



Beckers Sustainability Report 2019

Overview

Beckers at a glance 2
 CEO message 3
 Highlights from 2019 4

1.0 Towards 2030 5

1.1 The big picture 6
 1.2 The way ahead 7
 1.3 Our roadmap to 2030 9

2.0 Products with impact 13

2.1 Sustainable solutions at a glance 14
 2.2 The true cost of sustainable solutions 24
 2.3 Pushing the building envelope for far-reaching positive impact 25
 2.4 MSK Plast: A sustainable partner to Beckers 26

3.0 Operations with impact 27

3.1 Our results: climate impact, energy and waste 28
 3.2 Driving down our value chain emissions 32
 3.3 Drumming up the circular economy 33
 3.4 Keeping our people safe and well 34
 3.5 Adding value from sustainability to service 36
 3.6 Chain up! CSR assessment of our supply chain 38

4.0 People with impact 39

4.1 Accelerating along our Social Sustainability Roadmap 40
 4.2 Taking our pulse 41
 4.3 A company-wide commitment to learning 43
 4.4 Change from within 44
 4.5 Our holistic approach to health, happiness and diversity 45
 4.6 Local social initiatives 46
 4.7 Beckers Sustainability Award 2019 47

5.0 We are Beckers Group 48

5.1 Who is Beckers Group 49
 5.2 Our global network 51
 5.3 Introducing our Board of Directors and the Executive Group 52
 5.4 Our sustainability journey 53

6.0 GRI Report 2019 56

6.1 About the report 57
 6.2 Management Approach 58
 6.3 Our Stakeholders 60
 6.4 General Disclosures 61
 6.5 Material Topics 63
 6.6 Glossary 68

Contact 69

Beckers is a company born out of innovation. We are passionate explorers, driven by commitment and science. We know new ideas can catalyse solutions to the world's biggest challenges.

Our world is at a turning point. To continue to thrive, we need to ensure a balanced climate, strong ecosystems and create healthy living spaces. We must make sustainability our business.

In close collaboration with our customers and stakeholders, we push the boundaries for surface performance and deliver value beyond the expected. With science as our foundation, our courage and commitment move us forward. Together, we generate impact beyond the surface.

In this report, we will explain how Beckers has taken practical steps towards sustainable development.

Beckers at a glance



Welcome

Dear stakeholders,

2019 was a key year for Beckers regarding sustainability. With the start of a new decade ahead, we took some time to reflect on our journey this far and define our contribution for the future. With a multi-national stakeholder workshop, many interviews, brainstorming sessions and discussions, we laid the foundation for our new sustainability strategy. It has become increasingly apparent that the winners of tomorrow understand how to create customer value while securing sustainable impact, and are able to make it their business. This is now more important than ever and it reflects in our purpose and the 2030 sustainability strategy.

Our purpose is to transform our industry by developing solutions that give surface new meaning and create maximum positive impact for our customers, for society and for the planet. To fulfil this purpose, we will use three levers of change: leadership, innovation and people. We will take the lead in our industry, we will push the boundaries for surface performance beyond protection and beauty, and we will recognise and honour that passionate people are the key to success. We will cascade sustainability down into every level of the organisation with all of us playing an active part.

Our 2030 strategy is ambitious, pragmatic, and commits to specific actions. This commitment starts with our products. We will invest even more in R&D, listen to our stakeholders, create

Our purpose is to transform our industry by developing solutions that give surface new meaning and create maximum positive impact for our customers, for society, and for the planet.

”

new opportunities to collaborate with our suppliers and customers on sustainable products, and work together to deepen our understanding of the value chain and market trends. We will share updates on product innovation in this report.

At the same time, we will strive to minimise our environmental impact with carbon-neutral sites and drastically reduced VOC emissions. We will focus first on scaling up the use of renewable energy across our business, while working to create positive impact in our production and along our supply chain.

Our progress is rooted in the creativity, passion and dedication of our people, and in the close collaborative relationships we have with our customers. To step up to the opportunities and challenges ahead, we will follow up on our engagement surveys to create a great company to work for, support safety initiatives on sites, and merge our social efforts behind one cause.

I am proud to present the 2019 Beckers Sustainability Report, which shows how far we have come on our sustainability journey, and summarises the main achievements and challenges relating to our social and environmental impact. The report also shows our continued commitment to the United Nations Global Compact.

The Covid-19 crisis that emerged at the beginning of this year has shown us that everything can change in the blink of an eye. Let us be humble and modest in consideration of our planet and the life on it. Beckers is agile and during the crisis, we have demonstrated our ability to shape and adapt. We will learn from it and create value through sustainability for our employees, our customers and our owner.

2020 will be challenging year, but it's also the start of our journey towards 2030. We are committed to deliver on our promise. By building on the strong foundation of our values and combining our long-held dedication to sustainability with our vision for the future, we will create sustainable value for our customers, our business and our world.



Best regards,

Christophe Sabas
CEO and President Coil Coatings EA&A
Berlin, Germany
June 2020



Highlights from 2019

We are proud to present the following highlights from our sustainability work.



Setting our 2030 strategy

The start of a new decade is an opportunity to formulate and formalise plans and ambitions. In 2019, we took stock of where we've come from and came together to develop and agree our sustainability strategy for the years ahead.

See the full story on p.7

Adding value from sustainability to service

Year after year, our commitment to and implementation of the principles of operational excellence continue to deliver benefits. Read about a few of our highlights from 2019.

See the full story on p.36



Constructing a better future

A good relationship requires collaboration. Find out how we're saving energy, materials and costs in partnership with an expert in building envelopes.

See the full story on p.25



Drumming up the circular economy

As we transition towards the circular economy, there are opportunities along our supply chain for new ways of working that reduce our impact. Here, we'll tell the story of how we're working with partners to reduce the impact of our steel drum use.

See the full story on p.33

The more we know, the better we grow

With a 94% participation rate, our global employee survey sets a new standard for engagement. Thanks to the input of our people around the world, we can identify more opportunities to improve how we all work together.

See the full story on p.41



Our Change Innovators

Given the right opportunity, we can all be powerful agents of change. Find out how we're helping our people work together to fulfil their potential, while making Beckers an even better place to work.

See the full story on p.44



Towards 2030

We used 2019 as an opportunity to look to the future – building on what we know to deliver positive impact for our customers, our people and our planet.

The big picture

We look at what happened in 2019, what challenges our world faces, and what steps we and other businesses are taking to help overcome them.



Our roadmap to 2030

Our new roadmap to 2030 is based on three focus areas that will guide our actions and deliver positive impact in the decade ahead.



The way ahead

In 2019, Beckers took its vision, goals and development strategy to the next level. The process involved a stakeholder workshop, internal surveys, internal workshops, and a company-wide Beckers conference.

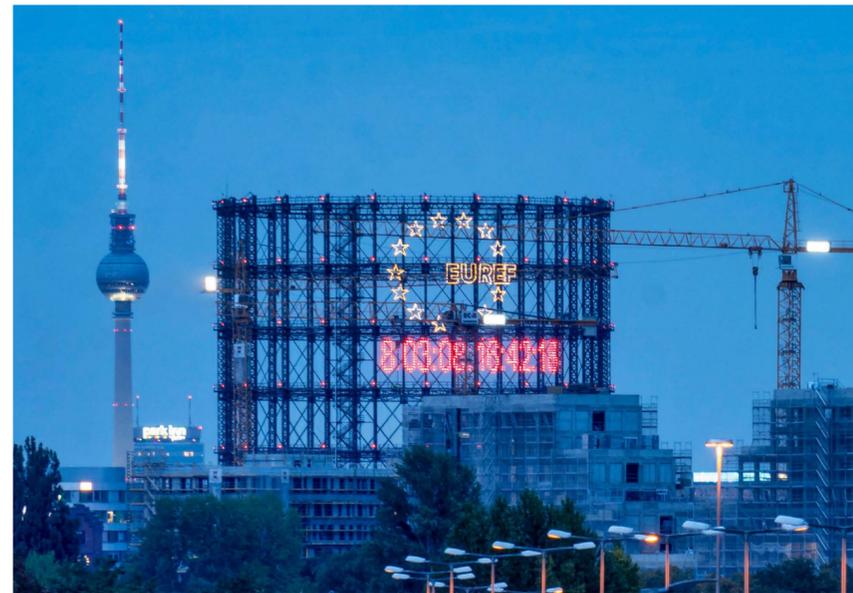
1.1

The big picture

We take a step back to look at what happened in 2019, what challenges our world faces as it enters a new decade, and what steps businesses – including ours – are taking to help overcome them.

Eighteen of the last 19 years have been the warmest on record. 2019 saw polar ice receding at an unprecedented rate, while all seven continents experienced record-breaking temperatures. As global carbon emissions continue to rise, so does the need for urgent action.

In line with this, 2019 was also the year of climate protests and youth strikes. Around the world, millions of people came together to raise the alarm and demand action – from their governments and the businesses that serve their needs.



Climate countdown at gasometer on EUREF Campus in Berlin: the clock runs backwards and symbolises the remaining carbon budget for the 1.5-degree target.

Across all sectors, businesses are acting to meet the Paris Agreement target to limit global warming to 1.5 degrees Celsius. Like Beckers, many are doing this by aligning with the UN Sustainable Development Goals. By delivering these goals, we will help society fulfil its

ambition to create peace and prosperity for people and the planet, now and into the future.

Many of the measures needed to achieve this are already understood, available and economically viable. Many businesses are already implementing them – from cutting their emissions to securing renewable energy for their operations. But we must also go beyond these solutions, to make sustainability core to our mission – from the products we develop to the services we provide. Businesses that fail to move quickly or boldly enough in their commitment and action on sustainability risk losing market relevance. At the other end of the scale, those driving change in their industry can become leaders.

