environment to improve employee satisfaction may lead to increased productivity and talent retention
4 Consumers and/or end-users	<ul style="list-style-type: none"> x Product errors or safety issues could damage brand reputation, leading to decreased sales and potential lawsuits 	<ul style="list-style-type: none"> ✓ Ensuring product quality and safety can enhance brand reputation and customer trust, leading to customer loyalty and increased revenue
5 Business conduct	<ul style="list-style-type: none"> x Contributing to business misconduct, within own operations or the supply chain, may damage BST Group's reputation and lead to loss of customers and skilled workers 	<ul style="list-style-type: none"> ✓ Fostering a culture of transparency and high ethical standards can improve employee morale while building trust with stakeholders and suppliers

Climate change

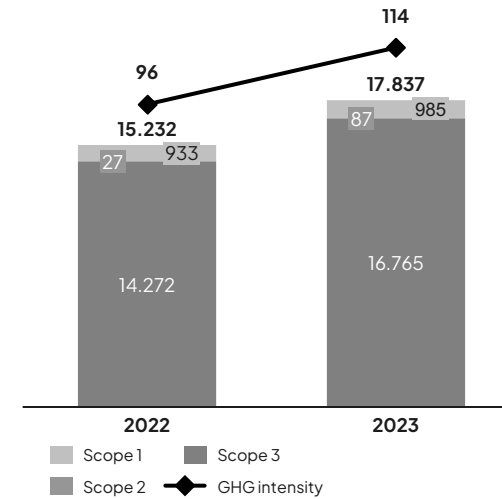
- BST Group contributes to GHG emissions across its value chain, mainly through purchased goods and services, and has the opportunity to help its customers reduce their indirect emissions via climate-smart offerings.
- The Group is still in the early stage of monitoring and reporting on its emission and will in the upcoming years focus on establishing a solid baseline and GHG inventory.
- In 2023, total GHG emissions increased by 17%, primarily attributed to the expanded scope of GHG reporting in scope 2 and 3. The significant increase in energy consumption is also a consequence of the expanded reporting scope, which now encompasses company-owned electric vehicles in addition to purchased electricity.

17%

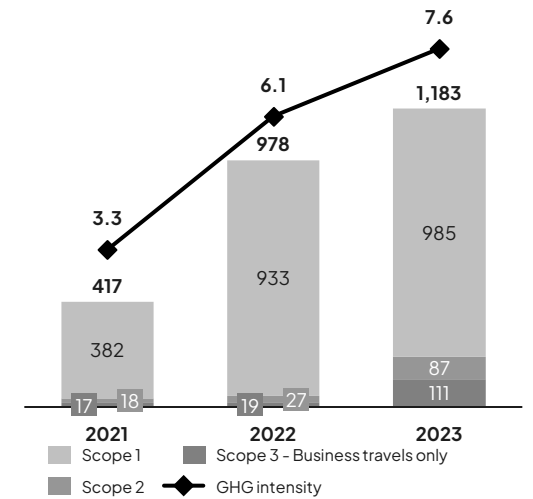
Increase in absolute GHG emissions¹

1. The increase in absolute GHG emissions was mainly driven by the expanded scope of the GHG reporting in scope 2 and 3.

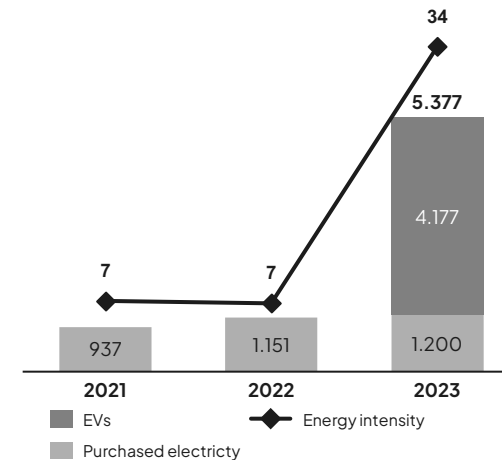
Absolut GHG emissions (tCO₂e) & GHG intensity (tCO₂e/EURm)



