

2025

Sustainability report

BERGS

Content

Sustainability Report – this is Bergs	3
Sustainability in Bergs	4
What happened in 2025	5
Adjustment of sustainability goals	6
Berg's work on sustainability	7
Sustainability strategy	8
Value creation in Bergs	11
The Berg value chain	12
Stakeholder analysis	13
Risk factors	14
Addresses	18

This Sustainability Report is an extract from Bergs Timber AB's full Annual and Sustainability Report for 2025.

Cover: Facade of Linax from the subsidiary Bitus AB.



Sustainability Report – this is Bergs

Bergs owns and develops companies that process wood

Bergs is a privately owned company with a portfolio of independent subsidiaries that develops, produces and markets niche products in their markets.

We invest in companies with solid market positions and growth potential across three areas: Doors & Windows, Furniture and Wood Products & Services. Operations are based in Sweden, Poland, Latvia and the UK, with head office in Stockholm. The group is fully owned by the Icelandic company Norvik hf.

Bergs is built around three main business areas, each focused on operations that provide specialized wood-based products and services.

Doors & Windows

Customized doors and windows for both private property owners and professional building contractors. The entire value chain is covered – from over 50 showrooms to manufacturing and installation. The range includes unique, custom-made products from established brands.

Furniture

Wooden furniture and furniture components for leading international brands. Production that combines modern technology with high efficiency.

Wood Products & Services

A wide range of wood products for various applications, garden products, and modular houses, as well as port and distribution operations in the United Kingdom.

Products with a clear sustainability perspective

Bergs has a clear sustainability strategy that covers the entire value chain – from forestry to finished products. With a focus on reducing the climate footprint and promoting a circular economy, the Group works continuously with:

- **Responsible forestry:** All wood products sourced originate from certified and sustainably managed forests.
- **Energy and resource efficiency:** By optimizing production processes, the Group minimizes waste and maximizes the use of raw materials. Production residues are used for bioenergy.
- **Sustainable materials and chemicals:** Impregnation and surface treatments take place in closed processes to ensure minimal impact on people and the environment.
- **Circularity and product lifespan:** The Group's products are designed to be durable for generations and subsequently recyclable, which means very long product lives.



Sustainability in Bergs

Bergs shall be a long-term sustainable company. Bergs's sustainability strategy, and the active measures the company takes to live up to the strategy, can actively influence development in the direction of reduced CO2 emissions, contribute to more resource-efficient and clean value chains as well as healthy local communities.

What is sustainability for Bergs?

Bergs's success depends on the ability to create value that meets stakeholders' wishes and needs for sustainable products, while taking economic, environmental and social consequences into account in the creation of these values. Sustainability work within Bergs must therefore be characterized by a long-term approach. Our ambition is that the work we do should primarily be of benefit in processes we can influence directly, but also in the role as a procurer of raw materials and services linked to our total offering. Therefore, it is essential that the work we do creates confidence among our investors, customers and other stakeholders.

Good basic conditions

Wood is the only renewable building and construction material that also binds and stores carbon dioxide throughout its entire lifespan, which contributes to a reduced climate impact compared to other building materials. The combination of creating mainly custom-ordered wood products with a

very long lifespan, together with an efficient and industrialized production process with responsible value chains, is Bergs's greatest contribution to sustainable social development.

Products manufactured and sold by Bergs's subsidiaries contribute to long-term sustainable development. Windows and doors that are made to last for generations, building components for house production that can replace other materials such as steel, aluminium, plastic and concrete are some examples where Bergs's operations create alternatives that contribute to healthy and circular value chains, where resources are used optimally and where the work environment, safety and sound business principles are given great importance.

Integrated sustainability work and community engagement go hand in hand with long-term value creation. It permeates all stages, from investment calculations, factory establishments, raw material procurement, production, as well as marketing and sales.

Laws and regulations

For 2025, we report in accordance with statutory requirements in the Annual Accounts Act, Chapter 6, Section 11.

The company has previously carried out work to future-proof its reporting to include future requirements, but is awaiting application until it becomes mandatory.

Sustainability strategy

Sustainability strategy and goals for Bergs



Long-term profitability

An EBITDA margin exceeding 9%

Responsible sourcing of raw materials

Traceability of wood, glass, aluminium, steel and ceramics.

