

## SUSTAINABLE VALUE CREATION

# Active sustainability work

For Christian Berner, sustainability work is an integrated part of the Group's goals and strategies for profitable growth. As a Group, we see the opportunities in being able to attract customers and employees and delivering long-term value with the right sustainability efforts.

Christian Berner is 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 2020, Christian Berner signed the UN's sustainability initiative, the Global Compact. The Group thereby pledges to actively work on, and comply with, the Global Compact's ten principles for sustainable development in the four areas of human rights, working conditions, the environment and anti-corruption. The principles are based on the UN Universal Declaration of Human Rights, the ILO's core conventions on human rights in working life, the Rio Declaration and the UN Convention against Corruption.

Once a year, Christian Berner will issue a status report (Communication on Progress, CoP) regarding how we conduct our operations in accordance with the 10 principles and demonstrate our accountability. The CoP is published on the UN Global Compact's website, accessible to the public.

Christian Berner actively works in accordance with Agenda 2030, containing the 17 sustainable development goals. 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 of our customers' processes. Being on the leading edge technologically has gone hand in hand with sustainability where new technologies need to continuously be developed. Read more about goals and strategies for profitable growth on page 8.

## Contributions and impact in the value chain

The Christian Berner Group 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 within the Group and among other things comprises the work Christian Berner does within silent environments, clean water, sustainable production, sustainable products and sustainable energy systems.

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. This demands the company's expertise in recycled, renewable and recyclable materials.



## SUSTAINABLE VALUE CREATION

**Christian Berner as an enabler**

Christian Berner actively works to help customers to achieve set sustainability goals. Through adapted business solutions and a strong service and product offering, we give our customers the possibility of sustainable 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. The electric Zeta boiler can replace boilers that are fuelled by oil, coal and other fossil fuels, the flue gases of which contribute to global warming and pollute soil and water.

**Christian Berner as a global actor**

Christian Berner has historically acted in the Nordic market. Through the acquisition of Zander & Ingeström, some sales have become global. An increased share of trade with countries deemed to have a high level of corruption entails an increased risk. 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 of Conduct (the Code), which is common for the Group, highlights supplier responsibility and the importance of human rights and anti-corruption. Christian Berner requires the major suppliers to approve the Code.

Christian Berner's whistle-blower function and associated process are a good means in the work to keep improprieties from occurring. In 2020, no matters were reported through the whistle-blower function.

**Internal governance for sustainability work**

During 2020, Christian Berner linked the sustainability work to the strategy more clearly than before. The Group's strategy consists of the three areas Customer Value, Sustainability and Profitability. For the area Sustainability, a new model has been prepared, based on the Group's value chain. In brief, it is based on the three perspectives: Supplier, Christian Berner and Customer. With the new model, we can work more clearly and more focused on our sustainability efforts. Even if all three perspectives are important and have their goal formulations, key performance indicators and activities, it is with the Customer perspective that the Group can most clearly contribute to a sustainable development. The Group's sales organisations are now working to relate their sales of products and services to the UN's sustainable development goals, to identify what goals and how we can best contribute to them, and where we have a negative impact and how we can reduce it.

The identified opportunities and customers demanding greater sustainability in turn place demands on our work with suppliers and collaboration with the other stakeholders.

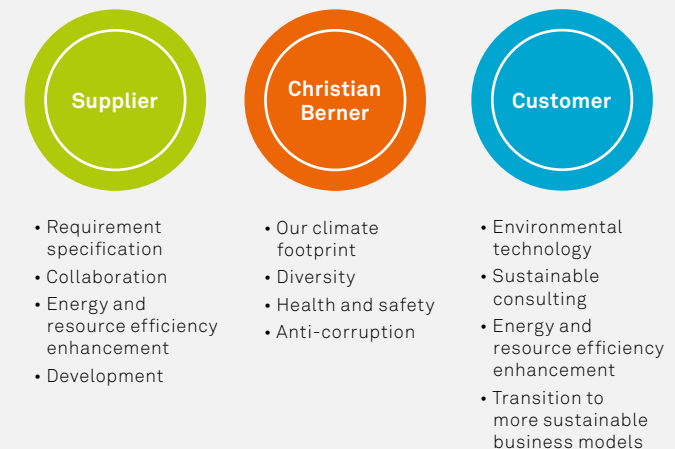
Sustainability becomes an integrated part of the business in the decided strategic plan and permeates the entire organisation. Follow-up of the strategic plan and decided targets, key performance indicators and activities takes place continuously and quarterly in Business Review Meetings (BRM) with the respective subsidiaries and to the Group's Board of Directors.

