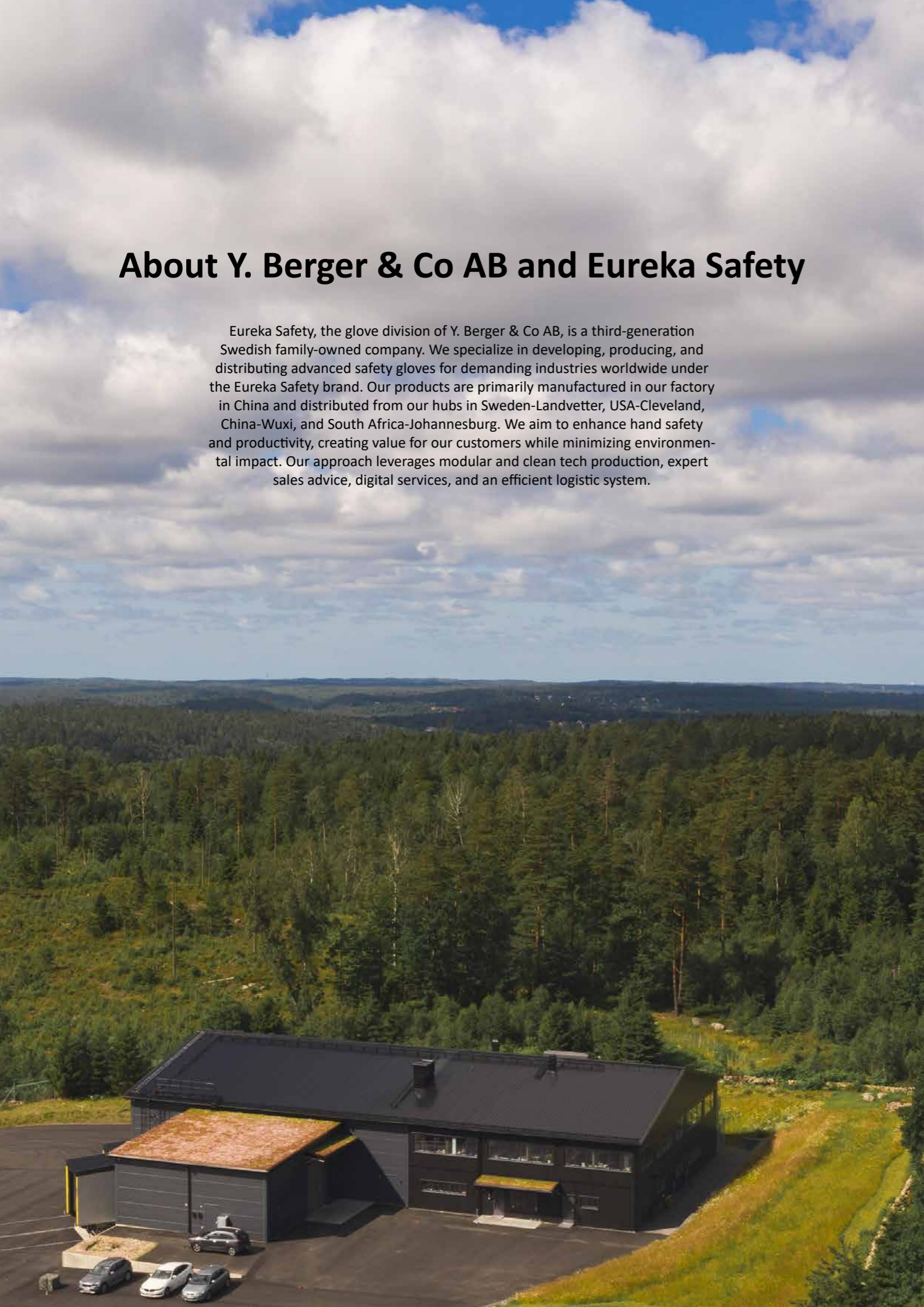


# EUREKA SAFETY

## 2023 SUSTAINABILITY REPORT





# About Y. Berger & Co AB and Eureka Safety

Eureka Safety, the glove division of Y. Berger & Co AB, is a third-generation Swedish family-owned company. We specialize in developing, producing, and distributing advanced safety gloves for demanding industries worldwide under the Eureka Safety brand. Our products are primarily manufactured in our factory in China and distributed from our hubs in Sweden-Landvetter, USA-Cleveland, China-Wuxi, and South Africa-Johannesburg. We aim to enhance hand safety and productivity, creating value for our customers while minimizing environmental impact. Our approach leverages modular and clean tech production, expert sales advice, digital services, and an efficient logistic system.