Fossil-free world

No own fossil emissions
Halve transport emissions



Resource-efficient and clean value chains

Reduce waste
No contamination of groundwater



Safe, equal and fair workplaces

Halve the number of accidents
Better gender distribution



Values and ethics as well as vibrant local communities

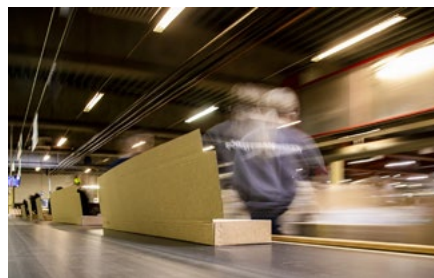
All employees trained in values and sustainability
Strategic suppliers to Bergs's subsidiaries shall sign a commitment to comply with the Group's Code of Conduct
Strive for local value chains and short transports



What happened in 2025

Continued focus on electrification and green electricity

Work to phase out fossil energy in all possible applications has continued during the year. At several plants, new electric vehicles have been acquired to replace previous vehicles with poorer environmental performance. In new procurements, green electricity is prioritised as an expression of the sustainability goal Fossil-Free World.



Health and safety

A review has been carried out during the year to ensure that production equipment meets EU (NIV) standards for safety, health and environmental protection.

The work has been carried out by first analyzing and documenting all risks with each machine. Identified risks are eliminated through design changes or new safety measures. The purpose is to eliminate potential risks and to live up to the sustainability goal of Safe, equal and fair workplaces.

Whistleblowing

The routine introduced in 2023 has during the year resulted in three new cases which are followed up by the Sustainability Manager and the HR function according to a clear set of rules. Through the routine, we gain better control over our operations and strengthen the possibility for continuous improvement.

Group-wide certificate

Bergs Timber has signed a comprehensive certificate with FSC® C106624 and PEFC which enables subsidiaries to join a common certificate. Compared to before, this entails a centralization that provides a better overview and control, less administration, and fewer audits for each respective subsidiary.

Sale of Vika Wood

In January, Bergs Timber completed the sale of the Vika Wood sawmill in Latvia to the Austrian HS Timber Group.

Under Bergs' ownership, the business has developed into one of the most efficient sawmills in the Baltics and now finds a home in HS Timber Group, which is one of the largest European wood processing companies headquartered in Austria, where Vika Wood will become an important complement to their operations and also ensure continued investment and ongoing development of the company.



Adjustment of sustainability goals

The sale of Vika Wood in Latvia during the beginning of the year meant that all sawmill capacity within the Bergs Group has now been phased out.

It is part of a conscious strategic decision. Owning and operating sawmills has historically been the Group's core business for more than 100 years, which makes this change in the Group's direction significant.

A clear ambition during the last decade has been to increase the proportion of processed products and move closer to customers in the value chain. The purpose is to become less dependent on market prices for raw materials, to achieve more stable earnings and reduce exposure to ongoing and very burdensome capital investments.

For Bergs' part, this transformation has taken place over the past decade through the acquisition of businesses that manufacture windows and doors, furniture and furniture components, as well as through the development of existing industries that manufacture wood products with low processing.

When the previous sustainability strategy and previous sustainability goals were adopted, the dependence on saw logs from external forest owners was significant and had a major impact on the environmental footprint in various parts of the value chain. The discontinuation of the industrial sawmill operations is one reason for revising the sustainability goals, but at the same time, a future strategy and goals should be adapted so that other types of business than wood processing can be included in Bergs' future collective offering.

The strategic focus areas are the same as before. The main changes to previous goals are as follows:

- The goal for certified wood is changed to also include controlled wood, not just FSC® C106624 and PEFC.
- The goals have been developed to include materials other than wood.
- Goals per unit have also been included where appropriate.
- Action plans to reach the goals have been developed.
- Reduce accidents by ensuring the working environment and conducting risk assessments of machines.

See developments during the year on page 8–9.



Berg's work on sustainability

Berg's sustainability work is based on the 2030 Agenda with the 17 overall sustainability goals set by the United Nations. These objectives integrate social, environmental and economic dimensions, which form the basis of sustainable development. On this basis, a Sustainability Strategy has been adopted, adapted to the company's activities.

Organisation

Bergs overall business strategy is based on strong decentralisation, with each subsidiary having a long delegated responsibility covering long-term development and profitability. However, sustainability issues, including the Sustainability Strategy, are centralised and binding and not negotiable. In this respect, Bergs is measured and perceived as a group and work on these issues is given high priority by the Board of Directors, Group management and a central function established for the business. The sustainability strategy is an integral part of the company's overall strategy.

The Group's sustainability work is led and coordinated by the Group Head of Sustainability. This person reports directly to the Executive Board. The sustainability strategy should be recognised and complied with in connection with investments, it should support the management of the subsidiaries to work on continuous improvements and it should be a living steering document.