At Beckers, we recognise this; our ambition is all about rising to the challenge. Our long history of commitment to sustainable development puts us in a strong position to drive a system change in our sector and lead our industry as it transitions to a sustainable, circular economy.

While Beckers is committed to continuing our efforts to do ‘less harm’ – cutting carbon emissions, reducing waste and using fewer natural resources – we know our greatest contribution comes from the impact of our products. We aim to further develop products that can deliver positive impact beyond the surface. Our goal is to transform our industry by developing solutions that create maximum positive impact for our customers, for society, and for the planet.

Our strategy work in 2019 outlines our roadmap to 2030. In 2020, we will set targets and KPIs against this roadmap, which will drive continuous improvement in the years ahead and put sustainability at the heart of our business.

1.2

The way ahead

At Beckers, we are determined to ensure our company is part of the solution for a sustainable future. In 2019, we worked with passion and energy to develop and agree on our 2030 sustainability strategy. Read on to find out more about last year's strategy work, and to take a closer look at the strong foundations on which it is built.

A shared focus on the future

Growing global issues continue to impact businesses and society in complex and challenging ways.

The next ten years will be critical and will see new markets, strong legislation, innovative business models and greener production techniques take centre stage.

Although Beckers has already achieved considerable success in our approach to sustainability, it is now time to move to the next level. We want to position our company as part of the solution for a sustainable world. In 2019, we followed a careful, considered process to develop and deliver our 2030 strategy. A key part of this was drawing on our stakeholders for ideas and inspiration. We also conducted internal surveys, workshops and a company-wide Beckers conference.

Learning from our stakeholders

We recognise and respect our stakeholders and take

their ideas and concerns seriously. We therefore knew their input had to be central to the development of our 2030 sustainability strategy.

In May 2019, we conducted a stakeholder workshop, convening participants from within Beckers and along our value chain, including customers and suppliers. We also brought in NGOs, UN representatives, sustainability and academic experts, and representatives from our parent company.

The purpose of this workshop was to gain as much insight and input as possible. The result was a creative and fruitful dialogue about future sustainability challenges and how best to tackle them. We explored strategies for further developing our industry, started to define what success in 2030 might mean for Beckers, and sketched a roadmap for the next decade. These outcomes were invaluable in helping us define our 2030 sustainability strategy.



1.2

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Envisioning the future with our stakeholders

Together, we envisaged ourselves in 2030, trying to anticipate Beckers' likely role and possible achievements. It was a unique and profoundly inspiring experience; I am full of hope and energy for the decade ahead.

– Nicklas Augustsson,
Global Sustainability Director



We chose a beautiful location for our stakeholder workshop – Färgfabriken. Our suppliers, customers, a representative of our owner and a UN Global Compact representative all contributed to the workshop. In this clip, we hear what

impressions and takeaways they gained from looking to the future.

Find the video on the Beckers Group YouTube channel

Our roadmap to 2030

At Beckers, we create solutions powered by commitment and science. In close collaboration with our customers, we make it possible to generate positive impact beyond the surface.

Our 2030 roadmap is our strategy for fulfilling our purpose. Following the strategy work described above, we have outlined three streams of work going forward: products, operations and people. As a next step, we will set ambitious goals and actionable KPIs to guide and drive action in each of these streams and define how we will win in the long term.

Everything we do must have a purpose. That's why our three streams of doing business are:

- 1. Products with impact**
- 2. Operations with impact**
- 3. People with impact**

Products with impact

Innovative value creation

We want to make our customers the winners of tomorrow by putting innovation at the heart of progress and powering it with commitment and science. We shall deliver positive impact: pushing the boundaries for surface performance that help advance society while protecting our planet.

Our 2030 ambitions:

Our products are our legacy. They always have an impact in terms of how they look and the protection they offer. Our ambition for the decade ahead is that the paint we provide delivers sustainability value.

We will strive:

For our coatings to be materially sustainable and to use components that are inherently safe and responsibly developed.

This could mean that our coatings are derived from minerals that are sustainably mined and not scarce in nature. Or that they are based on renewable raw materials, and free from persistent and toxic substances.

For our coatings to provide functional sustainability benefits for our customers and society.

For example, coatings that offer improved UV durability or other functions that reduce maintenance. Additionally, this could be coatings that help solve global challenges by generating energy and depolluting local air.

To leverage our value chain by collaborating with partners to create breakthrough innovation.

We collaborate closely with customers, suppliers and other players along the value chain to develop more sustainable coatings. It could also involve bringing more stakeholders in our sustainability work.

Operations with impact

Positive value loop

We want to drive our industry's transformation by creating a net positive value loop in our production and along our supply chain. We will transition from doing 'less bad' to doing 'more good', and continue driving circular economy principles in our operations and with our supply chain partners.

Our 2030 ambitions:

We have a long and complex value chain, which depends on one of the most challenging sectors in terms of sustainability – the chemical industry. We therefore need to push the boundaries for what can be done. Our ambition is to ensure our production and supply chain activities go beyond expectations to create positive impact.

We will strive:

For our sites to be carbon neutral.

For example, reducing our total energy consumption and increasing our share of renewable energy. It could also mean reducing our emission of VOCs, and reducing CO₂ emissions in our operations and along our supply chain.

For our operations to cultivate the principles of the circular economy, in which resources are conserved and repurposed.

This could mean, by collaborating along the value chain to recondition used drums and reuse packaging material.

For our supply chain partners to operate according to the same standards as Beckers.

To encourage this, we take a holistic value chain approach to sustainability, recognising that our suppliers have a significant impact on our own performance. We monitor and audit our suppliers' social and environmental sustainability.

People with impact

People as value creators

Passion and commitment sit at the heart of progress. We want our colleagues to feel motivated and empowered to take the lead on the challenges of tomorrow. And we want the communities we operate in to benefit from our presence. By taking joint ownership of the challenges as individuals – and as a society – we know we are more likely to succeed.

Our 2030 ambitions:

We want to make a positive contribution to society in everything we do. We engage actively with the communities around us and empower our colleagues to grow. Their well-being is important to us, as we see people as the cornerstone of a sustainable business.

We will strive:

For all our employees to feel motivated, happy and empowered.

We establish a unique culture based on our values. We also aim to regularly survey our employees' motivation and happiness, and act where necessary. Our ambition is to create a gender-balanced and inclusive business.

For our sites to be role models for health and safety.

We aim to consolidate a robust system of safety focused on behaviour, while continuing our focus on zero accidents and global safety actions (e.g. Global Safety Day). We also have an ambition to systematically address psychosocial factors affecting health and safety.

To stand for purpose-driven community and social engagement.

We aim to maintain close dialogue with all stakeholders and create common cause for employee engagement.

Products with impact

With our bold ambitions from the first chapter in mind, here we summarise how 2019 took us closer to our ambition to provide coatings that deliver value beyond the surface.

The true cost of sustainable solutions

We take a fresh look at the value of our coatings by exploring the true cost of ownership.

Sustainable solutions at a glance

After years of commitment to focused R&D, we have a range of sustainable coatings available.

MSK Plast: A sustainable partner to Beckers

How long-term collaboration creates opportunities to experiment and succeed.

Pushing the building envelope for far-reaching positive impact

Discovering the full sustainability potential of our panel coatings.

2.1

Sustainable solutions at a glance

We are proud of our track record on research and development when it comes to our coatings. Thanks to the vision and continuous efforts of our R&D department, we have a wide range of sustainable coatings to offer our customers, with several more in the pipeline.

Our future is in the pipeline

We have a future-proof R&D strategy and are excited about the products in our pipeline. Of course, this strategy is only possible because of our team of passionate and dedicated chemists, working in our labs to develop solutions fit for the future. R&D is a core function at Beckers, and we greatly value our team and its achievements.

This video looks to the future, demonstrating our proactive approach to product sustainability, and emphasising the complementary aspects of material and functional sustainability. It shares a few examples of what we're excited about in years to come.

On the following pages, we share a few examples of our more sustainable coil coatings and industrial coatings, which are already available on the market.