Absolut GHG emissions (tCO₂e) & GHG intensity (tCO₂e/EURm)



Energy consumption (MWh) & Energy intensity (MWh/EURm)



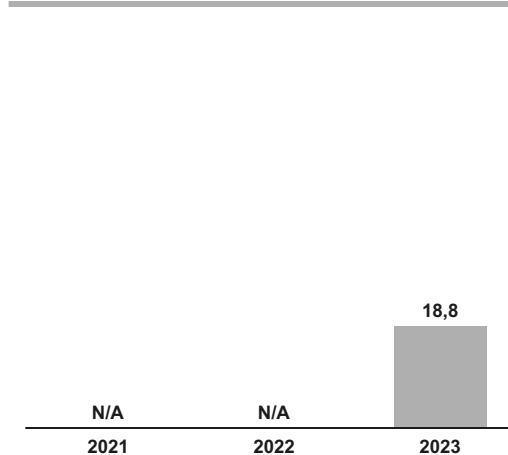
Working conditions

- As a pure-play fire prevention specialist with a large workforce, fostering a positive work environment is crucial for attracting and retaining employees and talents.
- Within Service and Installation BST Group works to attract talents through its training programs, with most technicians being shadowed by and working with trainees on-site during their regular work. BST Group trains its employees to be sprinkler technicians through a two-year apprenticeship and provides employees with the option to transfer into sprinkler design consulting. In BST Groups Consulting division a lot of emphasis is on marketing the groups subsidiaries on campuses and universities where relevant degrees is be educated.
- While monitoring of employee Net Promoter Score (eNPS) and gender diversity has been a longstanding practice, BST began reporting on employee turnover in 2023. This is an important addition to the metrics for assessing the employee satisfaction within the Group.

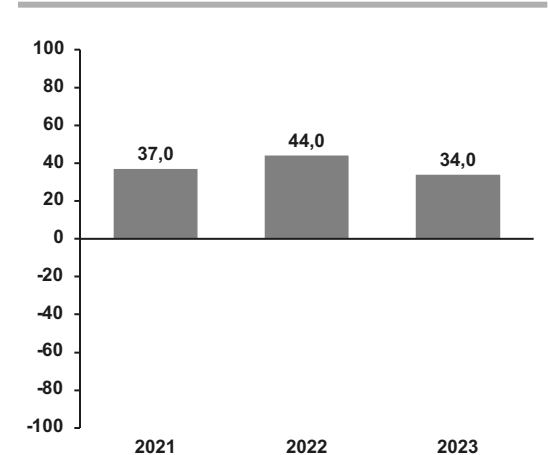
34

Employee Net Promoter Score

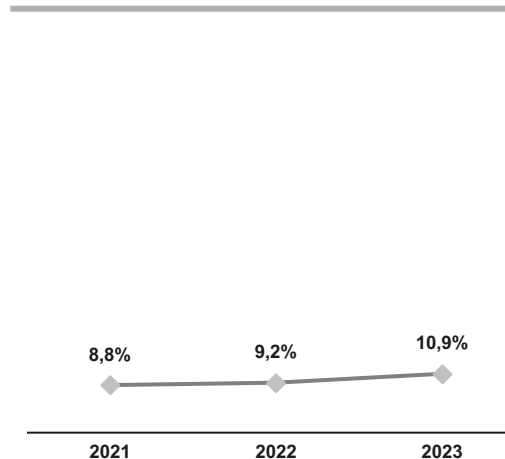
Employee turnover (%)



Employee net promoter score (#)



Gender diversity in total workforce (%)



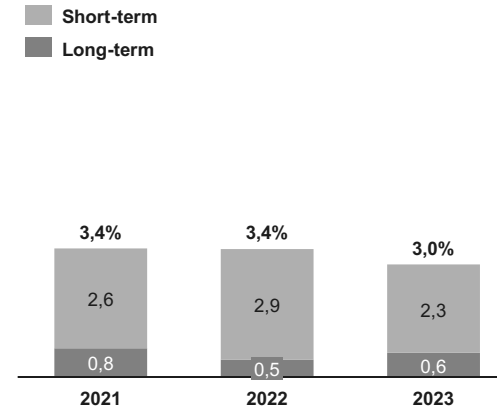
Health and safety

- The service and installation industry is associated with health and safety related risks. BST shall ensure that adequate safety measures and processes are in place to reduce such risks. This does not only include the Group's own workforce, but also sub-contractor used in different projects.
- BST has a health and safety action plan in place and monitors the absenteeism and accident rate for the whole Group. In 2024, BST will increase its efforts to reduce the accident rate.

