

# Integrated sustainability work

For Christian Berner, active sustainability work is an integrated part of the Group's goals and strategies for profitable growth. Today, it is a must to be able to create long-term value, attract customers and recruit employees. It is not possible to sell high-quality products and solutions without active and vibrant sustainability work.

Christian Berner is today a global actor in a global market. The demands and expectations of companies to act sustainably and be responsible partners are continuously growing. This entails challenges, but also major opportunities since innovation, quality and sustainable solutions are a crucial part of Christian Berner's offering. New legal requirements, global agreements, standards and directives are constantly increasing the requirements on companies and their work with the value chain.

In autumn 2015, Agenda 2030 including 17 global sustainable development goals was adopted by the 193 member states of the UN. The goals have helped clarify that global sustainable development is closely tied to economy, environment and social aspects. The global sustainable development goals point out the necessity of having a balance between various goals, where economic sustainability is a prerequisite for both social and environmental sustainability, and vice versa.

Christian Berner has a strong position to contribute to greater sustainability through compliance with sustainability requirements, but also through the company's solutions and products. A strength is the company's long high-level of expertise and understanding. Being on the leading

edge technologically has gone hand in hand with sustainability where new technologies need to continuously be developed to obtain sustainable solutions and products in demand by the customers. Read more about goals and strategies for profitable growth on pages 8–13.

## Contributions and impact in the value chain

Christian Berner is exposed to industries where sustainability is particularly prominent, such as water, energy and food, where higher legal requirements are set on the treatment of emissions and water quality, for example. Environmental technology is a defined focus area in the company and comprises issues, such as silent environments, clean water, sustainable products and sustainable production.

Christian Berner sells high-quality plastic that is difficult to replace with other materials today. Plastic has many beneficial properties that should be evaluated against the fact that it is a fossil and energy-intensive material that creates problems when society is incapable of taking care of it, which places demands on the company's expertise on recycled, renewable and recyclable materials.



## Recyclable cement bags



By selling HAVER ADAMS bag-filling machines, Christian Berner has participated in the process towards a more sustainable society. Traditional cement bags of paper, glue and plastic film that are difficult to recycle have been replaced with recyclable bags. The plastic bags are more durable, which reduces spills, increases sustainability and prevents cement from being ruined. The bags also withstand outdoor storage and do not need a pallet cover. In 2018, five machines were sold.

### Christian Berner as an enabler

Christian Berner actively works to help customers to achieve set sustainability goals. Through smart business solutions and a strong service and product offering, we give our customers the possibility of smarter choices. An important factor for driving development further is a thorough knowledge base among the company's employees.

Christian Berner helps customers to reduce waste, water use and chemicals in the food industry with measuring instruments and filter solutions, for example. Another example is Christian Berner's solution where ozone is used to purify waste water from pharmaceutical remnants, which is among the latest technology for municipal water treatment.

### Christian Berner as a requirement specifier

Through a structured and quality-assured effort in the supply chain, Christian Berner helps the customers manage risks linked to the suppliers. A common challenge in the supply chain is differing requirements and views of sustainability. This is an area that requires further competence reinforcement to meet customer demand. In some cases, it will require that both Christian Berner and the company's suppliers have specific sustainability competence and resources to continuously follow up on sustainability issues. The new Code of Conduct (the Code) that was prepared in 2018 is an important tool here.

Christian Berner has also decided to develop a new supplier evaluation that all major suppliers will be assessed based on in 2019. The assessment will be supplemented with on-site visits with follow-up questions. The Code makes it possible for Christian Berner to conduct inspections at suppliers when necessary.

### Christian Berner as a global actor

Christian Berner has historically acted in the Nordic market. Through the acquisition of Zander & Ingeström, the company's market has become global. An increased share of trade with countries deemed to have a high level of corruption entails an increased risk of corruption. The risk of violating other human rights, such as children's right, the right to freedom of association and freedom of speech, also increases as trade becomes global.