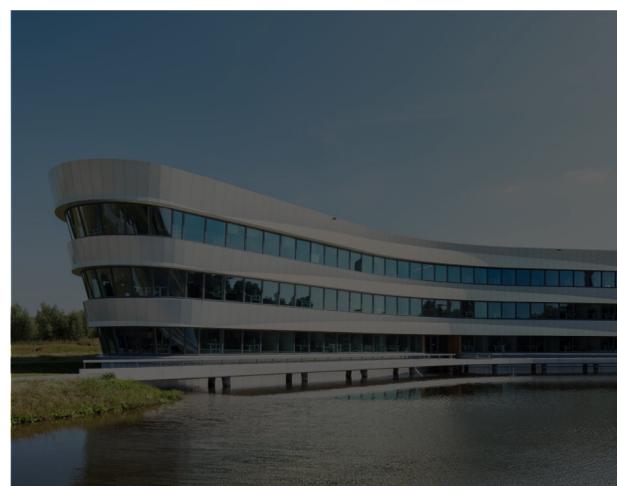
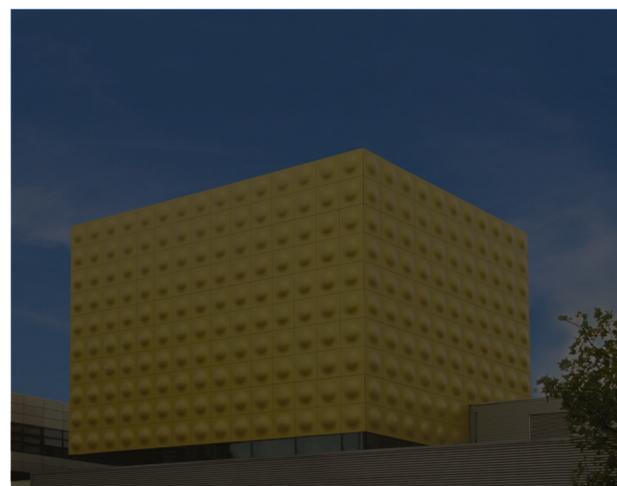
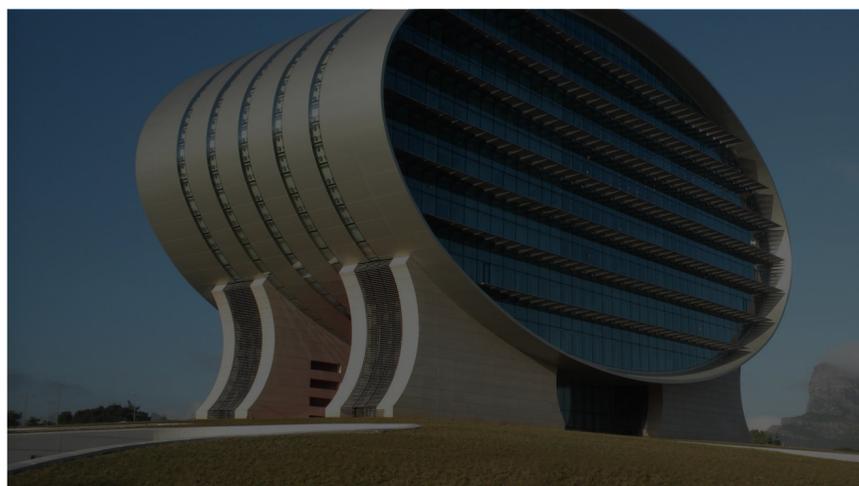
We speak to two key members of Beckers' R&D team about how sustainability is inextricably linked to their work, what innovations they're currently focusing on and what they're excited about.

Find the video on the Beckers Group YouTube channel

2.1 | Sustainable solutions at a glance

Coil Coatings

Our coil coatings are applied to metal before it's fabricated into end products. Coil coated steel or aluminium is mainly used for roofing, facades, roller shutters or domestic appliances.



Materially sustainable topcoats

Materially sustainable PVC plastisol

Over the years, we have eliminated heavy metal stabilisers, lead chromate pigments and phthalates and introduced renewable raw materials, so that our Beckry®Plast 510 is one of the most materially sustainable PVC plastisols available today.

> Beckry®Plast

High solid topcoat

We offer Beckry®Pol 3000 as a higher solids, lower VOC versions of our principal polyester melamine range.

> Beckry®Pol

Bio-based topcoat

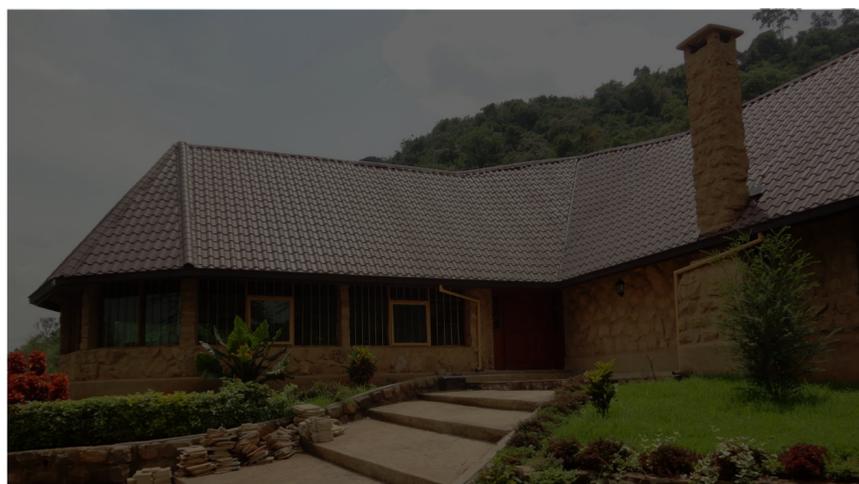
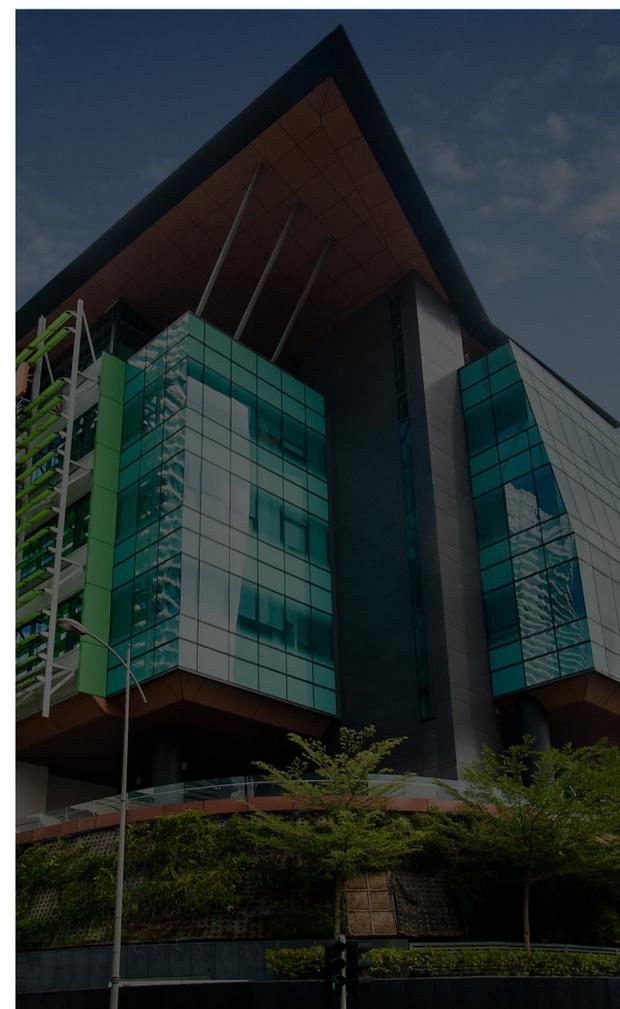
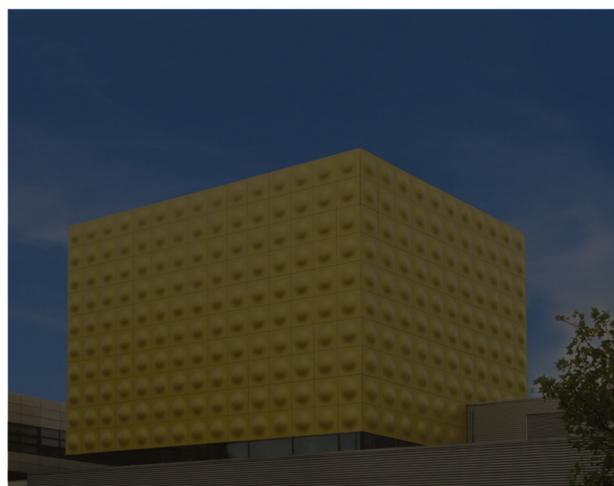
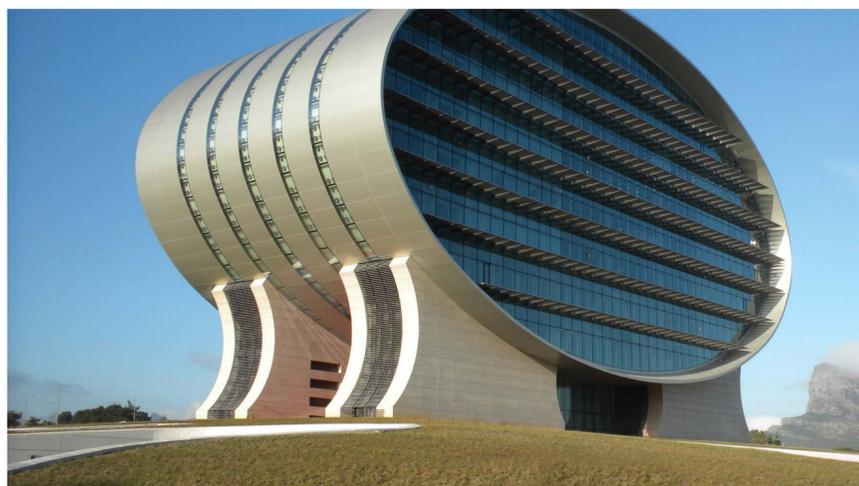
Our Beckry®Pol Bio range (with > 25% bio-based organic content) is available in R_{UV2} and R_{UV3} qualities backed up by more than three years of real-time outdoor testing.

> Beckry®Pol Bio

2.1 | Sustainable solutions at a glance

Coil Coatings

Our coil coatings are applied to metal before it's fabricated into end products. Coil coated steel or aluminium is mainly used for roofing, facades, roller shutters or domestic appliances.



High-durability topcoats

High-durability R_{UV4} topcoat systems

Our highest durability (R_{UV4}) systems can contribute to significantly lengthening the lifetime of the building envelope and do so with minimum maintenance impacts. We are now working to replace significant portions of their organic content with renewable raw materials.