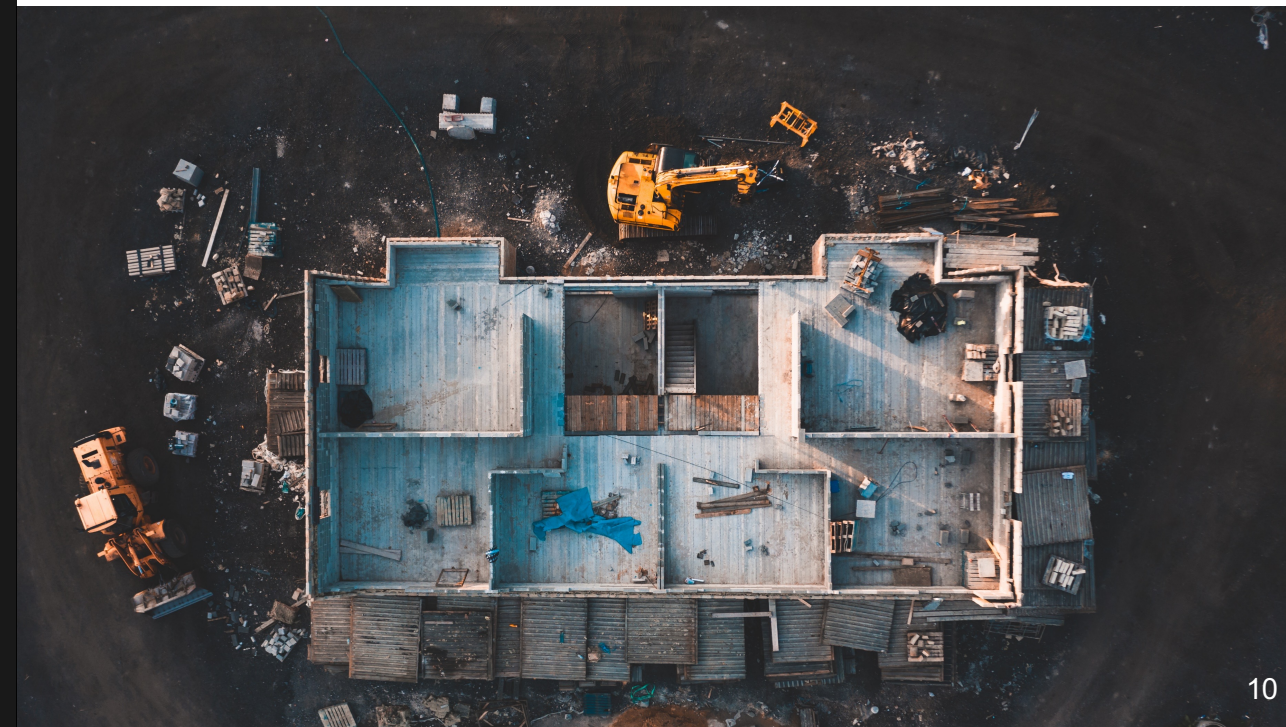
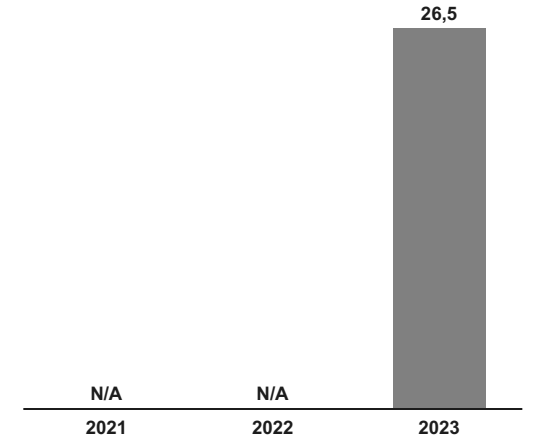
2,9%