The Code, which is common for the Group, highlights supplier responsibility, human rights and anti-corruption. In 2018, a whistleblower function was established, which provides better conditions for Christian Berner to prevent corruption. Christian Berner will require suppliers to approve the Code. In 2019, employees at the company will be trained in the Code. Existing distributor and agent agreements will also be reviewed to ensure compliance.

### Diversity at Christian Berner

Diversity is something that affects the entire operation and all areas of it. From recruitment and skills development to communications and marketing. Through a good composition of people with various knowledge and experience, the operation is not at as much risk of losing expertise and different perspectives. In 2019, the company will continue working on efforts to increase diversity and inclusion.

## Improved urban environments



Christian Berner has developed a rail damping system to improve the urban environment at the same time that cities become denser. STRAILastic solves noise and vibration

problems in the street environment and also provides lower maintenance expenses, reduced corrosion and leakage current. The rubber blocks are made of recycled rubber from residual production and are 100% recyclable. In 2018, Green Tracks were installed on tram rails in Mölndal and Gothenburg.

### Internal governance for sustainability work

In 2018, Christian Berner intensified the work of implementing a Group-wide structure for sustainability issues in order to further guide its impact on the value chains of the company and its customers. This work will continue in 2019 with a focus on documenting and following up risks, results indicators, targets, follow-up and various ways of including the organisation in the sustainability work. Greater focus on sustainability will require new competencies and expanded cooperation to be able to meet new requirements and innovations.

To ensure and live up to its role as a strategic partner and advisor, Christian Berner works systematically according to applicable legal requirements and regulatory frameworks, and complies with the UN Global Compact, the core conventions of the ILO and the OECD's guidelines for multinational companies. The company relates to sustainability requirements from customers and in turn sets requirements on suppliers and cooperates with other stakeholders.

In 2017, Christian Berner took a comprehensive approach to the company's impact based on a stakeholder and materiality analysis. A continuous dialogue is conducted with the company's primary stakeholders based on the listed central issues for the respective stakeholder. To clarify Christian Berner's stakeholders, communities where Christian Berner is active were added as a stakeholder in 2018. The primary stakeholders are:

- Employees
- Customers
- Suppliers
- Cooperative partners
- Owners
- Investors
- Society

Based on the primary stakeholders and Christian Berner's environmental, social and financial impact on the surrounding world, the company's material aspects are evaluated, which in turn form the basis for the Group's sustainability framework. This is comprised of three overall areas where the materiality aspects have been categorised under the respective area. Through this framework and the material issues, follow-up and improvement work is done on the Group's sustainability work. Through defined key figures established in 2018 and development of systems for spreading good examples within the Group.

Christian Berner's overall long-term objective is for sustainability to be included in the company's business targets and to permeate the entire organisation.

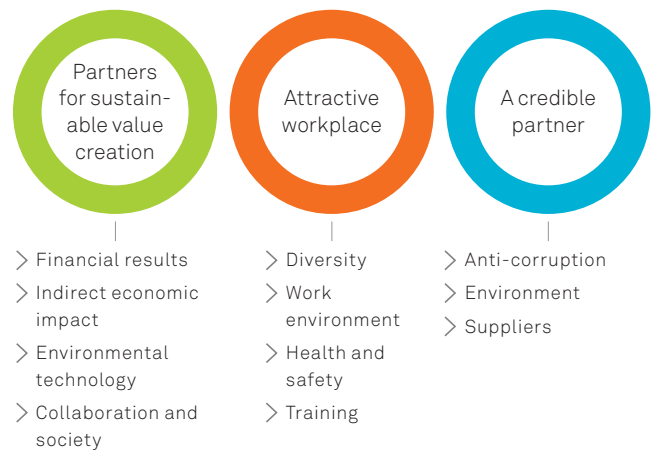
Since Christian Berner did not previously collect sustainability data at a Group level, the work in 2018 resulted in new structures were established for data collection in the areas of human rights and working conditions, environment, and anti-corruption. Based on the material sustainability areas, relevant results indicators were selected. Consideration was also taken to identified risks, and the impact on the business. The Nordic Group management then decided on measurements and targets for each indicator.

