

This sustainability report covers the company AB Ludvig Svensson (company reg. no. 556933-7503) and has been drawn up in accordance with the provisions in chapters 6 and 7 of the Annual Accounts Act.

134 years of long-term vision and innovation

Adopting the long view in ideas and actions is part of our DNA: we embrace our responsibility for the climate and environmental solutions we offer commercial interior designers and greenhouse growers. This is our business plan. Our textiles are developed and manufactured in our own facility in Kinna, Sweden, with complete control from thread to finished textile. Our textiles are the epitome of premium quality, function, and aesthetics. We design and manufacture our products to stand up to years and years of use. We offer climate screens for both indoor and outdoor applications in commercial greenhouses and curtains, upholstery, and solar shading for public spaces. Our consulting services help ensure correct usage of our products for optimal effect and the maximum lifetime. Our climate solutions are sold in more than 130 countries around the world.

A sustainable business model

Our customer promise is to create a better climate for people to work in and plants to grow in. Improved climate means, for example, reduced noise levels in an office, lower temperature in a greenhouse, or better energy performance in a building.

Our business model aims for long-term sustainability. We contribute to sustainable outcomes for our customers and end users, resulting in better business for them. We take an active role in the conversion to a future circular business model, we set goals to reduce our own climate footprint and operate in a safe, resource-efficient, and transparent manner.

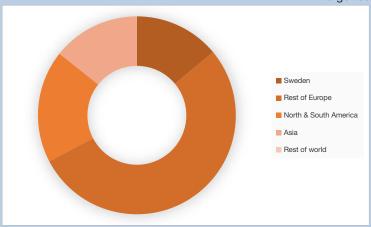
We balance economic growth and positive social responsibility with respect for our environment. We engage in communities and industries where we work for a more just, equal, and sustainable society.

Our contribution to society

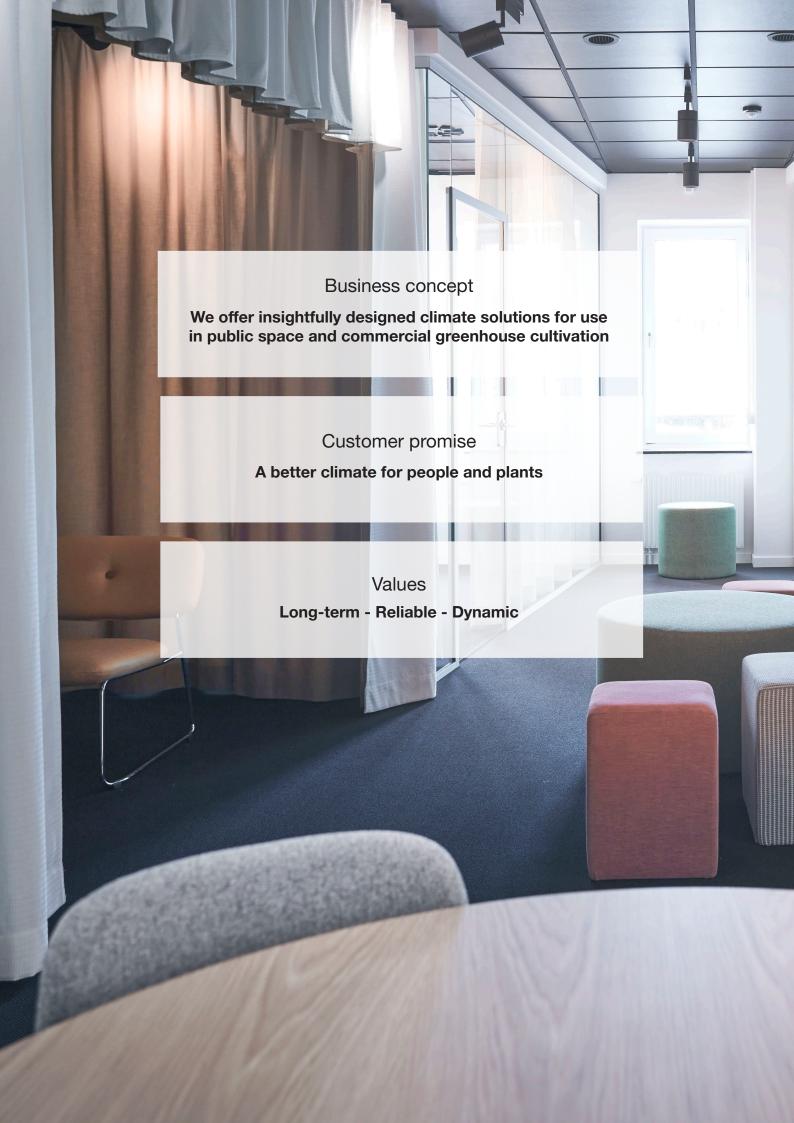
Payment of taxes is the most important contribution to sustainable social development. In 2021 we paid 20.4 MSEK in corporate taxes, which is our contribution to Sweden's infrastructure, defense, justice, schools, and universities.