Governance and management

Berg's management model involves a high degree of delegated responsibility with the authority to act in line with the market, with ongoing monitoring and reporting. Group management is responsible for monitoring the outcomes of the sustainability goals, including climate-related targets, risks and opportunities. The sustainability work is reported monthly and the outcome of the sustainability work is reported once a year.

Each subsidiary drives the sustainability work linked to the strategy. They are also responsible for driving sustainability efforts related to customer satisfaction, marketing efforts, energy use and energy optimisation, for example through stakeholder dialogues and ongoing customer surveys.

Allocation of responsibilities

Board of Directors

- responsible for the Sustainability Strategy

CEO and Group Management

- The CEO and Group Management report to the Board on matters related to the sustainability strategy
- The CEO and Group Management are responsible for implementation and compliance with the Code of Conduct

Head of Sustainability

- Fixed points regarding sustainability issues for subsidiary management that are reported and followed up and reported to the CEO

Sustainability Officer

Responsible for collecting data and ensuring legal compliance and adherence to decisions related to environmental aspects, safety, responsible value chains and sound business principles.

- Ensures regular reporting from subsidiaries
- Monthly reporting on developments, deviations or other matters of importance to the Executive Board
- Accident and incident reporting
- GDPR issues
- Ensures compliance with certifications
- Responsible for the Whistleblowing function

The Berg Group's sustainability framework consists of the following elements:

Common guidelines in the form of a vision, Code of Conduct and policies for how Berg's subsidiaries should act in a responsible, socially and environmentally sustainable manner.

Strategic focus areas covering all Berg's subsidiaries, describing targets and KPIs in prioritised areas.

The materiality and risk analysis is based on the subsidiaries' business model and its value chain as well as the impact on sustainability in general.

Monitoring and reporting takes place in each subsidiary, which is responsible for monitoring targets and areas for improvement as well as compliance with guidelines and policies.

Coordination and support is provided at Group level, which also provides inspiration, training, networking and exchange of experience.

Sustainability strategy

Strategic focus areas

As a parent company, Bergs governs its various subsidiaries through active board work/management meetings, financial reporting and follow-up, as well as through clear requirements and follow-up of the overall sustainability strategy. Policies for business ethics are also established at the Group level.

Bergs' operations, through wholly owned subsidiaries, strive for long-term value creation where environmental considerations, economic profitability, and social responsibility interact. The goal is for the products and services produced to be perceived as sustainable in the long term by the market, customers, and other stakeholders. Each subsidiary's operations within the Group must not generate a negative impact or cause harm according to the (NIV)'s environmental objectives.

The strategic focus areas within the strategy are measured and evaluated and are stated below:

- Long-term profitability
- Responsible raw material sourcing
- Resource-efficient and clean value chains
- A fossil-free world
- Safe and fair workplaces
- Core values and ethics as well as viable local communities

Centralised and decentralised strategy

Bergs' greatest impact on sustainability comes from being an active and responsible owner, where the various subsidiaries conduct their own sustainability work in accordance with the Group's overall strategy, goals, and KPIs.

At the Group level, there are fewer than 10 employees, while the subsidiaries employ approximately 1,200 people and conduct all industrial operations. The head office therefore has a limited direct influence on sustainability compared to the subsidiaries, but through active board work/management meetings, Bergs drives development and maintains high standards for the subsidiaries' progress and compliance in this regard.

By developing sustainable businesses that manufacture high-quality products with a long lifespan for demanding customers at reasonable prices, long-term value is created. Bergs is convinced that mutual care for the environment and people is a prerequisite for positive development for the Group and its stakeholders.

The various subsidiaries face different challenges and offer internationally leading products within areas that contribute to sustainable construction, aesthetic and cultural values, energy efficiency, safety, and good working environments.

Compliance and follow-up

The Code of Conduct is the Group's policy for sustainable business and constitutes an important part of the sustainability work. The guidelines and principles represent the minimum requirements that all subsidiaries and their suppliers must meet. For companies within Bergs, this is ensured through active board work/management meetings to ensure they meet Bergs' requirements in this area.

In the wholly owned subsidiaries, Bergs acts as an active owner, sets requirements, and guides each company's management. Sustainability issues are of great importance in the companies, and activities are carried out continuously to promote their positions, enabling the adoption of new and more challenging goals.

A clear instruction is that sustainability shall be a recurring item at board/management meetings, that all companies shall conduct a stakeholder and materiality analysis, and that they shall anchor Bergs' central KPIs while adding their own relevant metrics with corresponding goals. The common central KPIs are reported annually to Bergs for compilation and analysis and are presented to Group management.