In the daily work, the Code is the overall steering document in the sustainability work for Christian Berner. In addition to this, there is further governance through goals and policies, such as those in environment, work environment and quality.

The Swedish part of Christian Berner's operations have also integrated systematic improvement work through its management system that is

certified according to ISO 9001:2015 and ISO 14001:2015. Other operations base their governance on the same principles, but are not yet certified.

## Framework for Christian Berner's sustainability work



Christian Berner's role as a leading technology trading company comprises many aspects. As a strategic advisor to customers and manufacturers, the company offers technical solutions that reduce costs, save energy and reduce environmental impact.

### Financial results

Continuous development towards a stronger Christian Berner creates value for all of the company's stakeholders. In recent years, the company successfully improved its EBITA margin. Value is created for the company's shareholders through, among other things, the good development of the share price, as well as a dividend that gives a good direct return and dividend growth. The proposed dividend in 2018 comprises 37.3 per cent of the profit.

### Indirect economic impact

Christian Berner creates added value for the customers through customised solutions and delivery of complete system solutions where various products from different suppliers are combined, which leads to greater efficiency for both the company's customers and suppliers. By being a strategic partner and advisor between manufacturers and customers, and by offering technical solutions that reduce costs and environmental impact, the customers' decision-making process is structured and streamlined.

### Environmental technology

Christian Berner supports its customers with sustainable solutions through qualified needs analysis, consulting, service and development. Many of Christian Berner's products and services help to reduce the environmental impact of the customers, for example by reducing the amount of chemicals and shipments, as well as environmentally damaging materials. Examples of this include vibration-damping materials that improve the environment for residents and areas around rail lines and purification of emissions or water treatment without chemicals.

Christian Berner also helps customers in their choice of resource-efficient solutions and products. By setting requirements on the company's own and cooperative partners' operations, Christian Berner promotes development and innovation of environmentally friendly products and technology, and can provide the customers with sustainable products and solutions.

### Collaboration and society

In 2018, the Group did not have any joint business-related collaboration with public actors. In 2019, Christian Berner will evaluate such collaboration. The Group's subsidiary in Finland, Christian Berner OY, has collaborated with the organisation Keep the Archipelago Clean for several years. The collaboration has a business connection with a trial installation and development of filters for water treatment at the same time that it creates employee and social engagement.



In 2018, sales training was held in Sweden and Finland.



The shortage of technical and engineering expertise increases competition for employees. To attract, retain and develop employees, it is of central importance for Christian Berner to be an attractive employer.

### Work environment

Christian Berner's code of conduct is a guideline for how employees must act in a professional and ethical manner in their day-to-day work. Christian Berner shall be an inclusive workplace where there is no discrimination or harassment.

In 2018, a whistle-blower function was established. The function was brought into use at the end of 2018 and no cases were reported during the year.

Otherwise, the work environment efforts are studied and followed up continuously through employee development talks, employee surveys and occupational health and safety inspections. In addition to this, there are prepared procedures for health checks. In 2018, no employee survey was done<sup>1)</sup>.

### Health and safety

Christian Berner conducts systematic work regarding the work environment and fire safety in order to identify, prevent and mitigate potential negative impact from a health and environment perspective. The main risks and the most common injuries occur in processing and production. These involve the assembly of pump boards and the cutting and processing of vibration-damping materials and plastic materials. All employees are informed of the risks that may exist and how to avoid them.

The Group's subsidiary in Sweden, Christian Berner AB, has come the furthest in terms of the occupational health and safety and fire protection work. Staff managers at Christian Berner are responsible for ensuring the well-being of their employees and working with health and safety issues in accordance with national legislation and together with the employees or their representatives. In 2019, occupational health and

safety and fire protection training will be held at all subsidiaries. Accidents and incidents are always followed up.

### Training

Continuing professional development will contribute to Christian Berner's goals and strategies, both in the short term and the long term, and will help to develop the business and its employees to equip them to meet future demands and needs.