In 2021, Christian Berner will update the stakeholder and materiality analysis done in 2017.

The company relates to sustainability requirements from customers and in turn sets requirements on suppliers and cooperates with other stakeholders.

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 other goals and policies, such as those in environment, work environment and quality.

The sustainability risks are presented under Risks and uncertainties on pages 45–46.

**Framework for Christian Berner's sustainability work**

## SUPPLIER



The importance of having good awareness and insight into suppliers' processes, operations and work regarding sustainability issues is growing as awareness grows and with it demands from customers, society and other stakeholders. Having a close cooperation and good, transparent dialogue with our most important suppliers is crucial to succeed. Christian Berner has the explicit goal of assessing the 30 largest suppliers from a sustainability perspective; increased knowledge and refined tools and methods to make this possible are under development. The goal is to strengthen and clarify requirements and goals for the cooperation with our suppliers, and ensure that the follow-ups and measurements made have the right focus and drive the work in sustainability issues in the right direction.

During the year, the on-going work with the assessment of our supplier base continued. Due to visiting and travel restrictions in the wake of COVID-19, the possibility of physical visits to suppliers was very limited. Assessments and follow-up of improvement items have therefore primarily taken place digitally in 2020 instead.

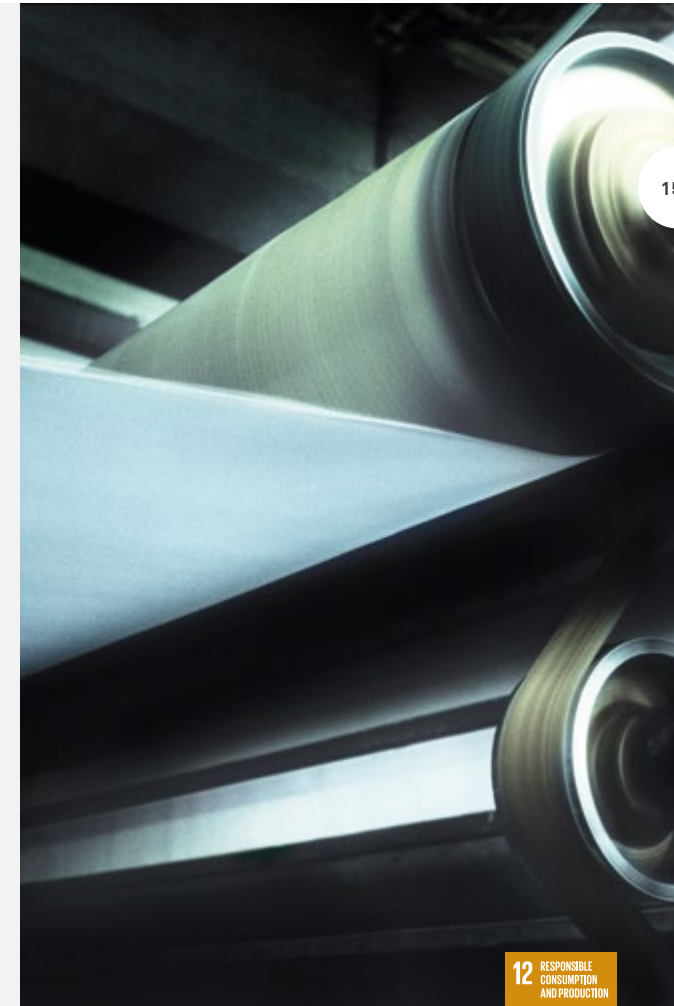
By offering sustainable products and services, we want to help the customer achieve set sustainability objectives; the cooperation with our suppliers is a key factor for ensuring that we have an offering to the market that provides the right conditions for this. The work to

continuously monitor technical development with regard to new materials, products and processes continues and the ambition is to in the future introduce and highlight more and more sustainable materials and products in the offer to our customers.

#### Code of Conduct / Business ethics

The Group's Code of Conduct is still one of the cornerstones of the sustainability work. The Code is addressed to employees and suppliers, partners and other stakeholders. It is important that all collaboration and business relationships with suppliers are characterised by high business ethics. 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.

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.



#### LESS FRICTION PROVIDES LOWER ENERGY CONSUMPTION.

In paper production, plastic components are used that are subjected to wear during operation. Robadur has high wear resistance and excellent sliding properties and is considered by the industry to be the optimal material choice. By choosing high-tech plastic qualities specially developed to minimise friction in the production process, energy consumption, and consequently the environmental impact from the process, can be radically reduced.