All other Group-wide policies and steering documents are communicated to each subsidiary's management. Bergs' participation in boards ensures compliance with decided policies and guidelines.



Sustainability objectives

Sustainability component	Group objectives	Unit target	Timeframe	Action plan	Outcome 2025*	Outcome 2024	Outcome 2023	Outcome 2022
● Long-term profitability	Bergs strives to achieve an EBITDA margin of over 9%.	Financial targets are set individually for each subsidiary based on its business model.	The target for the Group was established in 2021.	Ongoing monthly follow-up.	6.0%	6.6%	0.8%	10.1%
● Responsible sourcing of raw materials	In the long term and over time, 100% of the purchased wood raw material shall be certified and/or covered by the Controlled Wood classification.	Each subsidiary must ensure the traceability of raw materials and input goods such as glass, aluminum, steel, and ceramics. Requirements for environmental performance of glass, where the aim is to use as high a proportion of recycled glass as possible, along with the ambition to develop more circular products. Increased focus on locally produced input materials to reduce transport-related emissions.	Wood: 100% going forward.	<u>Traceability in the supply chain:</u> Develop a system for traceability of all input materials. Require suppliers to state the origin of wood raw materials. Strive for circular products: develop products with longer lifespans and the possibility of recycling. Establish a reuse system for end-of-life products, especially for doors and windows. <u>Supplier relations:</u> Collaborative projects with key suppliers to reduce environmental impact. Code of Conduct requirements for all suppliers with an annual turnover exceeding SEK 5 million (pending CSDDD).	93% (99% including Controlled Wood)	94% (96% including controlled wood)	86% (93% including Controlled Wood)	78% (85% including controlled wood)
● A fossil-free world	All own operations shall be fossil-free (Scope 1+2).	All own operations shall be fossil-free (Scope 1+2).	2030	Increase the share of self-sufficient energy use, for example by installing solar panels at the units; consider the possibility of battery storage. Improve energy efficiency by sealing leaks, turning off machines when not in use, and similar measures. Establish a clear contingency plan for energy supply.	Scope 1+2: 1,371 tonnes CO ₂ e	Scope 1+2: 2,550 tonnes CO ₂ e	Scope 1+2: 2,998 tonnes CO ₂ e	Scope 1+2: 2,668 tonnes CO ₂ e
	Reduce emissions by 50% in Scope 3 compared to the base year 2021.	Reduce emissions by 50% in Scope 3 compared to the base year 2021. Actively strive to procure climate-neutral transport and construction services to reduce the climate impact reported under Scope 3.	2030	Update the company car policy at the units to promote electric alternatives. When acquiring machinery, focus on electric alternatives. In new construction, climate-efficient solutions must be prioritized. Prioritize suppliers with ambitious climate goals.	Scope 3: 9,777 tonnes CO ₂ e	Scope 3: 9,566 tonnes CO ₂ e	Scope 3: 7,215 tonnes CO ₂ e	Scope 3: 6,987 tonnes CO ₂ e
● Resource-efficient production units	Reduce waste by 10% compared to the base year 2021.	Reduce waste by 10% compared to the base year 2021.	2030	Optimize material use through improved product design.	1,666 tonnes of discarded waste.	2,198 tonnes of discarded waste.	1,140 tonnes of discarded waste.	686 tonnes of discarded waste.
	Zero contamination of groundwater.	Zero contamination of groundwater.		Reduce waste and maximize the reuse of scrap within production.				

* Results have been adjusted for divested operations for 2025 and also historically.