In 2018, it was decided that Group-wide courses would be held in 2019 for all employees in occupational health and safety and fire protection, as well as in the Code and its sub-areas (anti-corruption, human rights, working conditions and the environment). Sustainability will, where suitable, be integrated as a natural part of other courses, such as sales courses. In order to increase internal sustainability competence, management will encourage competence-improving sustainability-related measures in the various business and product areas.

In 2018, the subsidiaries held courses in eco-driving and safe driving, first aid, hot work and various sales courses.

### Diversity

Christian Berner shall actively work for gender equality and diversity. The company may not engage in any form of discrimination in its activities or recruitment processes. Prohibited bases of discrimination include, but are not limited to: age, disability, sexual orientation, gender, transgender identity or expression, religion or other belief or ethnicity.

The gender equality work is important; efforts were begun in 2018 on systematic follow-up and preparation of results indicators to follow up on the gender distribution (see Note 7 on page 56). In 2018, a salary survey was done. The survey showed no signs of salary discrimination. In 2019, further training efforts regarding diversity will be carried out and management will continue working on competence-improving measures.

1) The survey was sent out during the week starting 20 January 2019.



To reduce leakage current and vibrations, girder blocks and green rails were installed in Mölndal and Gothenburg.



Technology trading companies such as Christian Berner have extensive business relationships with various parties.

### Anti-corruption

Christian Berner's representatives may not offer or receive personal gifts, services, travel, entertainment or similar benefits that may be considered unreasonable or inappropriate in connection with potential business decisions or public authority decisions. Entertainment and gifts must be characterised by openness and moderation, and they must always have a natural connection with the business relationship.

In 2018, the whistle-blower function provides better conditions for Christian Berner to prevent and discover corruption. In 2019, employees at the company will be trained in the Code. Existing distributor and agent agreements will also be reviewed to ensure compliance.

### Environment

Christian Berner will actively work to limit and reduce the environmental burden and climate impact of its activities. Christian Berner works preventively to reduce the company's environmental impact in terms of business travel, transports, energy and waste and shall be based on the precautionary principle to protect people and the environment. The Swedish subsidiary, Christian Berner AB, operates activities that are subject to reporting obligations under the Swedish Environmental Code. Procedures for actions are in place in the event of environmental incidents.

With regard to business travel, there are only measurement figures for company vehicles for 2018. An effort to also be able to measure the company's footprint from other travel has begun, and as a part of this work, a new, Group-wide travel policy will be drafted in 2019. Transports from suppliers to customers account for a significant part of the company's CO<sub>2</sub> emissions, which is why Christian Berner has begun an effort to be able to measure the emissions for all subsidiaries in 2019.

Christian Berner shall actively work to streamline energy consumption. How the energy efficiency projects are done shall be documented

and followed up annually for the entire Group. Christian Berner strives to use 100 per cent renewable energy where the company can influence the source used.

Christian Berner does not own its own properties and can to varying degrees influence leases that include electricity consumption and heating/cooling.

In terms of waste management, the situation varies amongst the Group's subsidiaries. All companies sort their waste, but have varying degrees of recycling. In 2019, all companies will report a waste recycling plan. Once it is in place, Christian Berner will have a possibility to report regarding waste.

### Suppliers

Christian Berner's relationship to its suppliers shall be characterised by openness and trust. By entering agreements or cooperation with Christian Berner, the supplier commits to implementing and monitoring compliance to every part of the Code. Suppliers are in turn responsible for subcontractors being informed of and complying with the same standards. In 2019, Christian Berner's suppliers will sign the Code. In new agreements or cooperation, the Code will be attached and signed. A challenge Christian Berner encounters in its role as a requirement setter is the dependence on good relationships. There, a good dialogue and continuous improvement work become crucial success factors.

Today, Christian Berner already works to supply products, technologies and solutions for increased sustainability in society. On the agenda in the future, the company also needs to ensure that the components, solutions and technologies used to achieve the goal are sustainable to the furthest extent possible.

In 2018, Christian Berner began mapping what material and products consist of recycled materials, residual materials or renewable materials and the material's or product's degree of recyclability. This gives the company and the customers a possibility to understand what needs to be developed and identify alternatives, at the same time that it creates new business opportunities.