## SUPPLIER



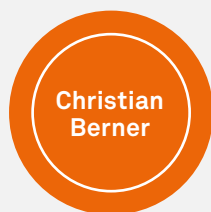
| AREA             | RESULTS INDICATOR  | TARGET   | RESULT                                | COMMENTS   |
|------------------|--|--|---------------------------------------|--|
| <b>Suppliers</b> | Mapping of suppliers' sustainability efforts.                              | Increased knowledge of materials, products and suppliers.                | 100 % of the A and B suppliers mapped | In connection with the implementation of supplier evaluations during the year, all of our largest suppliers have been mapped from a sustainability perspective. In the supplier base, there are suppliers that are on the forefront of their sustainability work, but also those who have not yet come as far. Our goal is to deepen the dialogue in 2021 with a number of our largest and most important suppliers (A suppliers) to jointly identify further points of improvement and shared issues to work on regarding sustainability moving forward <sup>1)</sup> . |
| <b>Suppliers</b> | Percentage (%) of total purchase volume that assessed suppliers represent. | 80% (roughly equivalent to the purchasing volume with A and B suppliers) | 80 %                                  | In 2019, a model was introduced for the evaluation of suppliers where sustainability aspects are an integral part. All A and B suppliers have now been evaluated according to the new model <sup>1)</sup> .  |
| <b>Suppliers</b> | Number of on-site follow-ups   | All A suppliers  | Planned for 2021                      | On-site visits to suppliers were not possible to any greater extent in 2020 due to the visiting and travel restrictions in the wake of COVID-19. Follow-up meetings have instead taken place as necessary <sup>1)</sup> .  |

<sup>1)</sup> The supplier base at newly acquired companies will gradually be evaluated and mapped with regard to sustainability. Targets and results here primarily concern CBAB, CBAS, ASCB and CBOY.

**100 %** of the A and B suppliers mapped

**80 %** purchase volume from evaluated suppliers

CHRISTIAN BERNER



The competition for competent employees is growing. To attract, retain and develop employees, it is of central importance for Christian Berner to have attractive workplaces where the employers are satisfied and develop. In order to be a partner for sustainable value creation, Christian Berner must serve as a good example in terms of its own climate footprint. We therefore actively work to best minimise resource consumption in the operations.

### Climate footprint

Christian Berner works preventively to reduce the company's environmental impact in terms of business travel, transports, energy and waste and works based on the precautionary principle to protect people and the environment. During the year, most meetings and training sessions were held digitally and a new, Group-wide travel policy and car policy was introduced, but their effects have not yet been able to be shown because travel was almost eliminated during the pandemic.

### 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 Group's largest subsidiary in Sweden, Christian Berner AB and Zander & Ingeström AB, has come far in terms of the occupational health and safety and fire protection work. Staff managers in the Christian Berner Group 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. Accidents and incidents are always followed up.

For example: The Swedish company Christian Berner AB focused during the pandemic on psychosocial health linked to working from home and conducted activities together with occupational health services.

### 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.

Work environment training was conducted for managers and is planned for all employees. Sustainability is integrated as a part of other courses, such as sales courses. In order to increase internal sustainability competence, management will encourage competence-improving sustainability-related activities. The strategy work led to the sustainability issues being brought up on the agenda.

Many of our employees took the opportunity to attend online training during the year as we were unable to meet in person.

### Diversity

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. Christian Berner shall be an inclusive workplace where there is no discrimination or harassment. In 2020, the company continued working on efforts to increase diversity and inclusion. The gender equality work is important; efforts began in 2018 with systematic follow-up and preparation of results indicators to follow up on the gender distribution (see Note 7).

### Work environment

The surrounding world has been concerned due to the pandemic and many employees worked from home. The Oslo office moved to new premises during the winter and during the summer, the office building in Mölnlycke was renovated.

At the end of the year, the two Stockholm-based offices moved into new premises together in the Arninge industrial area in Täby north of Stockholm.

The work environment efforts are followed up continuously through employee development talks, employee surveys and occupational health and safety inspections. The Swedish part of Christian Berner's operations and Zander & Ingeström have also integrated systematic improvement work through their management system, which is certified according to ISO 9001:2015 and ISO 14001:2015. Zander & Ingeström also holds certificates according to ISO 45 000:2018.