We have been operating in the same location in Kinna since the late 1800s. We work locally and support Kinna, Mark Municipality and Sjuhärad district, in part by working in Markföretagarnas Interest Group, Mark Technology College, the Viskan Water Conservation Association and TEKO Sweden's textile and fashion industry association.

We believe it is important to support the local sports and interest groups that our employees are engaged in. Engagement in athletics clubs is something we consider an asset for both the company and the local community. In 2021 we supported a total of 21 different associations through both smaller and larger contributions.



Sales per region 2021



Our efforts towards sustainability

Four focus areas for our sustainability work

The right raw materials

Ensure sustainable procurement and increase the use of renewable and recycled raw materials

More with less

Lessen our own climate footprint by reducing consumption of energy, water, and chemicals and transitioning to renewable energy

Sustainable solutions

Develop customer solutions that create better climate for people and plants

Circularity

Contribute to the circular ecosystem through re-use and recycling

The right raw materials

Ambitions 2030 - Activities and current status 2021

Goals are set against results in 2019

40%

of raw material must be recycled or renewable

Current status

climate screens 0.3% Furnishing textiles: 2%

Activities 2021 - Defined sustainable raw material.

- Developed model for LCA (life cycle assessment).
- Updated supplier evaluation to incorporate sustainability perspective.
- New version of supplier code of conduct.
- Luxous 1147 Eco FR launched the first climate screen made with 30% recycled material in film form.
- Karat RE launched a curtain made from 100% recycled polyester (Trevira CS).

Procurement

We attach great importance to understanding how our material choices affect the environment. All raw materials have technical specifications with high-level requirements. We work closely with our suppliers to develop new materials that reduce climate impact. We look for properties that make it possible for them to be dyed and processed at lower temperatures with less chemicals so as to reduce the climate footprint in our own manufacturing. Before a new material is entered into production, we ensure that it has the right characteristics in all aspects and makes for more sustainable usage.

We aim to establish long-term relationships with our suppliers, who share our vision of creating a better climate for people and plants. Our code of conduct defines what we expect from all suppliers with respect to human rights, working environment, environmental responsibility, and anti-corruption efforts. We believe that new and dynamic solutions are born from mutual understanding and trust.

Svensson's code of conduct is based on the 10 principles of the UN Global Compact. We continuously evaluate all strategic suppliers to ensure compliance with this code.

More than 80% of procurement of raw materials and input goods is based in Europe and 60% in the EU. A major part of the remaining fraction comes from our wholly-owned Chinese subsidiary.

Because of our long-standing and close cooperation with our suppliers (who are primarily based in Europe, where we operate under common EU laws), we consider the risk of corruption and violation of human rights to be low.

