

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 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 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

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

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.

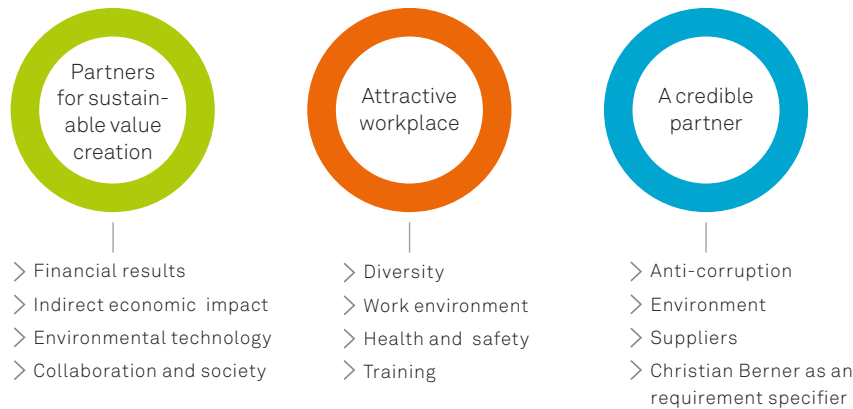
Christian Berner as an enabler

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. 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.



Framework for Christian Berner's sustainability work



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.

In 2019, employees at the company were trained in the Code through a prepared e-learning course. Existing distributor and agent agreements have also been reviewed to ensure compliance.

The whistle-blower function that was set up in 2018 is a good means in the work to keep improprieties from occurring.

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 continued working on efforts to increase diversity and inclusion.

Internal governance for sustainability work

During the year, 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 focused on documenting and following up risks, results indicators and targets. A lot of work was devoted to include the entire organisation in the sustainability work and here, focus will also be on further improving our work on sustainability in the future. 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. 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 targets and established key figures 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.

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 Swedish part of Christian Berner's operations and Zander & Ingeström have also integrated systematic improvement work through its management system that is certified according to ISO 9001:2015 and ISO 14001:2015. Zander & Ingeström also holds certificates according to OHSAS 18001:2015. Other operations base their governance on the same principles, but are not yet certified.



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 2019 comprises 37.1 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.

Collaboration and society

In 2019, 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.



Reduced fossil combustion

Zander & Ingeström's steam and electric boilers are products in demand the world over. By converting surplus electricity to steam or heat without using oil, coal or other fossil fuels, the product contributes to a cleaner environment and becomes a wise future investment.

AREA	RESULTS INDICATOR	TARGET	RESULT	COMMENTS
Travel	Group-wide travel policy	Reduce CO ₂ emissions	A new policy has been prepared	In 2019, a Group-wide travel policy was drafted and approved by the Board where the importance of being a sustainable company was emphasized. During the year, the Group procured a travel agency that is shared by all Group companies. This will facilitate the work of guiding towards more sustainable travel and measuring the emissions generated.
Car travel	Number of company cars by fuel type	Increase the share of mileage on environmentally friendly fuel	14/128 cars are electric hybrids or electric cars (last year 9/118)	A new Group-wide car policy was approved by the Board at the end of 2019. In the policy, purchases of cars run on environmentally friendly fuel are encouraged.
Transports	Average CO ₂ emissions g/km driven as per WLTP	Reduce the average proportion of CO ₂ emissions g/km	126.5 g CO ₂ /km (123 last year)	In the new Group-wide car policy approved by the Board, there is now a maximum ceiling of 120 g CO ₂ / km in accordance with the NEDC framework.
Energy consumption	Energy consumption turnover/kWh	Efficient energy consumption	636 SEK/kWh (last year 440 SEK/kWh)	Work to review our premises and choose energy-efficient alternatives has been under way in 2019.
Energy consumption	Percentage of renewable energy % of total energy consumption	Increased percentage of renewable energy	42 % (63 %)	In 2019, a Group-wide procurement took place of green electricity, which means that Christian Berner now used a supplier that guarantees that we get renewable energy for our premises where we have the right of determination over the electricity supplier.
Waste management	Production waste. Share of spillage in returns (tonnes and % of own production)	Increase the share of material recycling	4.2 tonnes 5.1% (last year 2.5 tonnes 4.4%)	The measured value pertains to Christian Berner measuring waste from the plastic processing done in Mölnlycke. During the year, a sustainability policy was also adopted where it states that all Group companies are to have a waste management plan where the environmental efforts are presented.