## Risk register

RISK AREA	DESCRIPTION OF RISK	POTENTIAL IMPACT	MINIMISATION OF RISK
Customers	Products or solutions from Christian Berner are used in an unethical way or contribute to a product or solution that is not sustainable.	Deteriorated reputation and financial impact	A close dialogue with the customer and measures that promote greater competence in sustainability.
Competence & diversity	Difficult to recruit new employees in markets with high competition. Recruitment and appointments without consideration of diversity.	Missed competence and decisions made on worse grounds.	Competence-improving measures in sustainability and specifically in diversity. Diversity is taken into account in all recruitment
Compliance with legislation and sustainability requirements and standards	Not having structures in place to keep abreast with the development of new laws and standards and stakeholder expectations in the area.	Rule violations can entail legal consequences, damaged reputation and inability to fulfil agreements reached.	Clear role distributions and areas of responsibility in sustainability. Training and inclusion of sustainability issues in the entire organisation.
Anti-corruption	Receiving or offering bribes, personal gifts or other benefits that can be seen as unfounded or unsuitable in relation to possible business decisions or authority decisions.	Rule violations can entail legal consequences, damaged reputation and inability to fulfil agreements reached.	Requiring suppliers to sign the Code of Conduct. The whistle-blower function provides better conditions for Christian Berner to discover corruption. Training and making employees aware of corruption.
Suppliers	Risk that suppliers and subcontractors do not respect the requirements and norms accompanying Christian Berner's Code and that they do not have sustainability competence and resources to follow up and evaluate sustainability aspects.	Christian Berner risks selling solutions or products that do not meet set customer requirements, which can affect customer relationships and financial key performance indicators.	Ensuring that suppliers understand and sign the Code of Conduct. Christian Berner may conduct inspections at suppliers when necessary. Christian Berner has decided on and begun the work of developing a new supplier evaluation and all major suppliers will be assessed based on it in 2019.
Suppliers	New technology or research that shows that more sustainable products or solutions can be obtained from suppliers that Christian Berner does not cooperate with or that Christian Berner cannot include in its portfolio.	Customers choose to cooperate with other actors. Financial impact.	Training and inclusion of sustainability issues in the sales organisation.