### People & Values

In January 2020, an employee survey was implemented in the entire Group. The results were followed up and the respective company made an action plan. A Group-wide initiative was the vision and core value work known as People & Values that every employee was invited to. After the summer, the work shifted to digital workshops and resulted in a new vision and core values that were established in December 2020. In 2021, management training and workshops with the employees were carried out in order to implement the new core values in the organisation.

### Collaboration and society

In 2020, the Group chose to donate money to WaterAid, which is an organisation that works to improve hygiene and enable access to clean water in some of the world's most impoverished areas. 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.

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. This Code of Conduct is signed by all employees and upon new employment.

CHRISTIAN BERNER



| AREA                                  | RESULTS INDICATOR  | TARGET  | RESULT   | COMMENTS  |
|---------------------------------------|--|---|--|---|
| <b>Occupational health and safety</b> | Accidents/Incidents  | No Accidents/Incidents  | 2/5  | In 2019, the outcome was 4/5  |
| <b>Diversity/Gender equality</b>      | Percentage of women in senior positions vs. percentage of women in total | Increase percentage of women in senior positions vs. percentage of women in total                   | 31%/24%  | In 2020, the percentage of women employees increased to 31% from 26% in 2019. The percentage of women in senior positions increased from 18% in 2019 to 24% in 2020.  |
| <b>ESI</b>                            | Satisfied employees  | 80%   | 66%  | In 2021, we are changing the name Employee Satisfaction Index (ESI) to eNPS, Employer Net Promoter Score.   |
| <b>Travel Air/rail</b>                | CO <sub>2</sub> emissions from travel                                    | Reduce CO <sub>2</sub> emissions  | 28.1 tonnes of CO <sub>2</sub> (no information for 2019) | Very little travel due to the pandemic. The forecast is that the emissions will increase once the COVID-19 situation develops towards allowing more travel. The travel policy encourages environmentally friendly travel, however.  |
| <b>Travel by car CO<sub>2</sub></b>   | Number of company cars by fuel type                                      | Increase percentage of green vehicles   | 27% (11%)  | The Group-wide car policy from the end of 2019 encourages environmentally classed cars. This has supported the development and means that almost one in three cars is an environmentally classed car compared with one in ten in 2019.  |
| <b>Energy</b>                         | Percentage of renewable energy % of total energy consumption             | Increase percentage of renewable energy   | 68% (42%)  | In 2020, a Group agreement was signed for green electricity, which means that Christian Berner now uses a supplier that guarantees that we get renewable energy for our premises where we have the right of determination over the electricity supplier. Depending on the tie-in period in agreements, a new environmentally friendly agreement is being phased in when possible.   |
| <b>Transports</b>                     | CO <sub>2</sub> emissions from goods transports                          | Establish emission levels for transports and based on this define targets and improvement measures. | 21.3 tonnes of CO <sub>2</sub> (no information for 2019) | Data on CO <sub>2</sub> emissions from transports out from our main warehouse in Mölnlycke was collected during the year to create a baseline. Initiatives and actions to reduce climate impact from these transports are currently being evaluated. Areas that are analysed are, for example, what transport packaging is used, the filling ratio in load carriers and "green transport agreements". We also actively work to consolidate our upstream transports to warehouses and customers where possible to reduce the climate impact. |

**66%** satisfied employees

**31%** women in senior positions

CUSTOMER



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

**Our customers’ sustainable development**

Christian Berner supports our customers’ operations and their development. By offering sustainable products and solutions, the Group helps its customers transition towards even more sustainable solutions. The increased pace of change towards greater demand for sustainable products and solutions and increased sustainability requirements from authorities impact Christian Berner’s customers.

The Group creates 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 safe products and technology, and can provide the customers with sustainable products and solutions.



**DAIRY CONVERTED TO PLANT-BASED PRODUCTION**

Today, the Österlen dairy in Lunnarp is an entirely milk-free production facility, which entailed a major change in the production process. The challenge of mixing oat powder in liquid quickly, efficiently and ergonomically was resolved with a sack emptier, a powder mixer and a sack compactor from Christian Berner.

| AREA     | RESULTS INDICATOR   | TARGET  | RESULT  | COMMENTS  |
|----------|---|---|---|---|
| Customer | Percentage of sales related to the sustainable development goals. | Increasing positive contributions to, and reducing negative impact on the sustainable development goals | Training about the sustainable development goals and start of a current situation analysis for each product area in October-December 2020 | This target area is new to Christian Berner, which in 2021 will work to establish targets and activities. The target area is prioritised, in accordance with the Group’s strategy and contributions to the sustainability area. |