



**Becker Industrial Coatings Holding AB**  
October 2023

**Limited assurance report on the implementation of the Beckers  
Sustainability Index on main product families**

EY & Associés



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### Limited assurance report on the implementation of the Beckers Sustainability Index on main product families

In our capacity of independent verifier appointed by Becker Industrial Coatings Holding AB (hereafter the “Company”) and in accordance with your request, we have undertaken a limited assurance engagement on the compliance of the Beckers Sustainability Index evaluation process (hereafter referred to as “BSI”) implemented by the Company on the main product families of the portfolio, with the BSI principles and operating rules (hereafter referred to as the “BSI Methodology Rule Book”).

#### Our limited assurance conclusion

Based on the procedures performed, as described in the “Nature and scope of the work” section of our report, and on the evidence we have obtained, nothing has come to our attention that causes us to believe that the BSI evaluation process set up by the Company and deployed on the production portfolio has not been implemented, in all material aspects, in accordance with the principles and operating rules described in the BSI Methodology Rule Book.

#### Comments

Without modifying the above conclusion, we make the following comments:

- Regarding the calculation process: given the highly decentralized organization of the Company, we found that procedures and calculation of the performance on the functionality might differ between countries and regions in which the Company operates. The Company has initiated action plans to address this topic.
- Regarding the traceability of the tests conducted: we found that the traceability and data storage of the tests on functionalities conducted on the Company’s products might differ between countries and regions in which the Company operates. The Company has initiated action plans to address this topic.

#### Information or explanations

- The BSI is a multi-criteria product assessment methodology covering environmental and societal topics. The products are evaluated based on the sustainability performance of the raw materials (Beckers Sustainability Index *Materials* - BSI<sub>M</sub>) and based on the contribution of the functionality of the coating to the sustainability performance of the coated object (Beckers Sustainability Index *Functionality* - BSI<sub>F</sub>).



## **Interpretation of Results of Beckers Sustainability Index**

The Sustainability Index needs to be read and understood together with the BSI Methodology Rule Book v 2.1.8, which the Company has used to prepare the Sustainability Index.

## **Responsibility of Becker Industrial Coatings Holding AB**

It is the responsibility of the Company to:

- Select or establish suitable criteria for preparing the BSI.
- Prepare the BSI in accordance with version 2.1.8, of May 11, 2023 of the BSI Methodology Rule Book, the main elements of which can be downloaded from the web site <https://beckers-group.com> and available on request from the entity's corporate product sustainability department. It is the responsibility of the Company to regularly update the BSI Methodology Rule Book, to ensure that it is made available to internal users and third parties, and to apply the BSI Methodology Rule Book.
- Design, implement and maintain internal control over information relevant to the preparation of the BSI that is free from material misstatement, whether due to fraud or error.
- Implement the BSI on its main product families within the coil coatings business.

## **Responsibility of the independent verifier**

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the BSI is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of the Company.

As we are engaged to form an independent conclusion on the BSI as prepared by Management, we are not permitted to be involved in the preparation of the BSI as doing so may compromise our independence.

## **Professional Standards Applied**

We performed our limited assurance engagement in accordance with ISAE 3000 (Revised)<sup>1</sup> (International Standard on Assurance Engagements), ISO 14020 and ISO 14021 standards.

It is not our role to verify the life cycle assessment data used in the evaluation.

## **Independence and quality control**

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<sup>1</sup> ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information



We have complied with the independence and other ethical requirements of the French Code of Ethics (*Code de déontologie*) of our profession. We applied the rules of independence and other ethical rules of the Code of Ethics for Professional Accountants from the International Ethics Standards Board for Accountants (the IESBA Code) which include the fundamental principles of integrity, objectivity, qualification and professional diligence, confidentiality and professional conduct.

We also have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable legal regulations.

### **Nature and scope of work**

Our work involved the skills of six people from September 2022 to May 2023 for a total response time of about 5 months.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the BSI:

- We undertook interviews with the people in charge of the BSI evaluation process to obtain an understanding of operational modalities, in particular the selection of criteria, the calculation of indicators, the division of responsibilities and the internal procedures.
- We assessed the appropriateness of the BSI Methodology Rule Book regarding its relevance, exhaustiveness, reliability, objectivity and clarity in particular.
- We analyzed the various tools deployed for the implementation of the BSI, including internal documentation materials (BSI Methodology Rule Book, governance structure, IT structure description, training materials, etc.) and computer tools (BSI Excel scoring file, BSI BI platform, etc.), and assessed their suitability for the requirements of the BSI.
- We determined the nature and scope of our tests and checks based on the nature and importance of the work carried out under the BSI.
- We performed detailed tests on a sample of products considered as representative of Beckers' portfolio based on the country where the products are developed, the product performance class (Achiever, Improver, Qualifier, Concern), the sales and a risk analysis. We then undertook interviews to verify the correct implementation of the procedures defined in the BSI Methodology Rule Book. The sample selected represented 9% of the products evaluated by the BSI, currently deployed on 37% of 2021 sales as of December 31, 2022.

We consider that the methods and the works carried out by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the BSI evaluation process cannot be entirely eliminated.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.



Paris-La Défense, October 12, 2023

The Independent Auditor  
EY & Associés

A handwritten signature in blue ink, appearing to be 'CS', written over a horizontal line.

Christophe Schmeitzky  
Partner, EY Sustainability

Annex - Beckers' BSI Methodological Note