## Results indicators

AREA	RESULTS INDICATOR	TARGET	COMMENTS AND RESULTS
Occupational health and safety	Accidents/incidents	No accidents or incidents	In 2018, no work-related accidents occurred in the Group. Four incidents were reported at Christian Berner AB while the other subsidiaries had no incidents. The incidents were followed up and addressed in accordance with existing procedures to ensure that accidents and incidents are handled according to policy or procedure.
Employees	Employee development talks Employee survey Employee satisfaction index	Implemented by 100% Implemented 100% Target 85	All employees have had employee development talks in 2018. In 2018, no employee survey was done. The survey was sent out in the week starting 20 January 2019. The index figure summarises satisfaction with the work situation, colleagues, managers and skills development. In 2017, the target was 80 and the index figure for the Group was 79.3.
Code of Conduct	Percentage (%) personnel who have signed the Code of Conduct	100%	100% of employees shall sign the Code of Conduct in 2019.
Diversity, gender equality	Percentage of women in senior positions vs percentage of women in total	Increased percentage of women in senior positions vs percentage of women in total	The percentage of women employees in 2018 was 29% (28%). The percentage of women in senior positions was 18% (21%).
Internal training	Sustainability-related courses by area, participants and scope (2019)	Increased knowledge in sustainability	In 2018, it was decided that Group-wide courses would be held in 2019 for all employees in occupational health and safety and fire protection, as well as in the Code and its sub-areas (anti-corruption, human rights, working conditions and the environment). Sustainability will, where suitable, be integrated as a natural part of other courses, such as sales courses.
Travel	CO <sub>2</sub> emissions, means of transport (2019)	Reduce CO <sub>2</sub> emissions	The decision was made that a new Group-wide travel policy would be drafted.
Car travel	Number of company cars by fuel type	Increase the share of mileage on environmentally friendly fuel	A new car policy will be drafted in 2019. A transition to more energy-efficient fuel has begun and in 2018, nine of the cars were electric hybrids. At Christian Berner's head office, charging posts were installed in 2018 to further promote this development.
Transports	CO <sub>2</sub> emissions g/km	Reduce the average proportion of CO <sub>2</sub> emissions g/km	A new car policy will be drafted in 2019 with a maximum ceiling for new company cars of 120 CO <sub>2</sub> emissions g/km. On average, the company cars currently emit 123 CO <sub>2</sub> emissions g/km.
	CO <sub>2</sub> emissions (2019)	Reduce CO <sub>2</sub> emissions	Transports from suppliers to customers account for a significant part of the company's CO <sub>2</sub> emissions, which is why Christian Berner has begun an effort to be able to measure the emissions for all subsidiaries in 2019.
Energy consumption	Energy consumption kWh/revenue	Efficient energy consumption	Work on improving efficiency of energy consumption is documented and followed up annually for the entire Group. Energy consumption in 2018 was 1,403,228 kWh, which corresponds to 0.002272 kWh/revenue. <sup>1)</sup>
	Percentage of renewable energy % of total energy consumption	Increased percentage of renewable energy	Renewable energy shall be chosen where possible. 63% of our energy consumption was renewable in 2018. <sup>2)</sup>
Suppliers	Percentage of recycled materials/components	Increase knowledge of materials, products and suppliers	In 2018, an inventory was taken of the largest suppliers in Materials Technology and Vibration Technology. The percentage of recycled materials corresponds to 27.5% of the purchase volume (also includes residual production).
	Percentage renewable materials	Increase knowledge of materials, products and suppliers	In 2018, an inventory was taken of the largest suppliers in Materials Technology and Vibration Technology. Renewable materials only in step noise mats (10% cork) corresponds to 1% of the purchase volume for Vibration Technology.
	Recyclability	Increase knowledge of materials, products and suppliers	In 2018, an inventory was taken of the largest suppliers in Materials Technology and Vibration Technology. The recyclability of Technical Plastics has been difficult to measure. For Vibration Technology, the estimated percentage is 58%.
	Percentage (%) of total purchase volume that signed Code of Conduct (2019)	80%	Implemented in 2019 (100% of the largest suppliers corresponds to around 80% of the purchase volume).
	Percentage (%) of total purchase volume implemented supplier evaluations (2019)	80%	Implemented in 2019 (100% of the largest suppliers corresponds to around 80% of the purchase volume).
	Number of on-site follow-ups (2020)	80%	Implemented in 2019 and 2020 (100% of the largest suppliers corresponds to around 80% of the purchase volume).
Compliance Anti-corruption	Reported rule violations Reported whistle-blowing	Number of follow-ups Number of follow-ups	No information on rule violations or complaints has been handled or received in 2018. None of the Group's companies are involved in any environmental disputes.
Waste management	Sorted by waste groups. Production waste. Share of spillage in returns (tonnes and % of own production)	Increase the share of materials recycling	Waste report from own operations and production. A decision was made on a Waste Management Plan for all companies in 2019. Christian Berner AB returns spillage from its own plastic processing to suppliers that use the plastic to mould new plastic (2.5 tonnes in 2018, which corresponds to 4.4% of purchased quantity from the same supplier).

1) E.g. electricity consumption Vanda.

2) E.g. energy consumption Vanda.

# Auditor statement on the statutory sustainability report

To the General Meeting of shareholders of Christian Berner Tech Trade AB, corp. ID no. 556026-3666

## Assignment and division of responsibilities

It is the Board of Directors that is responsible for the sustainability report for the year 2018 on pages 14–20 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

## Review's focus and scope

Our review has been conducted in accordance with FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our review of the sustainability report has another focus and is substantially more limited in scope than an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We consider that this review provides us adequate grounds for our opinion.

## Opinions

A sustainability report has been prepared.

Mölnlycke, 21 March 2019  
Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson  
Authorised Public Accountant