> Beckry®Tech and Beckry®Duro

High-durability textured topcoats

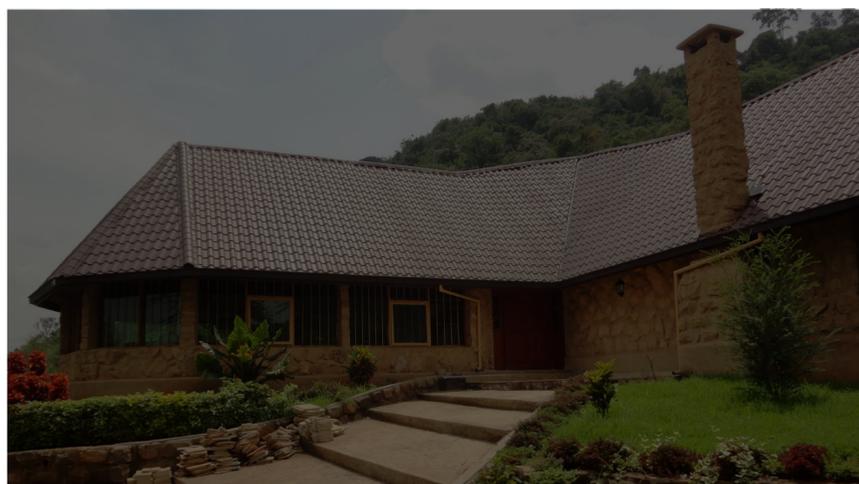
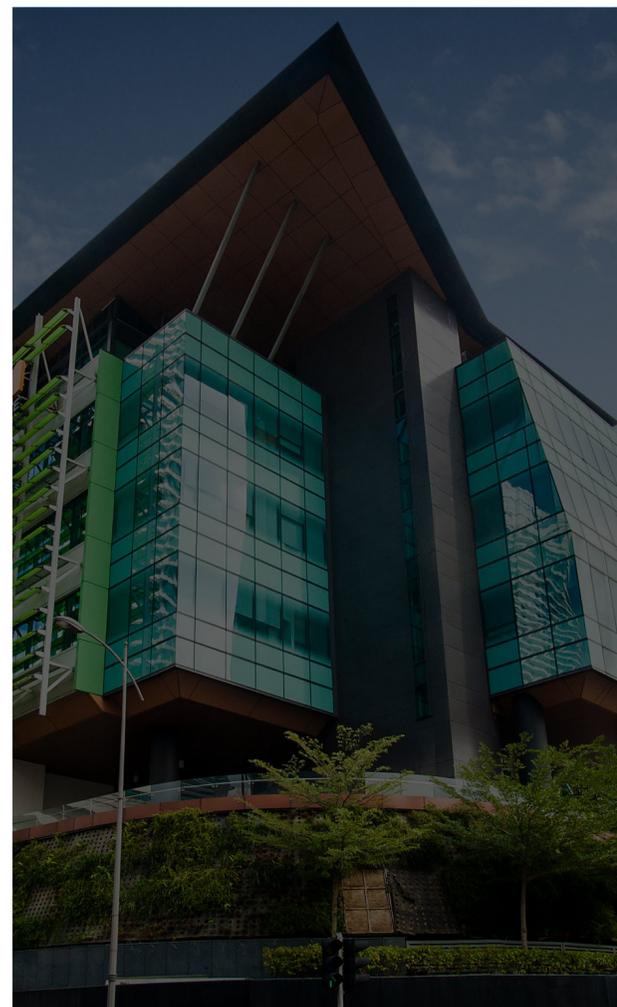
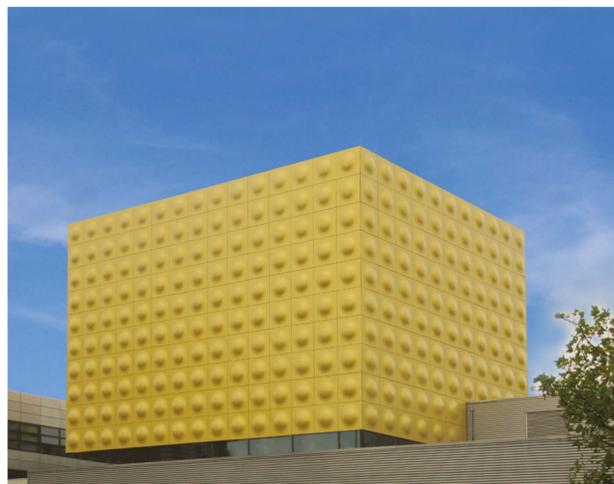
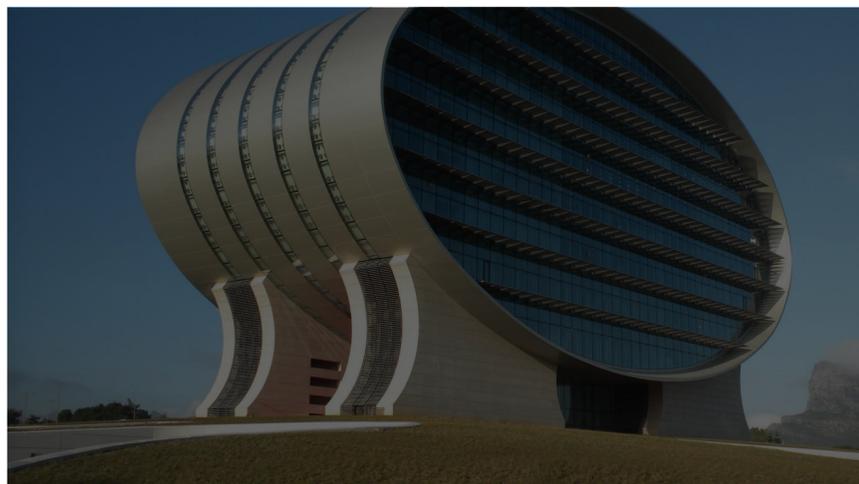
Our family of textured, low gloss Beckry®Tex coatings have outstanding longevity compared with many other residential roofing systems and lengthen the time before replacement of metal roof tiles.

> Beckry®Tex

2.1 | Sustainable solutions at a glance

Coil Coatings

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Easy-to-clean topcoats

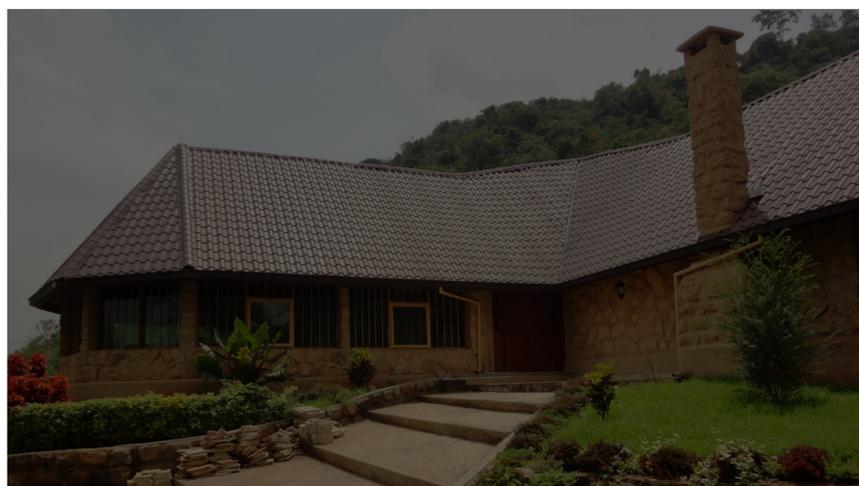
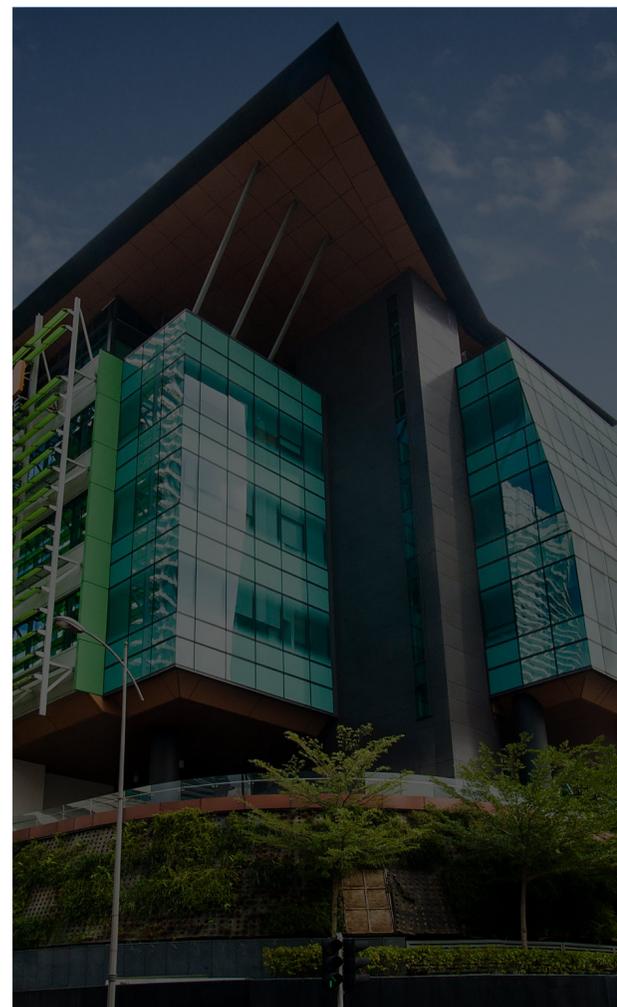
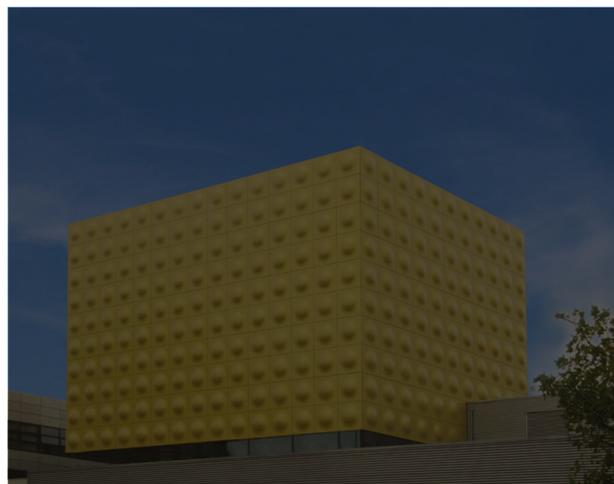
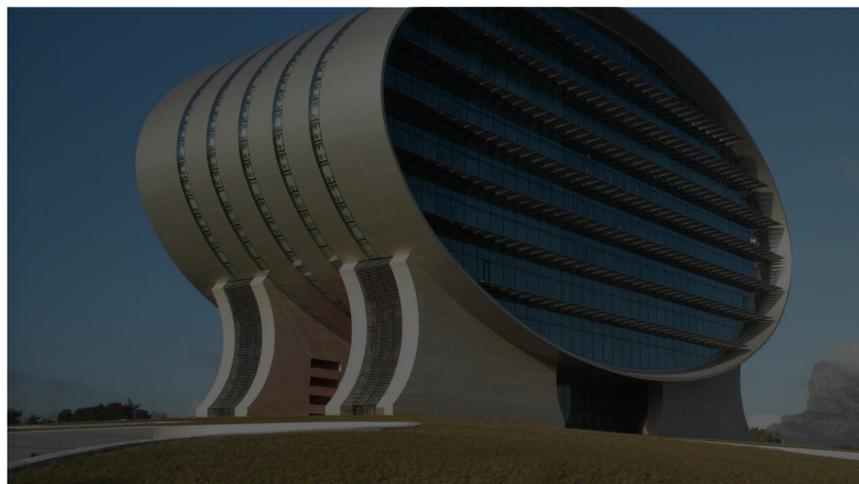
Our latest development, Beckry®Fresh 2000, is applied using a simpler and cheaper process, compared to the previous two-coat system. It enables the building envelope to look as fresh as possible for as long as possible.