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.

Climate footprint

In order to be a partner for sustainable value creation, we realise that Christian Berner must serve as a good example in terms of our own climate footprint. We therefore actively work to best minimise emissions and energy consumption internally as well.

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.

An effort to be able to measure the company's footprint from travel has begun, and as a part of this work, a new, Group-wide travel policy and car policy were drafted in 2019. The table on the previous page presents the results for the targets the Group set with regard to the company's climate footprint.



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 whistle-blower function received one case in 2019. The case was managed according to a set process and settled.

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 January 2019, an employee survey in the entire Group was implemented. The results were followed up and the respective company made an action plan.

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, production and warehousing. Processing and production are comprised of cutting and machining of engineering plastics and vibration damping 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 and Zander & Ingeström AB, has come the furthest in terms of the occupational health and safety and fire protection work. Staff managers at Christian Berner



Take care of each other
and your heart!

To create a safe environment for our employees and visitors, all employees in the Swedish company Christian Berner AB were offered workplace training in cardiopulmonary resuscitation, automated external defibrillators and first aid. Some 80 employees attended the training in 2019 and the initiative is continuing next year.

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.

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.

Training in the Code of Conduct and its sub-areas (anti-corruption, human rights, working conditions and the environment) has been conducted via e-learning for all employees. Work environment training for manager has begun and continues in 2020 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 measures in the various business and product areas and during the year, a new Sustainability Policy was announced.

During the year, the subsidiaries conducted training in CPR+AED and first aid, team building and relationship building, as well as hazardous goods.

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). In 2018, a salary survey was conducted that did not show signs of salary discrimination. For 2020, training efforts regarding diversity are planned and management will continue working on competence-improving measures.

AREA	RESULTS INDICATOR	TARGET	RESULT	COMMENTS
Occupational health and safety	Accidents/incidents	No accidents or incidents	4/5	Accidents and incidents were reported at Christian Berner AB while the other subsidiaries had no accidents/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	Implemented by 100 % Implemented 100 % Target 85	100 % 100 % 74.6	The employee survey was sent out in week 4 of 2019. The outcome is now (74.6). The target summarises satisfaction with the work situation, colleagues, managers and skills development. In 2017, the target was 80 and the outcome for the Group was 79.3.
Code of Conduct	Percentage (%) personnel who have signed the Code of Conduct	100 %	100 %	100 % of employees signed 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	18 % 26 %	The percentage of women employees in 2019 was 26 % (29 %). The percentage of women in senior positions in 2019 was 18% (18%).
Internal training	Sustainability-related courses by area, participants and scope (2019)	Increased knowledge in sustainability	2	All employees have received training in the Code of Conduct and its sub-areas (anti-corruption, human rights, working conditions and the environment) and generally in sustainability at Kickoff 2019.



A credible partner

Technology trading companies such as Christian Berner have extensive business relationships with various parties globally. A systematic and effective working method is necessary to create credibility regarding sustainability issues and ensure their clarification and prioritisation in the correct way at all levels.

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. The Code of Conduct introduced in 2018 that is addressed to employees, suppliers and other stakeholders is an important tool here and provides a clear framework to relate to.

Suppliers

In 2019, work was done to ensure that the Group's most important suppliers reviewed and accept the contents of the Code. During the year, all of the most important suppliers signed the Code, or in specific cases could instead refer to their own code of conduct the content of which as a minimum matched the requirements of the Code. The Code makes it possible for Christian Berner to conduct inspections at suppliers when necessary. 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 new agreements or cooperation, the Code will be attached and signed.