Sustainability objectives, *cont.*

Sustainability component	Group target	Unit target	Timeframe	Action plan	Results 2025	Results 2024	Results 2023	Results 2022
<p>● Safe, equal and fair workplaces</p>	<p>Strive for an improved gender balance among employees and ensure safe and fair workplaces.</p> <p>Reduce accidents.</p>	<p>Strive for an improved gender balance among employees and ensure safe and fair workplaces.</p> <p>Reduce accidents through safe machinery; all machines must be risk-assessed and equipped with the safety protections required by law.</p> <p>ALL new machines must be purchased with CE marking and, after installation, maintain the CE marking together with other connected parts.</p> <p>The working environment must be ensured with well-planned workstations with ventilation, lighting, heating, and appropriate work clothing.</p>	<p>The goal is always zero accidents.</p>	<p>Work according to the annual agenda with ongoing meetings of the sustainability/ safety committee, risk analyses, and safety inspections.</p> <p>All units must connect to the group-wide digital reporting system/app.</p>	<p>71% men</p> <p>10 accidents with sick leave of 24 hours or more per 1 million hours worked reported in 2025.</p>	<p>71% men</p> <p>11 accidents with sick leave of 24 hours or more per 1 million hours worked reported in 2024.</p>	<p>72% men</p> <p>6 accidents with sick leave of 24 hours or more per 1 million hours worked reported during 2023.</p>	<p>75% men</p> <p>5 accidents with sick leave of 24 hours or more per 1 million hours worked reported during 2022</p>
<p>● Values and ethics as well as viable local communities</p>	<p>All employees are informed and trained in the company's core values and sustainability work.</p>	<p>All employees are informed and trained in the company's core values and sustainability work.</p>		<p>Transparent communication about the origin of the material to customers.</p> <p>Strive for flourishing local communities and act as a responsible corporate citizen.</p> <p>Establish/create a routine/structure for supplier audits.</p> <p>Strategic suppliers to Bergs' subsidiaries shall sign a commitment to comply with the Group's Code of Conduct or demonstrate an equivalent standard.</p> <p><u>Proposed activities to promote Viable local communities:</u></p> <p>Number of jobs created locally (full-time/part-time).</p> <p>Proportion of employees recruited from the local community.</p> <p>Investments in local facilities and infrastructure.</p> <p>Proportion of purchases from local suppliers and subcontractors</p> <p>Internship and trainee programs.</p>	<p>Over 1,600 approved courses completed.</p> <p>During onboarding, everyone is informed about the code of conduct and sustainability work.</p>	<p>Over 1,600 approved courses completed.</p>		

Value creation in Bergs

What does Bergs do?

Bergs' business concept is to own and develop companies that produce and sell processed wood products to demanding customers in selected markets.

The total number of employees is approximately 1,200.

Customer offering

Bergs' various subsidiaries provide high-quality wood products to demanding customers primarily within Europe. Customers consist of the building materials trade, industrial companies, furniture

companies, and private individuals who build, develop, or renovate properties or other wooden structures. A large part of production consists of custom-ordered windows and doors.

Long life cycle

Most of the Group's products are designed and manufactured to last for a very long time.

Advantageous substitution

Products from the Group's companies often have properties that allow them to replace alternative products made of steel or concrete. This means that CO2 is stored in the wood for as long as the structure remains.

Sustainability in the supplier chain

Bergs' various suppliers play an important role in the value chain. As a significant purchaser of inputs for its own production as well as various services, Bergs has both a responsibility and an opportunity to set requirements related to sustainability. For example, suppliers are encouraged to follow the company's Code of Conduct. The Group and the various subsidiaries strive for close and long-term collaborations with business partners to jointly promote sustainability throughout the entire value chain.

Over time, Bergs will develop its work with the various supply chains with the aim of obtaining written commitments from strategic suppliers regarding the Group's Code of Conduct.

Subcontractors to Bergs are a combination of private and state forest owners as well as raw material agents who supply the Group's wood preservation plants and other raw materials for the manufacture of windows, doors, houses, and garden products.

From these various suppliers, Bergs' subsidiaries collectively purchase goods and services to a value of SEK 1,400 million. This is distributed in volume as follows:

Volumes traded 2025 (previous year in brackets)

- Wood: 206,602 m³ (221,126 m³) (sawn/planed)
- Chemicals: 1,055,661 liters (1,050,370 liters)
- Diesel: 591,000 liters, of which 139,000 liters are purchased as fossil-free (1,076,000 liters, of which 151,000 liters are purchased as fossil-free)
- Electricity consumption: 18,384,000 kWh, of which 18,094,000 kWh is purchased as fossil-free (43,285,000 kWh, 29,939,000 kWh is purchased as fossil-free)
- Water consumption: 19,584 m³ (19,248 m³)
- Self-produced electricity: 881,000 kWh (595,000 kWh)
- Glass: 1,660 tonnes
- Metal: 230 tonnes
- Fully electric vehicle fleet: 32% (24%)

Resources	Strategy	Value created
<p>Customer relations (approx. 400 customers)</p> <p>A decentralized and efficient organization</p> <p>Approx. 1,200 employees</p> <p>Significant expertise in wood processing, furniture production, and the manufacturing of windows and doors</p> <p>Efficient and well-invested production facilities</p>	<p>Sustainable value growth through</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Organic growth</p> <p>Active investments based on assessed potential</p> <p>Decentralized responsibility and authority</p> </div> <div style="text-align: center;"> <p>Acquisitions</p> <p>Complementary business or market</p> </div> </div>	<p>For customers</p> <p>New business opportunities.</p> <p>More efficient and more sustainable operations.</p> <p>High quality products</p> <p>For employees</p> <p>Attractive workplace with development opportunities</p> <p>For society</p> <p>Functional local communities.</p> <p>Employment opportunities.</p> <p>Tax revenues.</p> <p>For owners</p> <p>Value growth and dividends</p>

The Berg value chain

Bergs' overall operations can be divided into three main areas depending on where in the value chain the various activities occur: upstream, in own operations, and downstream.