> Beckry®Fresh

2.1 | Sustainable solutions at a glance

Coil Coatings

Our coil coatings are applied to metal before it's fabricated into end products. Coil coated steel or aluminium is mainly used for roofing, facades, roller shutters or domestic appliances.



Chromate-free primers

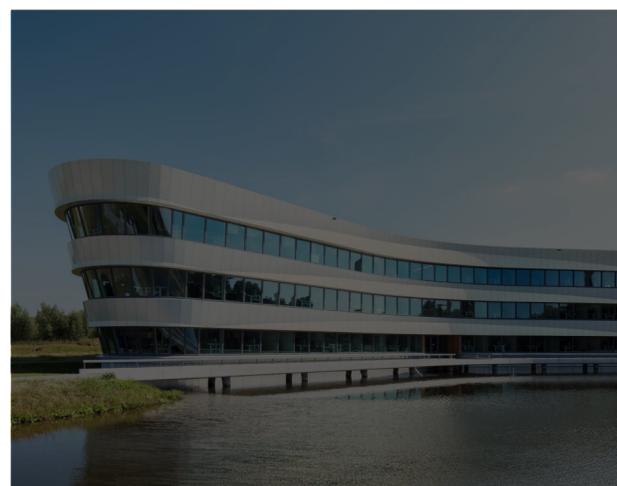
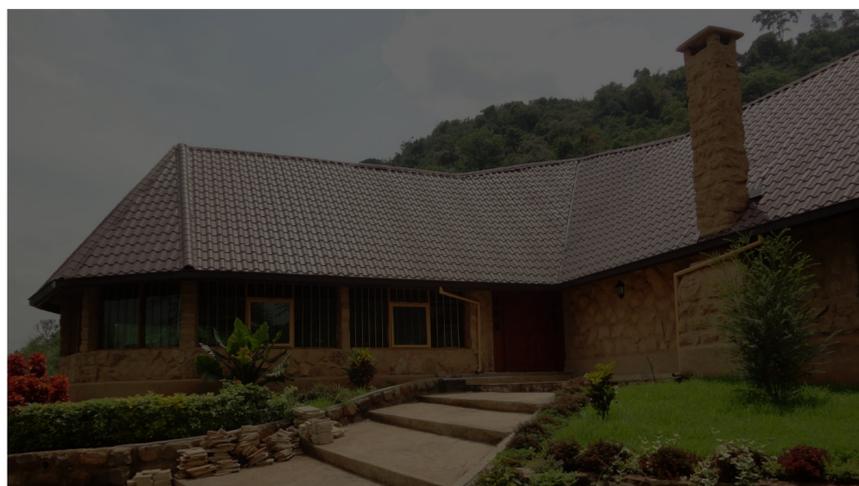
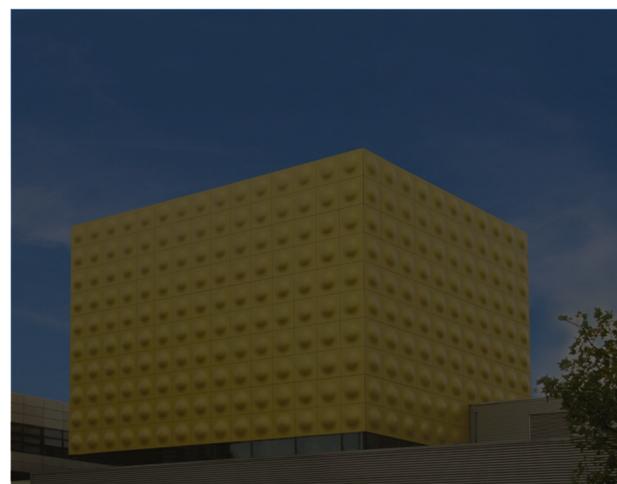
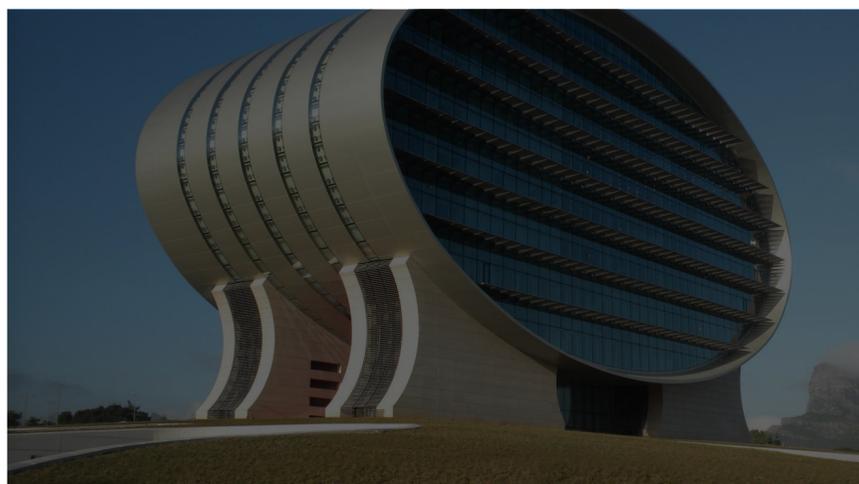
The use of chromate anticorrosive pigments was finally prohibited in Europe in 2019 for unauthorised uses. Alternative chromate-free systems like Beckry®Prim 243, have a natural exposure track record of over ten years and today can meet the demanding corrosion testing requirements, such as RC5.

> Beckry®Prim

2.1 | Sustainable solutions at a glance

Coil Coatings

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Solar-control systems

Solar reflective system

Our solar reflective Beckry®Therm is now used worldwide for a range of applications – from large projects to small agricultural operations and domestic dwellings. There is growing appreciation that its cooler surface offers new opportunities in optimising building design, in addition to reducing heat build-up and heat island effects and lowering building running costs.

- > Beckry®Therm
- > Beckry®Low-e

Solar absorbing system

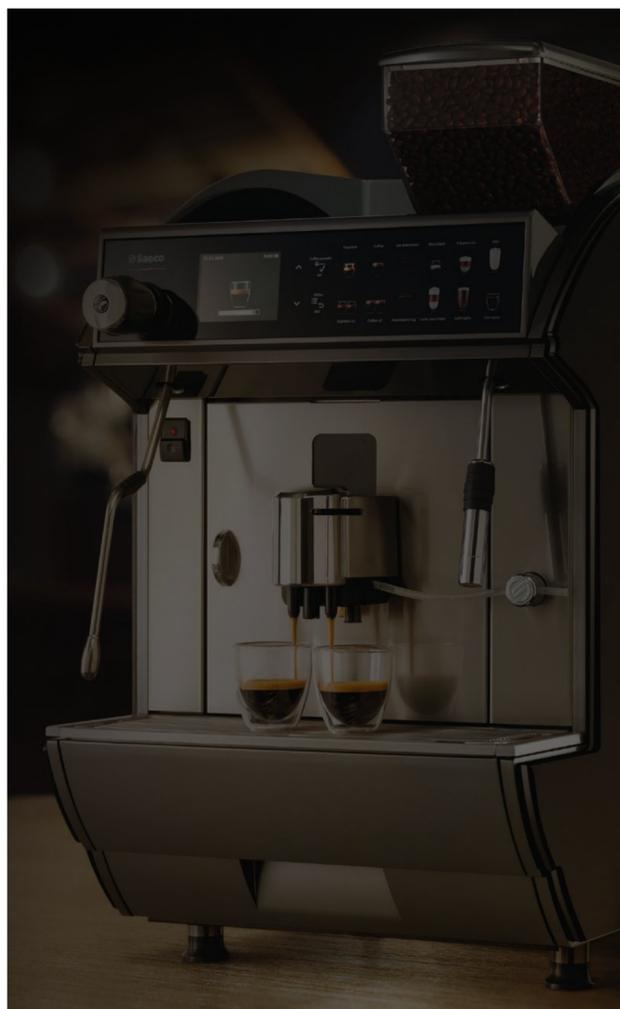
Our solar absorbing technology has now successfully completed more than three years of demanding outdoor testing. It can significantly increase the solar energy harvesting properties of solar thermal systems and transpired solar collectors, while offering an attractive palette of colours.