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## Sustainability Strategy

At Y. Berger & Co AB, we recognize the significant impact of economic activities on both people and the planet. We are dedicated to achieving true sustainability by balancing the three pillars: people, planet, and profit. Our goal is to create value while minimizing our negative environmental footprint and maximizing positive external effects. By understanding the connection between quality of life and resource and energy use, we aim to maximize value for each unit consumed.

This year, we conducted a preliminary Life Cycle Energy Analysis (LCEA) to guide our efforts. Y. Berger & Co AB and Eureka Safety are focused on substantive actions rather than superficial measures. We will avoid shortcuts like acquiring green certifications solely for image, launching special green products or segments, uncritically marketing recycled products, or engaging in other symbolic sustainability activities. Instead, we are committed to a gradual and comprehensive adjustment of all our business practices to ensure genuine and lasting sustainability for current and future generations.

## Report Scope and Boundaries

This report considers the Eureka division at Y. Berger & Co AB for the period from January 1, 2023, to December 31, 2023. When specified it may also include:

- a) The entire Y. Berger & Co AB in Sweden
- b) Eureka Glove production and Trading in China
- c) Eureka Safety Inc. in the USA
- d) Eureka Safety South Africa



## Materiality Analysis

### Overview

Eureka Safety handles significant volumes of materials and gloves, making environmental aspects a crucial industry challenge. Given that we source the highest quality raw materials from trusted suppliers, the chemical safety risks to employees, end-users, and the environment are estimated to be low. Resource use is significant, primarily due to the amount of raw materials such as polyester, High-Performance Polyethylene, polyamide, and process alcohol. Additionally, the use of electricity in China contributes to a significantly higher carbon footprint compared to Sweden, and we are working diligently to improve our efficiency in this area.

We have achieved good working environment standards at all locations but must continue improving working conditions and ergonomics at our factory. Overtime and night shifts are sometimes required due to operational demands, and it is noted that employees in China often seek more overtime than is ideal.

Y. Berger & Co AB is a mature company in both Sweden and China, with legal and regulatory compliance risks estimated to be low.

The Eureka materiality analysis is based on our in-house procedures and processes, as well as discussions with employees, customers, and other stakeholders.

### Stakeholders

Our stakeholders include:

- The users of our product**
- Distributing customers**
- Employees in Sweden, China, South Africa, and the USA**
- Suppliers and surrounding communities in Sweden and China**
- Government agencies**

Engaging with these stakeholders involves several key activities:

**End-User Visits:** Understanding the needs and challenges of those who use our products directly.

**Distributing Customer Visits and Feedback Surveys:** Gathering insights from our distributors and partners to improve our offerings.

**Employee Evaluations:** Conducting face-to-face meetings with every employee to discuss their experiences and areas for improvement.

**Suppliers:** Clear contracts, Business Code of Conduct, and face to face meetings.

The safety and productivity of our end-users are our highest priorities, as their numbers exceed those of any other stakeholder group by a factor of more than 1,000. This significant disparity underscores the critical importance of ensuring our gloves are safe and effective for end-users.

### Key Material Topics and Stakeholder Value

Creating value for all stakeholders is a core focus of Eureka Safety. We strive to enhance the well-being of our team, customers, partners, and end-users by delivering high-quality products and fostering strong relationships. Our efforts include:

#### The users of our products

Continuously developing our products to meet and exceed the evolving needs of our end-users, increasing their productivity by improving their hand safety, while also reducing negative environmental impact.

#### Distributing Customer Support

Providing “train the trainer” physical and digital support to enhance customer operations, with a focus on building long-term relationships.

#### Employees

Creating employment opportunities with good working conditions where our employees can develop and contribute to our joint growth.