More with less

Ambitions 2030 - Activities and current status 2021

Goals are set against results in 2019

100%

renewable energy in production

Current status

51% (of which 100% wind power)

30%

reduction in energy consumption in production

Current status 23%

50%

reduction in water consumption

Current status

3%

100%

of processes and chemicals must meet Ecolabel requirements

Current status

78%

Activities 2021

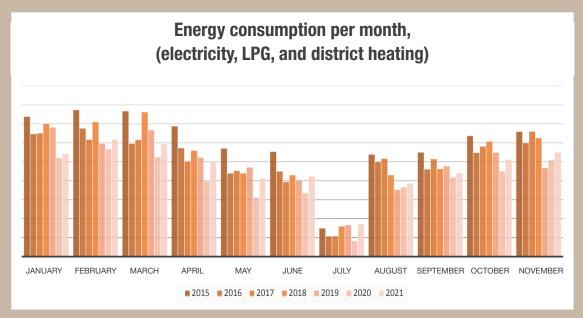
- Elimination of materials cotton and flax
- Optimized ventilation
- Conversion to LED lighting
- Installed new weaving and dying machines that require less energy
- Developed a process for measurement of emissions of greenhouse gases according to global standards
- Reduced the number of chemicals and switched to better cleaning products

Energy consumption

We have conducted an energy audit and since 2015 have been running an optimization project with Afry. We have managed to reduce our energy consumption by 25% since inception of this project.

The goal for 2021 was to reduce our electricity consumption per meter produced to 250 kwh/1,000 lm. Actual reduction was 204

We participate in carbon offsets for our use of LPG. The aim is to replace LPG with renewable energy sources. For 2021 we contributed to a project in Ghana with the objective of increasing the availability of stoves so that people do not have to cook their meals over open fire. This improves the environment for people cooking while at the same time helping to reduce climate impact by 220,000 tonnes of CO₂ equivalents.



Total energy consumption from our factory in Kinna. This includes electricity (wind power), gas (carbon offset), and district heating (renewable fuel, wood chip biofuel)

Chemical management

Chemicals are used when dyeing and processing textiles to impart the desired color and characteristics. We maintain oversight to ensure that all chemicals procured and used are handled correctly in our processes. All chemicals meet REACH, Ökotex, and EU Eco Label requirements. We work according to the substitution principle of replacing an old chemical with a new one if it is less environmentally burdensome and has the same function. We are constantly reducing the number of chemicals we use and reusing them to the greatest extent possible. Risk assessments are carried out regularly in our chemical management system, Eco Online.

Emissions

We have a permit from the County Council to process and dye textiles in the factory in Kinna, Västra Götaland. Together with the authority we have established an oversight program in which we regularly measure and analyze our emissions to air and water.

This is compiled into an environmental report reviewed by the supervisory authority. The report for 2021 was submitted on 03/23/2022. No remarks were made on the environmental report for 2020.

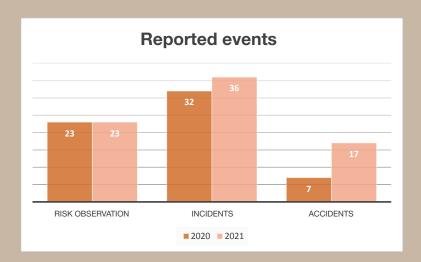
A safe and positive working environment

The aim of our working environment initiative is to create a healthy and expansive workplace for all employees, where risks of injury, illness, and fire are prevented. We have chosen to focus on maintaining orderliness and working on skills development, increased flexibility, and ergonomics.

We have a zero vision where workplace accidents are concerned. Seventeen accidents were recorded in 2021. Eight of these resulted in absence from work. The corresponding figure for 2020 was seven accidents. In total, we had 76 events that are further classified as risk observations, incidents, and accidents.

Over the course of 2021 we have focused on reporting all accidents and reducing the number of unreported incidents and accidents. In 2020 only accidents resulting in absence were recorded. This resulted in a greater number of reported accidents in 2021. We are working hard to improve our working environment to reach our zero vision.