Upstream

In the wood processing industry, upstream activities include the procurement and delivery of raw materials as well as inputs used in own production. This includes:

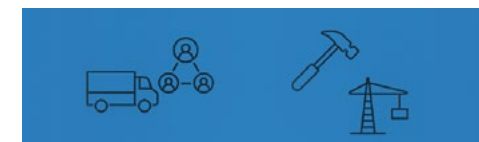
- **Raw material suppliers:** The company purchases wood from forest owners, forestry companies, or certified suppliers working with sustainable forestry, for example according to FSC or PEFC certifications. Transport of raw materials from forest areas often takes place via truck or rail.
- **Logistics and transport:** Efficient transport solutions are required to minimize environmental impact and optimize costs, especially since wood is often transported long distances from remote forest areas.
- **Supplementary materials and energy:** The company may need other inputs such as glass, aluminum, chemicals, adhesives, energy, and spare parts for machinery.



Own activities

Own operations include processes and activities that refine raw materials into finished products:

- **Production and processing:** Wood raw material is sawn, dried, planed, or shaped into specific products such as building materials, house components, or furniture components. Efficient machinery and automation are central to ensuring high productivity and consistent quality.
- **Assembly of windows** where wood and other materials are put together into finished products.
- **Manufacturing of furniture and components**, which is a key part of the company's product range.
- **Packaging and storage of finished products**, which is crucial for ensuring that goods are protected and ready for distribution.
- **Quality control:** Every production step is monitored to meet customer requirements and industry standards.
- **Energy and resource management:** The company often strives to minimize resource consumption and waste through circular solutions, such as using residual products (e.g., sawdust and bark) for bioenergy.
- **Sustainability and innovation:** The focus is on developing products and processes that reduce environmental impact, for example by creating carbon-sequestering products or using renewable energy.
- **Operation of retail and showrooms** where products are displayed and sold to customers.



Downstream

This part of the value chain includes distribution, sales, and use of the company's products and includes:

- **Distribution and logistics:** Products are delivered to retailers, construction companies, or other end-users via logistics networks that strive to minimize environmental impact.
- **Customers and markets:** The company's products are aimed at the construction and interior design industry, furniture manufacturers, or consumer markets depending on the product range.
- **Product use and life cycle:** Wood-based products are often used for their durability and ability to store carbon dioxide throughout their entire life cycle. The company can also support customers through advice on sustainable use and recycling.
- **Recycling and waste management:** When products reach the end of their life cycle, the wood can be recycled or used as bioenergy, contributing to circular flows and reduced emissions.

Stakeholder analysis

Bergs' operations affect the world around us. This can include other companies, employees, society at large, and environmental interests. Our primary stakeholders are customers, consumers, employees, shareholders, suppliers, and the local community. These groups are a direct prerequisite for our long-term profitability. In addition, there are a number of other stakeholders.

Success depends on the ability to create value that meets the needs of the various stakeholders while taking economic, environmental, and social consequences into account.

The ambition is, among other things, to coordinate data from customer surveys, employee-surveys, questionnaires, supplier evaluations, and customer meetings in order to create a more structured process that can be followed over time.