#### Suppliers and Surrounding Communities

Upholding our Business Code of Conduct, which emphasizes ethical business behavior. Our company also participates in various community and research initiatives and industry associations.

#### Government Interactions

Adhering to all rules and regulations and fostering a high degree of transparency. Our efforts with ISO 9000 in China, as well as BSCI social certification (CSR) and chemical safety (Restricted Substance List), are examples of where we aim to exceed regulatory requirements.

# People - Social Sustainability

## Employee Code of Conduct

At Y. Berger & Co AB, we uphold a rigorous Employee Code of Conduct that reflects our commitment to ethical practices and a supportive work environment. The key components of our code include:

- Employee well-being and benefits:** Flexible working hours, fitness allowances, health insurance, EV charging
- Ethical conduct and compliance:** Transparency & honesty, representation, company policy
- Work environment and safety:** Overtime & compensation policies, vacation rules, fire & first aid policies
- Pensions & insurance:** Pension plans, healthcare insurance, workplace injury insurance
- Travel & expenses:** Guidelines for cost effective business travel and expense reporting

## Business Code of Conduct

Our Business Code of Conduct outlines our requirement for ethical and social standards and practices, as well as a strict Restricted Substance List which are essential to maintaining trust and integrity in our operations:

- Anti-corruption:** Strict measures to prevent corruption and promote transparency.
- Legal compliance:** Ensuring all business activities comply with applicable laws.
- Minimum wage:** No employee can be paid below current, legal minimum wage described by local legislation
- Health and safety:** Prioritizing the well-being of our employees.
- No child nor forced labour:** Upholding human rights and ethical labor practices.
- Fair wages and benefits:** Providing competitive and fair compensation.
- Chemical safety, Restricted Substance List:** Ensuring the safety and sustainability of our products.

## Employee Benefits at Y. Berger & Co AB

Across all locations, Y. Berger & Co AB is committed to creating a positive, ethical, and supportive workplace for every employee. Together, we prioritize well-being, continuous improvement, and ethical conduct in everything we do.

### Benefits for Our Headquarters Employees (Sweden):

- Flexible Working Hours:** Enabling employees to manage their time and work schedules effectively.
- Option to Work from Home (One Day Per Week):** Offering flexibility to maintain a work-life balance.
- Access to an In-House Gym:** Supporting physical fitness and well-being.
- Healthcare and Pension Insurance:** Providing comprehensive health coverage and future financial security.

### Employee Support at our Production Facility (China):

- Option to Work from Home (One Day Per Week):** Offering flexibility to maintain a work-life balance.
- Healthcare and Pension Insurance:** Providing comprehensive health coverage and future financial security.
- Certified by Amorf BSCI:** Our facility in China adheres to workplace standards and ethical practices, certified by the Business Social Compliance Initiative (BSCI).
- ISO 9001 Certification:** Our production site is ISO 9001 certified, reflecting our focus on quality management and improvement.
- Commitment to Employee Well-being:** We strive to create a supportive work environment, contributing to employee retention and satisfaction.

### Our Unified Commitment:

At Y. Berger & Co AB, we support the physical and psychological well-being of all our employees, whether they are working at our headquarters in Sweden, our production facility in China, or our other locations. Providing a healthy, balanced, and supportive work environment is key to fostering loyalty, reducing turnover, and ensuring our employees thrive.