- > Beckry®Therm

2.1 | Sustainable solutions at a glance

Industrial Coatings

In industrial coatings, we supply a range of specially manufactured coatings for preformed metal parts and plastic components. These are used for vehicles, heavy-duty machinery, railways and consumer devices.



Agricultural, Construction and Earth-moving Equipment

Waterborne, chromate-free system

Our chromate-free coatings have been developed as effective, safe and environmentally responsible alternatives to traditional coatings without sacrificing performance and durability. These coatings extend the life of our customers' products without impacting the recyclability of the metal and plastic substrates that they protect.

> Beckqua@Prim and Beckqua@Lac

Ultra high-solid system

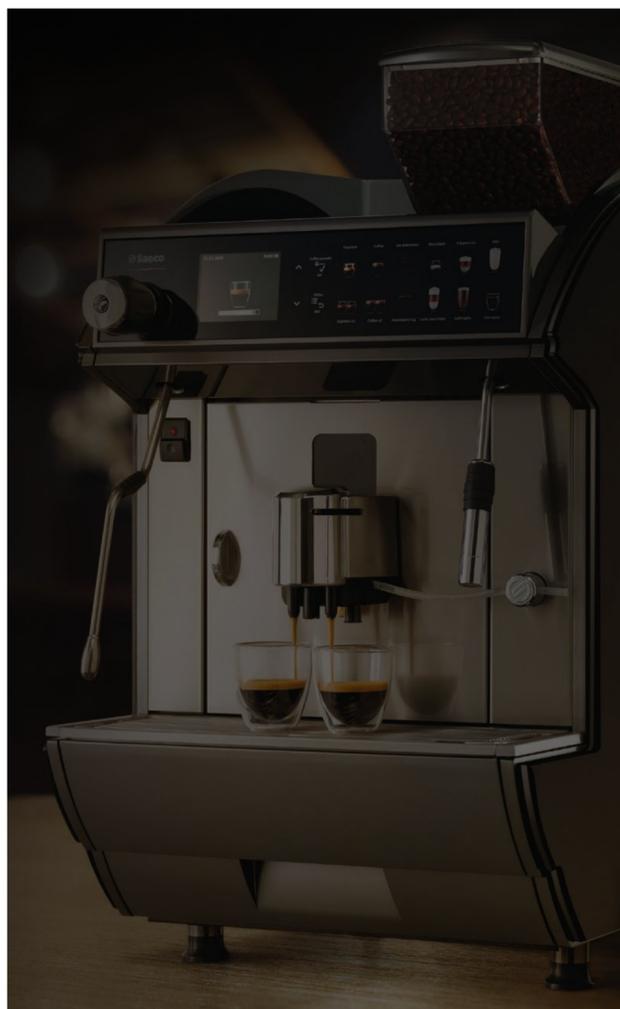
Our 2K Beckry@Sol-Ultra provides outstanding protection with a very low environmental impact. This formulation has VOC emissions similar to waterborne coatings. In addition, the product cures at very low temperatures and, because it is a one-coat finish, generates less waste than traditional two-coat systems.

> Beckry@Sol-Ultra

2.1 | Sustainable solutions at a glance

Industrial Coatings

In industrial coatings, we supply a range of specially manufactured coatings for preformed metal parts and plastic components. These are used for vehicles, heavy-duty machinery, railways and consumer devices.



Railway

Waterborne system

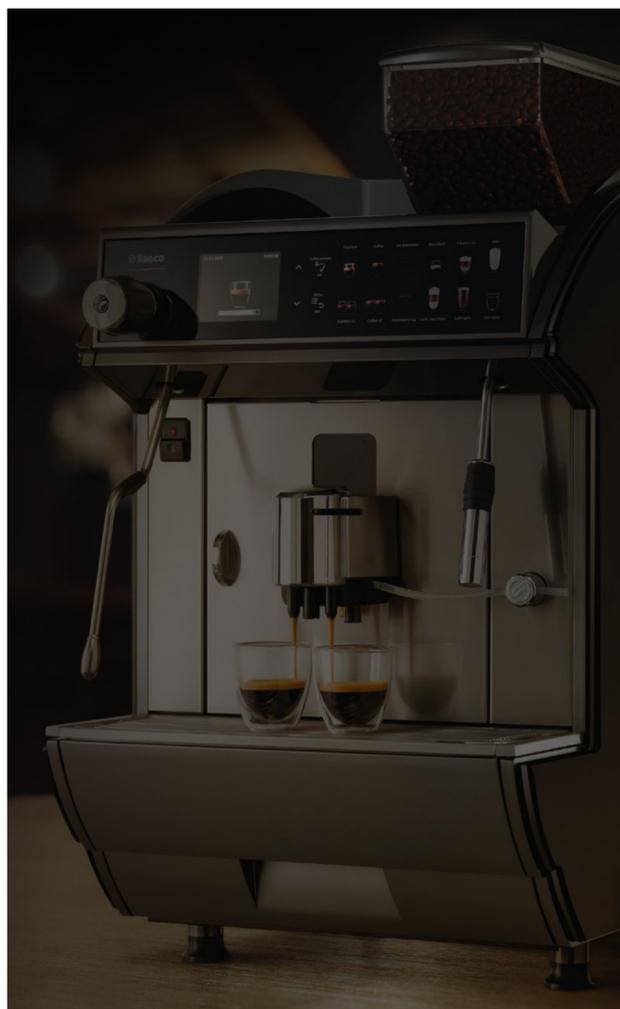
We offer a complete product range, from primer to 2K polyurethane finish coatings, including specialties, using waterborne technology. All products are approved by France's national railway company SNCF, as well as different European state railways and the private rail vehicle industry.

> Beckqua®Prim, Beckqua®Fill, Beckqua®Lac, Beckqua®Base and Beckqua®Clear

2.1 | Sustainable solutions at a glance

Industrial Coatings

In industrial coatings, we supply a range of specially manufactured coatings for preformed metal parts and plastic components. These are used for vehicles, heavy-duty machinery, railways and consumer devices.



Automotive Plastics Exterior

NMP-free waterborne basecoat

Our NMP-free, high solid content concept was successfully introduced to the market in 2018, showing enhanced appearance through a smoother film surface and excellent concealing power.

> Beckqua@Color

2.1 | Sustainable solutions at a glance

Industrial Coatings

In industrial coatings, we supply a range of specially manufactured coatings for preformed metal parts and plastic components. These are used for vehicles, heavy-duty machinery, railways and consumer devices.



Consumer Design Finishes

Waterborne Polyurethane Monocoat

We offer a range of 1K and 2K monocoats for coffee machines and other appliances, approved by major consumer electronics and appliance manufacturers. Superior performance and stylish options are combined with meeting two sustainability targets at once: minimising VOCs and reducing the number of layers customers have to apply. This also results in cost savings.

> Beckqua®

Waterborne basecoat with covering function

Unlike conventional solvent-borne paints with 70-80% solvents, this basecoat contains only 6-8% solvents with a 100% higher efficiency rate. For products with sensitive substrates, the coating covers moulding defects more effectively and lowers scrap rates.

> Beckqua®Flex

Waterborne clearcoat

The clearcoat adds protection to the product and basecoat to prevent damage from accidents, humidity, sunlight and normal use. The solvent content is a low 20-22% (depending on gloss level), compared to 50-60% for conventional solvent-borne finishes. A higher solid content requires 20-25% less material and results in an improved efficiency rate.

> Beckqua®Dur

Waterborne UV-curable monocoat

We have launched a new generation of waterborne UV Monocoats for lifestyle appliances and consumer electronics that have a similar metallic effect as some of our solvent-borne systems.

> Beckqua®Lux

Topcoat with low aromatic content

We have developed new topcoats with low aromatic solvent (<5%) for Polyurethane and UV-topcoats, without compromising product performance on consumer electronics and lifestyle appliances.

> Beckry®Dur and Beckry®Lux

2.2

The true cost of sustainable solutions

How do you put a price on sustainability? Increasingly, when assessing the cost of sustainable products, we need a metric that is smarter than a traditional up-front purchasing price.

When we invest in something, it is smart to consider both what it costs up front and what it costs to own in the long run. For example, expensive maintenance and repairs can mean a cheap car ends up costing a lot. The construction industry is learning that the same rule applies, because up to 85% of the lifetime costs of a building come from its operation, maintenance and end-of-life impacts – whether demolition, recovery or reuse. As a result, any building product that can help to reduce these add-on lifetime costs must bring value to the project.