We see that most accidents are related to use of hand tools or occur when transporting material between departments. We train all managers and employees in production to create awareness of the risks inherent in various stages of work. This is also part of the onboarding for new employees. We are constantly working to improve our working methods.



Environmental & safety policy

Svensson's environmental and safety policy centers around the long-term development of improved and sustainable climate solutions that have a positive impact on our own consumption of energy and water and that of our customers. Our processes run according to the principle: More output with less input under safe conditions.

Management system

We have an integrated management system for all activities that is ISO 9001 and ISO 14001 certified and available to all employees. The management system is reviewed every year by a third party (Swedac accredited agency) per ISO 9001:2015 and ISO 14001:2015.

Long-term strategies and plans

We consider sustainability one of the most important factors of our strategies. This means that we do not have one specific sustainability strategy, but rather sustainable strategies across the board. Better climate for people and plants is the guiding principle in our strategic work.

Market analyses such as SWOT, Pestel and 5 Forces are used to assess threats and opportunities. A special assessment regarding the impacts of the Covid-19 pandemic has been carried out. Management works with the company's board of directors to evaluate the selected strategy annually. We adopt a long view with three-year plans and annual business plans where goals are set for activity together with associated activities. These are tracked in monthly follow-up.

Employees

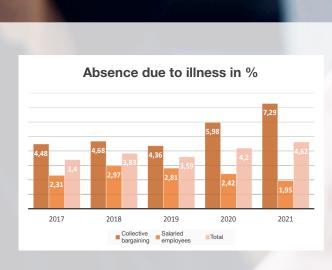
Employees with the right skill and motivation are the key to our success. Our strong company culture, dedicated know-how, and work on continuous improvements guide our efforts in creating a better climate for people and plants.

Our employee headcount fell slightly in 2021. At end of year we had a total of 185 employees, compared with 197 in prior year.

All new hires undergo a comprehensive orientation in which we present the company, our values, policies, and rules. This onboarding process is documented in a checklist that both parties sign.

Our business is global, and we see diversity as a natural part of our activity. Our employee gender distribution is good.

We make a concerted effort to promote female managers in production.



% men and women

	Men	Women
Owners	25	75
Board of Directors	78	22
Management group	57	43
Managers	65	35
Employees	36	64



Sustainable solutions

Ambitions 2030 - Activities 2021

Ensuring right use

of products for maximum effectiveness during product lifetime

New solutions

towards a better climate for people and plants

Activities 2021

- Development projects to extend product lifetime.
- Consulting services on the right use of products and solutions for greatest impact.
- Consulting services on energy savings and control of noise, light, moisture, and temperature.

Product development

Developing new climate solutions is of key importance for the company's continued success. New textiles with more modern materials save more energy and are more efficiently manufactured, resulting in lower climate impact.

All our furnishing textiles are classified according to ÖKOTEX and a number of them are labeled with EU Eco Label.

We share our expertise and help our customers improve their climate and reduce their climate footprint using products, solutions, and consulting services.

Circularity

Ambitions 2030 - Activities and current status 2021

Goals are set against results in 2019

30%

of climate screens will be recyclable

Current status

Solutions

for re-use and/or of recycled material

100%

of furnishing textiles will be recyclable

Current status 0%

Collection system

for products at end of useful life - where the greatest impact can be achieved.

Activities 2021 - Participated in the STEPS (Sustainable Plastics and Transition Pathways) research project.

- Participated in the Texchain initiative, which is intended to create a marketplace for textile waste.
- Projects initiated on collection of climate screens.
- Participating in research projects on chemical recycling.
- Implementation of initial tests of semi-chemical recycling of climate screens.
- Projects initiated on the possibility of creating a new material from end-of-life climate screens.
- Analysis of product portfolio to identify opportunities with recycled material.

Questions and more information	
If you would like more information or would like to receive any of our policies or reports, please contact Pierre Halldén, pierre.hallden@ludvigsvensson.com.	