Total absenteeism rate

Total absenteeism rate (%)



Accident rate (# accidents / 1,000 FTEs)



ESG progress in 2023

<i>Priority project</i>	<i>Description of project</i>	<i>Progress in 2023</i>
1 Sustainability mission	Build a sustainability webpage with commitments and performance indicators and explore how ESG can be further embedded into business operations and plans.	Started but with minimal progress <ul style="list-style-type: none">• New website has been launched but creation of sustainability-related content has been postponed until the new group-wide sustainability manager is onboarded.
2 Supplier engagement	Reduce emissions associated with procurement of steel and formalise policies governing supplier relationships. Engage with key steel and battery suppliers regarding their carbon footprint, material sourcing and working conditions	Started but with minimal progress <ul style="list-style-type: none">• Work has been begun but postponed until the new sustainability manager is onboarded.• Procurement and development on battery driven pump centrals has started, and first installations have successfully been installed.
3 PFAS foam replacement	Replace legacy foam systems by establishing working group focused on developing responsible solutions.	Completed <ul style="list-style-type: none">• PFAS service line is fully commercialized with several projects won and production started.• Current focus is to scale, market and sales of new projects and to execute projects efficient.

ESG priority projects for 2024

Priority project

Description of project

Actions for 2024

1

Supplier engagement

By engaging with suppliers, BST can gain confidence in the responsible sourcing of its materials, mainly relating to the steel in their fire extinguishing systems. This can mitigate potential reputational/regulatory risks by aligning to a more circular economy and reducing scope 3 emissions.

With steel being the biggest scope 3 contributor, BST aims to explore ways of reducing the emissions associated with the procurement of their steel.

- Review current supplier documents in place
- Discuss ESG engagement with suppliers
- Draft and release updated supplier policies
- Meet with suppliers to discuss future solutions to reducing scope 3 and becoming circular

2

Double materiality assessment

In order to initiate meaningful sustainability initiatives, BST should conduct a mapping of its material sustainability topics. By identifying its material topics, the Group can determine clear goals and align them with necessary resources to ensure long-term success. This approach will not only guide BST's sustainability efforts but also facilitate impactful communication around these efforts.

Moreover, looking a head to 2025, BST will be covered by the CSRD, including mandatory requirements to conduct a double materiality in line the ESRS.

- Initial sustainability workshop with management
- Establishment of internal working group
- Conduct double materiality assessment in line with CSRD/ESRS

ESG KPI overview

KPI	Unit	2021	2022	2023
ENVIRONMENTAL				
Scope 1	tCO ₂ e	382	933	985
Scope 2	tCO ₂ e	18	27	87
Scope 3	tCO ₂ e	N/A	14 272	16 765
Total GHG emission	tCO ₂ e	400	15 231	17 837
GHG intensity – Total GHG emissions	tCO ₂ e / mEUR	3,2	95,7	114,2
Energy consumption	MWh	937	1151	5 376
Energy intensity	MWh / mEUR	7,5	7,2	34,4
SOCIAL				
Total number of FTEs	#	452	650	726
Share of female FTEs	%	8,8%	9,2%	10,9%
Employee turnover	%	N/A	N/A	18,8%
Accident rate	# of accidents per 1,000 FTEs	N/A	N/A	26
Short-term absenteeism rate	%	2,62%	2,91%	2,33%
Long-term absenteeism rate	%	0,76%	0,46%	0,63%
Total absenteeism rate	%	3,38%	3,37%	2,96%
employee Net Promoter Score (eNPS)	#	37	44	34

Reporting parameters

Legal name	BST Group Nordic AB
Org. nr	556879-0512
NACE sector code	F.43 - Specialised construction activities
Location of headquarter	Lerkrogsvägen 21, 126 79 Hägersten, Sweden
Nature of ownership	Majority owned by Norvestor
Reporting period	January 1, 2023 – December 31, 2023
Contact person	Patrik Viksten