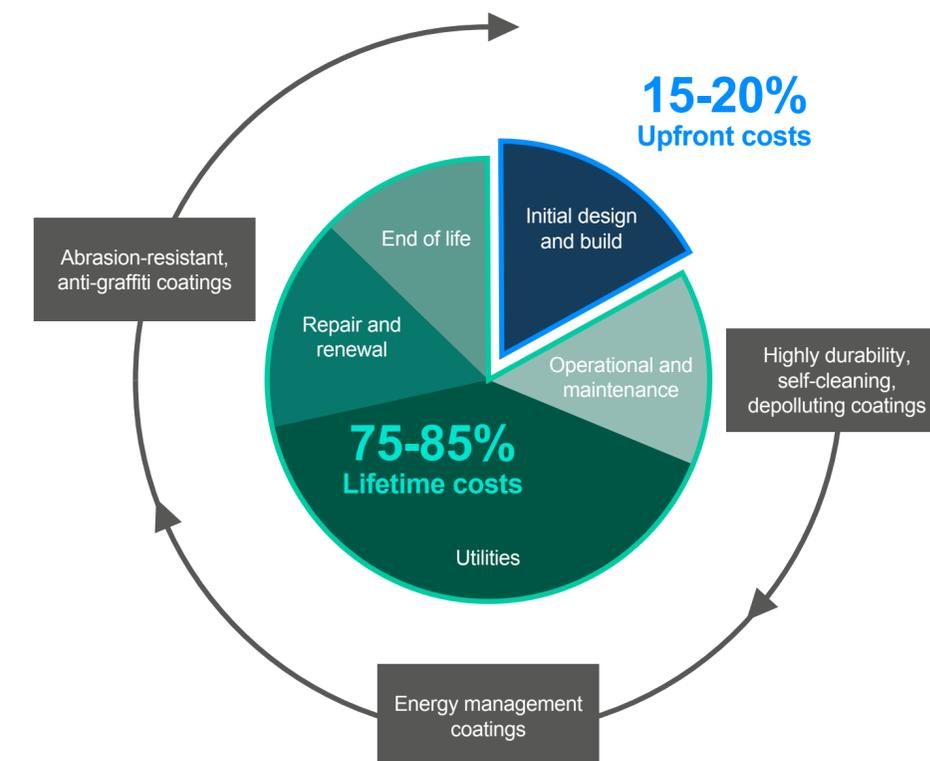
Rather like the holistic approach of life-cycle assessments, life-cycle costing considers not only a product's initial costs, but also the additional costs that are spread throughout its whole life cycle. This approach is called total cost of ownership (TCO) and it goes beyond the price tag to understand the true cost and impact of the coating.

By reducing the costs of maintenance and operation, a sustainable coating is valuable in a way that goes beyond the obvious. Highly durable products are more sustainable not only because they last longer, but also because they require less maintenance, repair and ultimately don't have to be replaced as frequently. While these products may cost more initially, their increased longevity actually reduces life-cycle costing. What's more, their performance also reduces the environmental impacts associated with maintenance and repair programs.

In this way, our Beckry®Pol Bio topcoat system is sustainable in more ways than one. Firstly, having bio-based organic content around 35-40% means it has strong material sustainability. And secondly, its

excellent performance in our weathering tests means it also demonstrates high functional sustainability. We started testing our Beckry®Pol Bio topcoat system three years ago. Following extensive trials in tropical, subtropical and temperate environments, the coating is even more durable than we had hoped. It performs well in the R_{UV4} category and is clearly superior to the reference petroleum-based commercial R_{UV3} standard we used.

Like all our sustainable coatings, Beckry®Pol Bio is designed to offer long-term benefits to everyone across our value chain – for our customers, the product's end users and, of course, for our environment.



This graph shows the full life-cycle costings of a building and the impact our coatings can have. At the beginning of a building project, the reduction of the much larger lifetime costs should be priority.

2.3

Pushing the building envelope for far-reaching positive impact

After choosing Beckry®Therm for its thermal control qualities to develop a new panel coating, we discovered the product has an extra sustainability benefit. This article demonstrates how it sometimes takes patience, perseverance and partnership to realise the full potential of sustainable solutions.

A panel coating with hidden benefits

Our range of thermal control coatings, Beckry®Therm, was developed almost 20 years ago to reduce the cost of air conditioning. However, although the functional sustainability of this coating is a huge advantage in very cold or very warm regions, the European demand for such a product was – initially – low. At this time, global warming was neither as well recognised nor as visible as it is today; average temperatures in Europe were increasing but were still acceptable. Air conditioning was not widely used, and most architects and investors were not convinced that sustainable coatings were worth the extra cost.

Despite this, we were confident demand would rise and started a joint collaboration with a global leader in high-performance insulation and building envelopes, to run tests and line trials to find the perfect solution for the European market. Thanks to this cooperation, we discovered that Beckry®Therm

not only makes a building's interior more comfortable during hot weather, but it also reduces energy consumption and CO₂ emissions.

The additional advantage of using Beckry®Therm to coat a building panel is an improvement in its thermal stability. The coatings lower the surface temperature of a building up to 15-20°C, which reduces thermal tension in the metal and the envelope structure. A panel with greater thermal stability requires fewer steel supports to remain stable once in situ, and it is possible to be more flexible in the design of the building, despite exposure to lots of sun and heat.

This example shows us how partnership and collaboration provide the opportunity to get the full potential of sustainable solutions, and we now see an increasing demand in Beckry®Therm even in Europe.



2.4

MSK Plast: A sustainable partner to Beckers

Our customers are a huge part of our sustainability journey – both where we have come from, and where we are going. Here, we share how our long-term partnership with MSK Plast created the trust required to implement a breakthrough innovation and a significant, ongoing saving in time, space and resources.

The most elegant solutions to sustainability challenges often involve greater efficiency, proving the old saying that ‘less is more’. We have been working with our long-term partner and customer MSK Plast to deliver greater efficiency – and therefore greater sustainability – for them and their customers for several years.

MSK Plast is a Finnish company that makes the plastic parts for Original Equipment Manufacturers (OEMs) in the Agriculture, Construction and Earth-moving (ACE) equipment sector. Their customers include Valtra, VCE and Metso.

In 2017, we started to develop a new monocoat to further improve adhesion properties and to fulfil stricter painting standards. Soon after, MSK Plast was looking to add a new paint line at its factory but were short on space. Following the success of the 2017 monocoat trial, they decided to remove the primer step from their new line – saving space, time and resources. MSK also invested in a new heat recovery ventilation system alongside the new paint line, which aligned with their environmental values.

Since then, they have moved two of their OEMs from a two-layer system to our waterborne monocoat solution. So far, this has been an excellent move. Not only does the monocoat meet performance standards, the need for fewer layers, less overspray and less energy for curing makes it more sustainable and economical.

This breakthrough is just one example of how Beckers and MSK Plast support each other to reduce impact. In another example of this cooperation, we have been

supplying MSK Plast with sustainable waterborne paints, in a variety of colours, for several years. We also offer extra quality and productivity services, such as line audits to improve factory efficiency.

Beckers and MSK Plast always focus on working together as partners, sharing experiences and key learnings, and trying to solve challenges together.

– Jaakko Lipponen,
Managing Director, MSK Plast



MSK Factory during a visit in September 2019: Jukka Risikko (MSK Plast), Michal Stasiak (Beckers), Karl-Heinz Edinger (Beckers), Katrin Boström (Beckers), Teemu Ritala (MSK Plast) and Christian Vogel (Beckers).

Operations with impact

In the first chapter, we look to the future with our 2030 ambitions. In this chapter, we examine our 2019 work to positively impact our production and supply chain activities – from reducing transport emissions to investing in the circular economy.

Drumming up the circular economy

Our French team is working along the value chain to nurture circular economy solutions.

Keeping our people safe and well

How a simple reporting mechanism is the building block for a safer working environment.

Adding value from sustainability to service

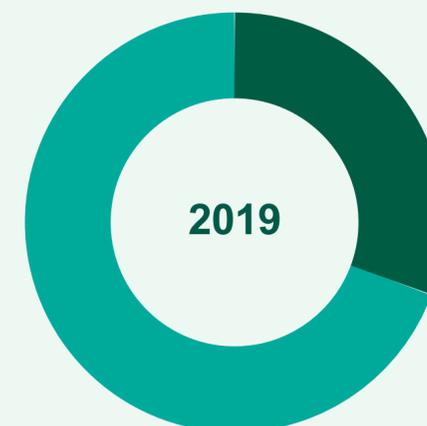
How our holistic approach to problem-solving drives progress.

Driving down our value chain emissions

What does it take to reduce the impact of transport?

Our results

How our focus on reducing our energy, waste and climate impact is paying off.



Chain up! CSR assessment of our supply chain

Connecting with our suppliers to join up the sustainability dots along our supply chain.

3.1

Our results: climate impact, energy and waste

In 2019, the total production of Beckers Group increased by almost 6%, with a new record in terms of tons of production. This increase was not evenly spread out: global market changes meant some regions significantly increased production, while others saw a slight decrease.

Our long-term ambition is to grow our business while reducing our environmental impact. To track and encourage progress towards this goal, we set annual

targets for energy use, VOC emissions and waste. Our latest results illustrate the progress we are making in this long journey.

On the following pages, we will look at our environmental key performance indicators (EKPIs), the impact the changes in business operations had on those EKPIs, and how they were influenced by other environmental factors as well as our site initiatives.

3.1 | Results: Climate & VOC

Our 2019 carbon savings

Clear reduction in emissions

As global carbon emissions continue to rise, we must all keep striving to reduce our impact. Beckers has been communicating carbon data since 2011, when we were measuring emissions from our 18 sites. In 2019, we had 25 sites to monitor, including our headquarters in Berlin and our new site in Nghe An, Vietnam.