Stakeholder	Requirements and expectations	Value created	Communication channel
Customers and end consumers	<ul style="list-style-type: none"> • High-quality products • Low climate impact throughout the value chain • Respect for human rights in the supply chain • Responsible transport and logistics • Part of a circular cycle • Aesthetic values • High level of service 	Customers' commitment to sustainable development is increasing. Bergs focuses on delivering high-quality products and services that contribute to our customers' productivity and long-term sustainability. Processes and products are primarily certified. Customers gain access to a circular cycle.	Showrooms, Builders' merchants, Code of Conduct, Whistleblowing function, site visits and dialogue during procurement. Annual report/sustainability report, Subsidiaries' websites
Staff and Board	<ul style="list-style-type: none"> • Healthy and safe working environment, employee well-being • Equality and diversity in the workplace • High business ethics • Control over climate impact throughout the value chain • Long-term sustainable value development • Attract, retain and develop employees 	Salaries and benefits. Employee performance reviews, competence development, wellness and preventive work environment measures. In 2025, the Group paid out 546 million SEK in salaries and other personnel costs	Employee surveys, performance reviews, Code of Conduct.
Owner	<ul style="list-style-type: none"> • Long-term sustainable value development • Transparency and risk management • Ethics and anti-corruption • Low climate impact throughout the value chain • Respect for human rights in the value chain 	<ul style="list-style-type: none"> • Dividend • Value growth • Participation 	Website, annual general meeting, annual report/sustainability report
Authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations 	During 2025, there were no significant violations of applicable laws, environmental or occupational health and safety legislation.	Reports, internal and external audits.
Society and the public	<ul style="list-style-type: none"> • Transparency • Local community engagement • Low climate impact throughout the value chain • Respect for human rights in the value chain 	Bergs works to be a strong corporate citizen that complies with laws and regulations and contributes to sustainable development.	website, study visits, annual report and sustainability report
Suppliers	<ul style="list-style-type: none"> • Low climate impact throughout the value chain • Respect for human rights • Impact on biodiversity from key raw materials • Ethics and anti-corruption • Circular and renewable packaging • Transport and logistics 	Long and mutually profitable and trusting relationships	Code of Conduct Annual Report and Sustainability Report

Risk factors

Exposure to risk is a natural part of doing business. The purpose of risk management is to identify risks and prevent them from occurring, and to limit any damage from these risks.

Bergs categorises its risks as financial risks, economic, market and external risks, operational risks and sustainability risks. The risks identified by Bergs and how they can be mitigated are set out below. The section also provides a quantification of the risk for some key parameters.

Risk area	Description	Counteracting factors
Financial risks		
Currency risk	Bergs operates internationally and is exposed to currency risks from various currency exposures, mainly EUR and GBP.	Operational management to try to match revenues and costs in currencies other than SEK. Income and expenses in foreign currencies can be hedged in accordance with the Group's financial policy.
Financing risk	The risk that the group does not have the right capital structure or cannot obtain financing for its operations.	The Board of Directors and management constantly monitor the capital structure and the need to refinance operations.
Liquidity risk	The risk that the Group is unable to meet its payments due to insufficient liquidity or difficulty in obtaining credit from external lenders.	The Board of Directors and management continuously monitor the Group's liquidity reserve, which consists of cash and cash equivalents and unutilised credit facilities. The Group's policy is to have at least 5% of net sales immediately available.
Interest rate risk	The Group's interest rate risk arises from short and long-term borrowings where a sharp increase in interest rates could affect the Group's results and position.	In accordance with the Group's financial policy, the average fixed interest period should be short.
Credit risk	Credit risk arises from cash and cash equivalents and balances with banks and credit institutions, as well as credit exposures including outstanding receivables and contracted transactions.	The Group's trade receivables are spread over a large number of customers and historically credit losses have been low. Trade receivables are secured by credit insurance or other types of secure payment terms. Cash and cash equivalents are only placed with highly rated credit institutions.

Risk area	Description	Counteracting factors
Economic, market and external risks		
Global market and macroeconomic risks	Bergs operates in a cyclical and global market driven by macroeconomic factors.	Bergs operates in many markets and has a varied product range including furniture, furniture components, planed and preservative-treated products, garden products and windows and doors.
Wood industry trends and drivers	<p>Bergs operates in a competitive and cyclical market.</p> <p>Prices for sawn timber are largely dependent on the balance between supply and demand at the global level with large variations over time.</p> <p>The cost of raw materials represents a large proportion of the value of the product and makes Bergs sensitive to fluctuations in price.</p>	<p>Bergs is constantly striving to be a competitive producer of wood products and focuses on efficiency in production, quality, logistics and constantly reviews production structure and investment allocation.</p> <p>By broadening the product range towards more processed wood products that have more stable profitability over time.</p> <p>By developing long-term customer relationships where customers will choose Bergs in challenging market conditions.</p> <p>Bergs currently sources raw materials from a variety of suppliers and regions and endeavours to maintain long-term relationships.</p>
Legal and political risks	<p>Bergs operates in different jurisdictions and is subject to local rules and laws. Changes in regulations and laws may affect the Group's operations.</p> <p>Any trade conflicts may have a negative impact on the group.</p>	<p>Bergs addresses these risks by working on risk assessments and, where necessary, by obtaining external expertise.</p> <p>By partnering with locally based companies, political risk can be reduced.</p>
Legal risks and compliance	The risk of Bergs violating anti-corruption, anti-money laundering, trade compliance, competition law compliance and data privacy laws may result in fines, damages and other financial harm and damage to Bergs' reputation.	<p>Group support and advice on laws and regulations to subsidiaries.</p> <p>Publication of governing documents, such as policies and guidelines</p> <p>Mandatory training in the Berg Code of Conduct for all employees and continuous training for certain categories of employees. Relevant training at local level.</p> <p>Implementation of tools to monitor compliance at group level.</p> <p>Providing the whistleblowing system – both internal and external.</p> <p>Follow-ups, self-assessment surveys and audits in co-operation with external auditor</p> <p>Ensure that strategic suppliers acknowledge the content of the Berg Code of Conduct</p>