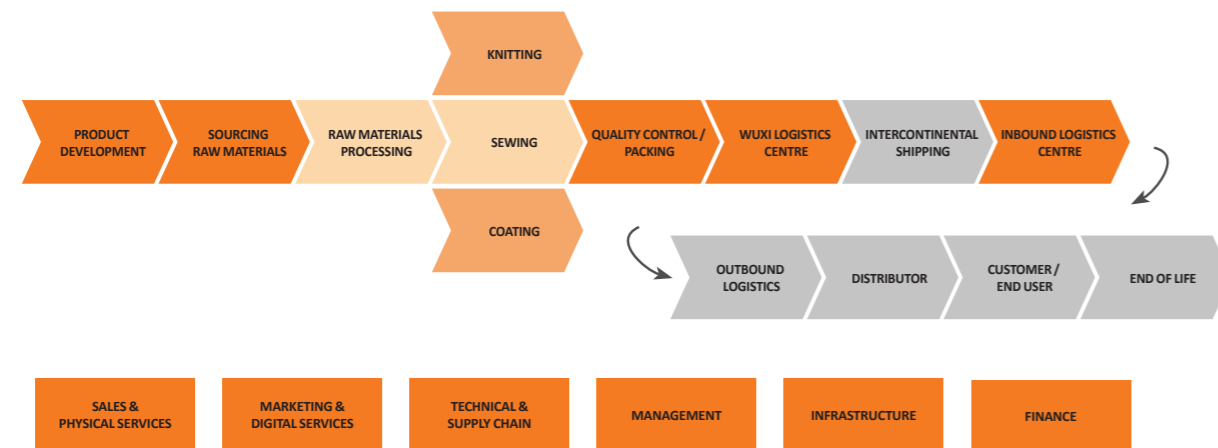
## The Eureka Product Development Process



## The Eureka Value Chain

The following simplified diagram illustrates the journey from project initiation to product launch and the degree of the company's involvement in processes.

**Orange:** full control, **Medium orange:** majority control, **Light orange:** minority control, **Grey:** external processes)



## Materiality Conclusion

Eureka Safety is dedicated to addressing the most relevant material topics that impact our stakeholders and overall business sustainability. By focusing on stakeholder value, ethical conduct, environmental advocacy, industry partnerships, and government relations, we aim to create a sustainable and responsible business that benefits all parties involved. Our commitment to continuous improvement and stakeholder engagement ensures that we remain responsive to the needs of our stakeholders and the challenges of our industry. Through these efforts, we strive to make a positive impact on the environment, society, and the global community.

# Planet - Environmental Sustainability

## Life Cycle Analysis

This chapter describes the Life cycle of a Eureka glove as well as some of the potential problems at each stage.

### Raw Material:

This is the initial stage where raw materials are sourced from suppliers. There is usually a substantial use of energy and resources associated with the raw material production. This is one of the most significant steps in the value chain.

### Raw material processing:

Yarn dyeing is a very significant source of water use, energy, and chemicals.

### Yarn twisting and spinning:

Low impact steps even if they can generate material losses of 3-8%

### Delivery to Factory:

Once the raw materials are procured, they are transported to the manufacturing facility. As with all transportation, compact packing, full containers and a direct route with a priority of carrier type as follows, sea, rail, truck, and air.

### Knitting, Sewing, and Dipping:

In this stage, the raw materials are transformed into the final product through knitting or sewing, and dipping processes.

### Chemicals for the coating process:

The choice of chemicals for the coating process is a absolutely critical. Additives or process chemicals with harmful effects on humans or the environment may include DMFa or similar aprotic solvents, organic solvents, PAHs, silicones, fluorocarbons, biocides, softeners, and more. Eureka has eliminated flourocarbons, DMFAs, silicones, softeners and organic solvents from our coating processes

### Quality control, Packaging & storage:

All raw materials are checked upon arrival and a prudent quality control with "Critical Control Points" is performed at key stages throughout the production process. Once the product passes final quality control, it is packaged appropriately and stored at our warehouse.

### Intercontinental Shipping:

Packaged products are then sent from our production facility in China to our warehouses in Europe, USA, or South Africa for storage. Proper inventory management practices are essential to ensure that the right products are available in the right quantities at the right time. Sea deliveries have a surprisingly low environmental impact while airfreights should be reduced as much as possible.

### HQ operations:

This involves running the office and warehouse as well as the sales activities including business trips. It is most important with strong digital services and a knowledgeable sales force that secure that the right products are sold to the right application and enduser! Facility management is one of the biggest sources of negative environmental impacts. Loss of biodiversity through land use and a large energy consumption through heating and cooling as well as employee travels to and business trips. The amount of waste generated by office and warehouse is limited and prudent sorting and recycling is easy to arrange.

### Outbound logistics:

Transport for local warehouse to distributor. This last leg is usually by truck with resulting higher emissions per ton/km compared to shipping. Efficient packing and possible CO<sub>2</sub> compensation are suitable methods.

### Disposal & Reuse:

At the end of its life the products have to be disposed. Best option is to repair and reuse, recycle materials, recycle energy by burning.