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 development 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.

Christian Berner as a requirement specifier

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 and solutions for increased sustainability in society. In the future, further focus is needed on the components and technologies that form the delivery to the customer being sustainable to the furthest possible extent.

In 2019, Christian Berner developed and implemented a new process for supplier evaluations where all major suppliers are continuously assessed. The assessment is supplemented with on-site visits where follow-up questions are addressed. The new supplier assessment contains a specific section linked to sustainability, which provides conditions for systematic information collection and continuous follow-up of how suppliers work with issues linked to sustainability.



Proprietary pump solution for cleaner oceans

From 1 January 2020, higher standards are set on the world's maritime fleet to clean their flue gases from sulphur. With the help of a specially built pump from Christian Berner AS, sodium hydroxide is distributed in the flue gases that together with the sea water mean that the sulphur content is reduced to below 0.1% after the scrubber process, which by a good margin is below the new limit.

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 work continued in 2019 as well.

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 the market.

AREA	RESULTS INDICATOR	TARGET	RESULTS	COMMENTS
Suppliers	Percentage of mapped purchase volume (A suppliers) regarding recycling of materials/ components	Increase knowledge of materials, products and suppliers	95% of the A suppliers mapped	The mapping shows that it is mainly in products in the Materials Technology business area that the recycled materials are used. Some plastic qualities in the assortment consist of 100% recycled materials, including waste from the own production process.
Suppliers	Percentage of mapped purchase volume (A suppliers) regarding use of renewable materials	Increase knowledge of materials, products and suppliers	95% of the A suppliers mapped	The mapping shows that renewable materials are used today only to a very small extent and then within the Materials Technology business area (step noise mats that contain 10% cork). In the continuous work with our offering, possibilities to introduce new materials and products that entirely or partially consist of renewable materials will be on the agenda.
Suppliers	Percentage of mapped purchase volume (A suppliers) regarding recyclability	Increase knowledge of materials, products and suppliers	95% of the A suppliers mapped	Mapping of the largest suppliers and their respective products (A suppliers) and related products in the Materials Technology and Process & Environment business areas done. Access to data from suppliers is generally poor. In the Vibration Technology area, the estimated recyclability is 58%.
Suppliers	Percentage (%) of total purchase volume at suppliers that signed the Code of Conduct (2019)	80 %	95 %	In 2019, all of the largest suppliers signed the Code of Conduct or were able to refer to their own code of conduct the content of which as a minimum matched the requirements in Christian Berner's Code of Conduct.
Suppliers	a.) New supplier evaluation introduced. b.) Percentage (%) of total purchase volume that assessed suppliers represent.	80 %	a.) New model for supplier evaluations introduced in Q3 2019 b.) 75.4 %	A new evaluation model was introduced where sustainability aspects are an integrated part of the assessment. The target for 2019 was having 100% of the A and B suppliers evaluated in 2019. (100% of the A and B suppliers corresponds to around 80% of the purchase volume).
Suppliers	Number of on-site follow-ups (2020)	80 %	To be implemented in 2020	On-site follow-up of all major suppliers (A-suppliers) shall be done in 2020. (100% of the A and B suppliers corresponds to around 80% of the purchase volume).
Transports	CO ₂ emissions (2019)	Establish emission levels for transports and based on this define targets and improvement measures.	Process for monthly collection of emissions data from transports introduced.	Transports from suppliers to customers account for a significant part of the company's CO ₂ emissions, which is why Christian Berner has begun an effort to be able to measure the emissions for all subsidiaries in 2019. In 2019, a process for measuring emissions from transports from the central warehouse in Mölnlycke has been set up. In 2020, an action plan shall be prepared that shall work to reduce the net environmental footprint from transports that the company's operations give rise to.

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 and 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. In 2019, Christian Berner intensified the work by drafting and implementing a new supplier evaluation template.
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.

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 2019 on pages 14-21 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.

Gothenburg, 20 March 2020
KPMG AB

Mathias Arvidsson
Authorised Public Accountant