Risk area	Description	Counteracting factors
Operational risks		
Business interruption and property damage	Damage to production equipment can have a negative impact, both in terms of direct property damage and in terms of business interruption.	Bergs carries out regular maintenance on its production equipment and has good internal procedures at each production unit. The Group also has insurance cover against business interruption and property damage.
Environmental risks	The Group conducts licensable and notifiable activities in several jurisdictions. The Group's activities give rise to air and water emissions and noise. Historic activities, in particular impregnation, may give rise to costs for measures.	Bergs meets risks by ensuring that the companies have all the required licences and agreements and meet the given security, reporting and control requirements. In the case of new acquisitions, a review of environmental risks is carried out and costs for these are handled contractually and should not be charged to Bergs.
Customer dependence	There is a risk that a few customers account for a large share of turnover.	The risk is managed by having multiple customers in multiple markets and maintain good relationships with existing customers.
IT-related risks	Bergs relies on IT systems and hardware to run its business. Interruptions to these systems or hardware pose a risk of disruption to production and the ability to complete deliveries to customers on time. Risk of unauthorised access to the systems.	Bergs constantly reviews its IT environment and strives for an IT environment that can quickly handle disruptions. The Group has established procedures for information security and processes for monitoring and control.

Risk area	Description of the programme	Counteracting factors
Sustainability risks		
Emissions/Fossil fuel emissions	Berg's operations involve the use of fossil fuels, mainly for internal transport and logistics to and from facilities.	Increase the blending of biofuels in existing vehicles and machinery and gradually shift to electric vehicles. Setting emission requirements when procuring transport and logistics services and rewarding suppliers with a clear sustainability profile.
Energy use	Industrial production leads to the utilisation of energy. The risk is that Bergs will not have access to renewable energy.	Bergs continuously measures its energy consumption in order to reduce the consumption of non-renewable energy. Energy efficiency is a parameter for investments. Increased investment and use of self-generated electricity in the form of solar cells on own facilities.
Organisation and skills supply	Bergs depends on being able to attract, recruit and retain the right people. The risk of not being perceived as an attractive employer. A lack of employee engagement can have a direct negative impact on the company's brand, position and performance.	Communicating the group's activities and core values can facilitate recruitment. Being a larger group provides opportunities for development in different parts of the organisation. A common set of values (Code of Conduct) clarifies what is right and wrong. Gender equality targets are set.
Health and safety shortcomings	Occupational health and safety is strategically important to Bergs. Failure to work in these areas can increase the risk of ill health.	Bergs works systematically to ensure and improve the working environment. Bergs measures and monitors key health and safety indicators. Improvement activities are identified and implemented. Bergs promotes wellness activities for employees.
Corruption and competition law	There is a risk of corruption and irregularities. Bergs risk becoming involved in unethical business.	Bergs has adopted an anti-corruption policy and guidelines for compliance with competition law. A Code of Conduct applicable to all employees describes this topic. All employees are trained in the Code of Conduct and sensitised to the risks. A 'whistleblowing' function is in place where reports of irregularities can be made by both employees and external stakeholders.
Gender inequality, diversity and discrimination	Bergs operates in a traditionally male-dominated industry.	Bergs has a stated ambition to improve staff balance and is an issue that is highlighted before each reorganisation.
Climate change and the environment	Climate change, regulatory changes, production constraints, carbon taxes and other transition measures can affect the availability of raw materials and the company's ability to operate.	Group management and subsidiaries continuously monitor environmental and climate risks that may affect operations and access to inputs and energy. Developing improved environmental performance, such as better insulation for windows and doors, can make an important contribution. To also help make the case for wood as a sustainable material choice in favour of plastics and other more fossil-fuel dependent building materials.

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