# Profit - Financial Sustainability

Profit is a significant part of sustainability, failure to profit and grow will lead to lower market share and lower investment, worse conditions for employees, and eventually disappearance from the market. Eureka is a technical world leader in a few PPE fields such as Hand Arm Vibration and Arc flash protection but is still a very modest-sized company by international standards. Y. Berger & Co AB has solid finances, a turnover for the year 2023 of 164MKr and is profitable. The company is making significant short term investments in people, equipment, and R&D and we have a reasonable profit even after these costs and investments.



# Eureka Handprints

Handprints are the active choices that we make to reduce our negative external effects. The main active decisions taken are listed below.

## Raw Material

Choice of **raw materials**: An active choice of low impact materials is one of the most significant steps to reduce the environmental footprint. At Eureka, we avoid superficial “green” articles in our assortment while keeping the remaining articles and operations unchanged. We firmly believe that achieving a low environmental impact requires transforming our entire company. Therefore, we strive to integrate low-impact durable technologies and materials as broadly as possible across all our operations.

31 % of all dyable yarns are spin-dyed or deliberately undyed (this resulting in an almost 100% reduction of resource consumption and energy usage for the dye process).

23% of all yarns are made from Oekotex certified fibres.

17% of our products are ultra light 18 gauge knitting. Lighter products results in significantly reduced resource consumption and energy usage.

6,8% of all yarns are made from post-consumer recycled polyester.

2% of all yarns are made of post-consumer ocean-bound recycled plastic.

## Production

Use of heat pumps and solar generate or save 17% of our electricity needs at our production.

Process air cleaning equipment installed.

Office heating integrated to production heating system.

Appropriate waste collection in place.

## Accessories & Packing

All accessories are minimized while still fulfilling minimal retail requirements.

Company’s paper and carton packing raw material cartons are certified acc. to FSC (Forest Stewardship Council).

Elimination of 99% of all plastic in packing compared to 5 years ago. The only exception is the utilization of biodegradable (road side conditions, not landfill) plastic pins.

Gradual introduction of paper-based tape for better carton recycling.

Very compact and pallet-optimized cartons for the lowest impact in storage and transportation.

## Logistics

Intercontinental shipping Our main route is regular 40’ full containers door to door between factory and Sweden warehouse.

Outbound transport from HQ is CO<sub>2</sub> compensated through UPS compensation plan.



## HQ Operations

In an effort to preserve the surrounding environment, green spaces around our HQ have been transformed into a biodiversity hotspot with flower meadows, flowering bush, hardwood forest edge zones, renovated stonewalls, a pond, and partial green roofing.

HQ is heated by biofuels and heat pumps.

HQ produces ~50% of electricity inhouse by solar panels  
During 2023: Energy production 28 054 kWh Energy consumption 58 485 kWh (equivalent to 2 average family houses)

Electric vehicles (EV) charging for employees (0,33 available chargers per employee).

Y. Berger & Co. AB’s company cars in Sweden are all EV’s.

Energy efficient interior lighting and exterior lighting that minimizes light pollution (learn more at darksky.org)

waste recycling procedures in place.

HQ equipped with high quality video conferencing facilities to minimize unnecessary business travel.

# Eureka Footprints

Footprints are the external effect that we leave behind. These can be measured in many ways. We are measuring our GHG emissions according to the Green House Gas Protocol, we try to estimate the total amount of energy that is embedded in our products while most other metrics are dealt with only at a qualitative assessments.

## Greenhouse Gas Protocol

### Scope 1: Includes inhouse processes and vehicles controlled by Y. Berger & Co AB.

Y. Berger & Co AB owns only electric vehicles. In 2023, our company exclusively utilized electric vehicles for our national sales force.

Y. Berger & Co AB's HQ heating system utilizes biofuel, heat pumps and solar system, therefore GHG protocol 1 CO<sub>2</sub> emission is 0kg (zero).

Production facility in China does not burn or produce any CO<sub>2</sub> directly but does operate 1 fossil fuel car.

USA warehouse is heated by natural gas.

### Scope 2: Includes indirect emissions such as electricity bought by Y. Berger & Co AB.

Company's total net electricity bought during 2023 was ended on 30431 kWh, Swedish electricity carbon intensity is 0,019kg/kWh it becomes 578,2 kg CO<sub>2</sub>. During 2023 at HQ solar energy production: 28054 kWh Energy consumption 58485 kWh

Our China factory is using 0,45kWh / glove produced and with an estimated carbon intensity of 0,7kg CO<sub>2</sub>/kWh its 0,31kg CO<sub>2</sub>/pair.

### Scope 3: Everything else, not included in above

Y. Berger & Co AB, our production facility, or sales offices are estimating our scope #3 emissions but we are actively working to reduce our Sweden HQ emissions.

## The Outbound Transportation

All outbound transport from Sweden HQ warehouse is CO<sub>2</sub> compensated through our transport partners.

The total pre-compensation GHG emissions as CO<sub>2</sub> was estimated at approx. 357 MT

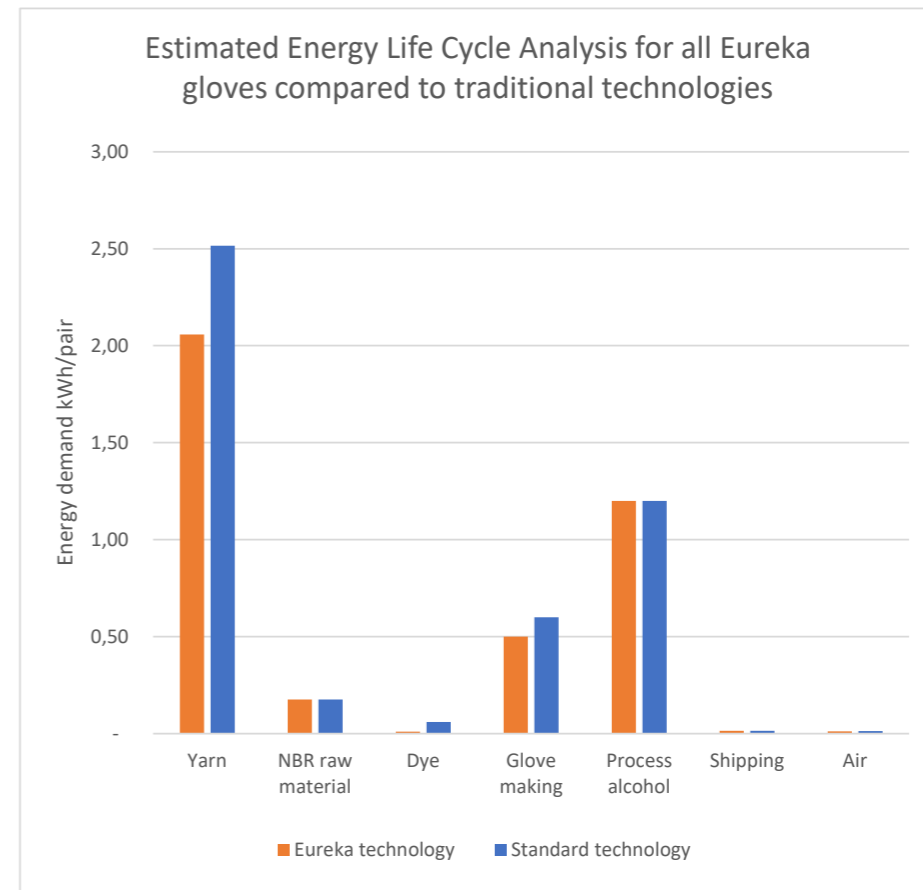
The inbound air freight during 2023 was approx. 0,17% of total turnover.



## Life Cycle Energy Assessment (LCEA)

There is a strong correlation between energy use, GDP and prosperity. The available energy is a scarce resource so it is important that we make the best possible use of it. In order to understand what part of the glove-making uses most energy, we have estimated the following embedded energy in each raw material. Note: All data is a combination of inhouse process parameters and crude open sources for a rough estimation.

- Yarn dye 1kg of polyester yarn 4 kWh
- 1kg Air Shanghai Europe 10 kWh
- 1kg Ship Shanghai Europe 0,25 kWh
- 1kg Polyester (PET) yarn 25 kWh
- 1kg Recycled PET yarn 11 kWh
- 1kg Polyamid yarn 63 kWh
- 1kg PAR yarn 80 kWh
- 1kg HPPE yarn 45 kWh
- 1kg cut-resistant PVA yarn 32 kWh
- 1kg of Nitrile latex 22 kWh
- 1kg of alcohol 23 kWh



All data is a combination of inhouse process parameters and open sources. Based on the above table the total embedded energy of all our production was calculated. Our in-house estimate is that the total energy needed in Eureka product is ~15% lower compared to traditional technologies. The main factors behind this reduction are described in the handprint section above (use of undyed nor dope dyed materials. Recycled polyesters, heatpumps, and solar panels and more).



## Chemical Footprint

At Eureka Safety, we prioritize the health of our environment by strictly adhering to our Restricted Substance List (RSL). This approach involves meticulously selecting our process chemicals to minimize environmental impact and reduce hazardous waste. We ensure that all chemicals are sourced from the finest suppliers, upholding the highest standards of safety and sustainability.

Our commitment to reducing toxic chemicals is evident in our factory and products, which are free from:

**Dimethylformamide (DMFa):** A solvent known for its potential health risks, and other technically similar aprotic solvents that could be used the same way as DMFa have been eliminated from our knitting and coating processes.

**Per- and polyfluoroalkyl substances (PFASs) including fluoropolymers such as PTFE:** A group of man-made chemicals that persist in the environment and human body, often referred to as “forever chemicals.” We ensure these substances are absent in our products.

**Silicones:** While commonly used for their versatility, we have opted to exclude silicones to further reduce negative environmental impact.

In addition to our careful chemical selection, we have also chosen to use sustainable packaging. Our product accessories and packaging materials are made from paper and FSC-certified materials. The only exception is a plastic pin, which is 100% biodegradable. This ensures that all our accessories and packaging are environmentally friendly and contribute to our overall sustainability goals.

By adhering to these stringent standards and continuously seeking improvements, Eureka Safety demonstrates a deep commitment to protecting the environment and promoting sustainability throughout our operations. This holistic approach not only reduces the presence of toxic chemicals but also ensures responsible waste management, aligning with our mission to contribute towards a safer and healthier planet.



## Conclusions

At Y. Berger & Co AB, addressing the planet aspect of sustainability remains a significant challenge. A major focus is on Scope 3 emissions, which pertain to the raw materials and processes used by our suppliers. We are pleased to report that conventional textiles, such as dyed non-recycled materials, now constitute only 10% of Eureka's raw materials. This achievement underscores our ongoing commitment to reducing our environmental footprint and enhancing our overall operations.

Our dedication to sustainability is reflected in our continuous efforts to improve energy efficiency, reduce toxic chemicals, and implement responsible waste management practices. By adhering to stringent standards and engaging with stakeholders, we strive to create a positive impact on the environment, customers, and our end users. We recognize that sustainability is a journey, and we remain committed to making meaningful advancements that contribute to a healthier planet for future generations.

Looking ahead, we plan to further improve energy efficiency at our Wuxi production facility, invest in advanced energy storage solutions at our headquarters, and deepen our understanding of Scope 3 emissions. Additionally, we aim to enhance our life cycle assessments, continue to enforce our Restricted Substance List, and increase the use of sustainable materials where applicable.

Through these initiatives, Y. Berger & Co AB is dedicated to fostering a sustainable and responsible business that benefits all stakeholders and contributes to the global effort to protect and preserve our environment.

## Plan, Looking Forward

- Improved energy efficiency in Wuxi plant through upgraded machinery
- Invest in a grid-supporting frequency stabilizing Lithium-Ion battery at HQ
- A deeper look into our GHG scope 3 emissions
- Improve our sustainability report by including more sources and references in a glossary
- Energy Life cycle assessments, higher accuracy and calculate for each style
- Stricter verification and tightening of our Restricted Substance List
- Increased use of dope dye raw materials
- Improved verification of our Business Code of Conduct
- Update and improve awareness of Employee Code of Conduct at all sites
- Initiating work with ISO 14000 at HQ and factory and ISO 9001 at HQ