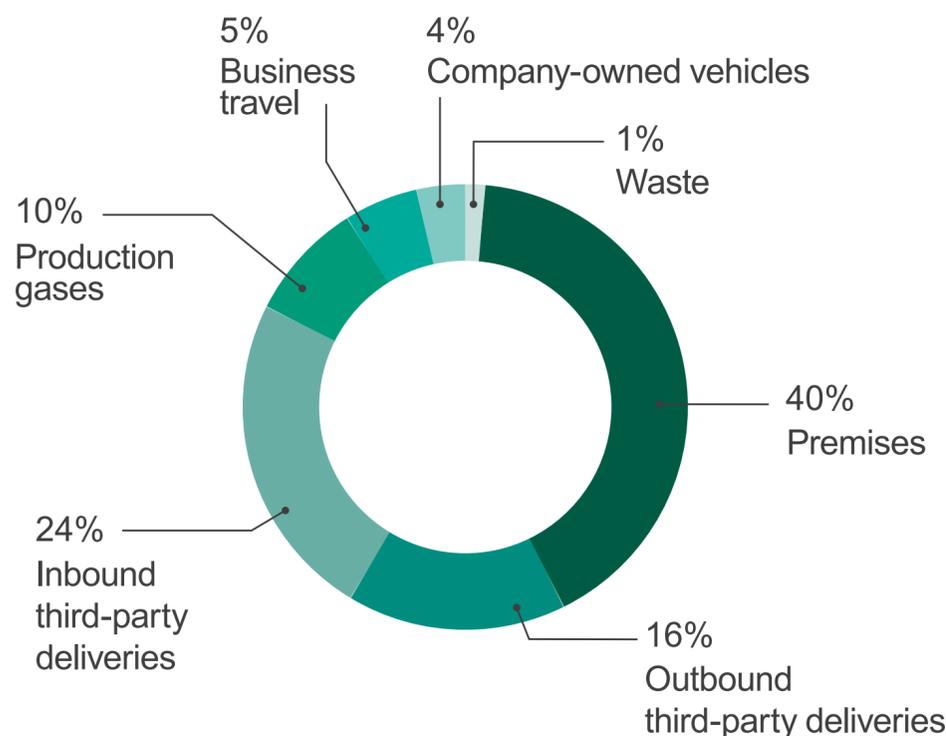
In 2019, our total market-based emissions reduced by 7% compared to last year, despite an increase in production. Compared to our 2013 base year, market-based emissions reduced by 8%.

This reduction can be traced to two main activities. The 28% reduction in emissions from outbound deliveries came from better planning, reduction in air freight and improved partner coordination to increase delivery by rail. The 7% reduction in emissions from our premises came mainly from the switch to certified renewable electricity sources (which has a one-year lag for actual impact).

The Emission Factors (EF) we use to assess our climate impact are in our tool, *Our Impacts*. These convert units of business activity into equivalent CO₂ amounts. The EFs are constantly updated based on new science and fluid factors, such as grid electricity; they are provided by international agencies on climate change, such as the Intergovernmental Panel on Climate Change (IPCC). As per our Recalculation Policy there is no need to recalculate the base year, since the changes to the emission factors in 2019 do not significantly impact the results.

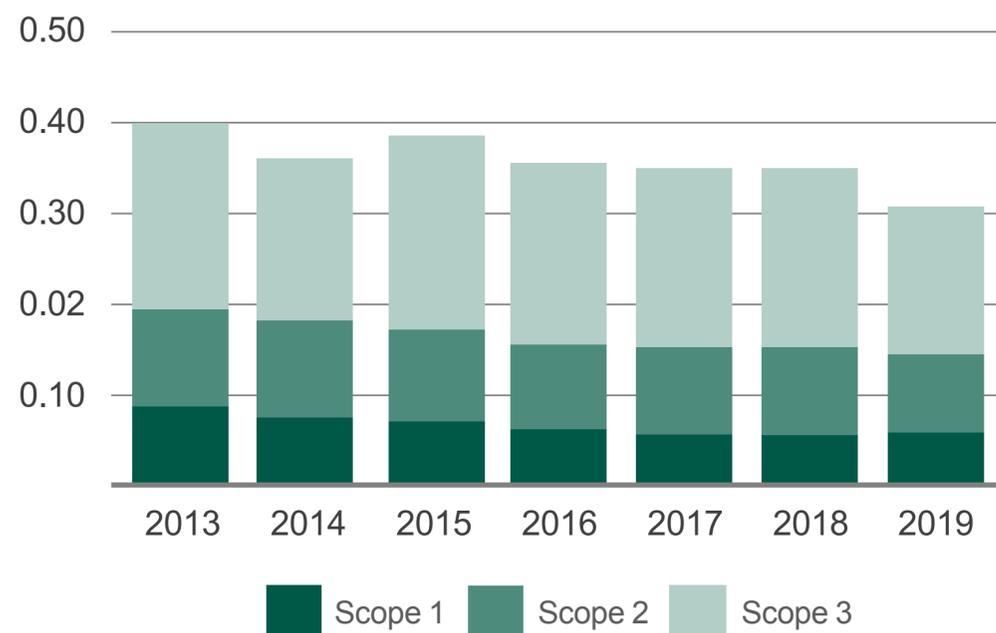
For our climate impact, please see our Climate Assessment Summary for 2019 on our website. For data on our climate and environmental impact, please see our GRI Appendix on p.56.

Carbon emissions by activity*, %



- Premises
Direct emissions from consumption of fuel (on-site), purchased energy and water, including their indirect upstream emissions.
- Outbound third-party deliveries
Indirect emissions from transportation of finished goods using third-party services.
- Inbound third-party deliveries
Indirect emissions from transportation of raw materials using third-party services.
- Production gases
Direct emissions from purchased solvents that are considered Volatile Organic Compounds.
- Business travel
Indirect emissions from movement of employees and external people, excluding vehicles owned by the company.
- Company-owned vehicles
Direct emissions from consumption of fuel in the company's own and long-leased vehicles including their indirect upstream emissions.
- Waste
Indirect emissions from the processing and disposal of all forms of waste.

Carbon emissions intensity*, ton CO₂e/ton product

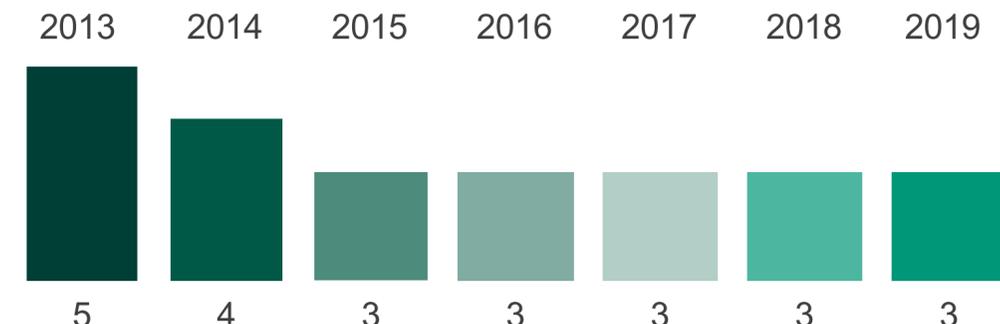


Our VOC results

We continue to measure and target VOC emissions from all our production sites. Over the years, we have reduced our absolute emissions thanks to a combination of activities such as low-solvent cleaning systems, solvent recirculation and on-site distillation.

Due to changes in the types of product we manufacture and our production volume, we remained at the same level of emissions per ton of product in 2019.

VOC intensity, kg/ton product



* All climate data of 2019 is as per market-based approach

3.1 | Results: Energy

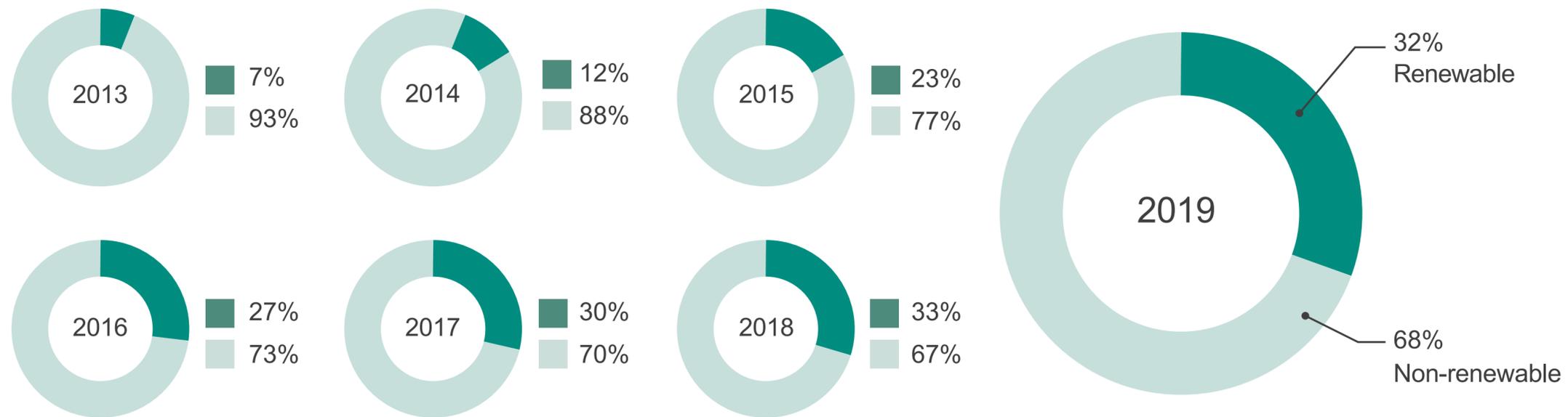
Greater efficiency and green energy outlook

Although Beckers' total electricity consumption increased in 2019, our electricity per ton of product fell by 3%. This shows an improvement in efficient resource use. This improvement follows the implementation of an energy reduction program at our biggest site, combined with the optimisation of production planning.

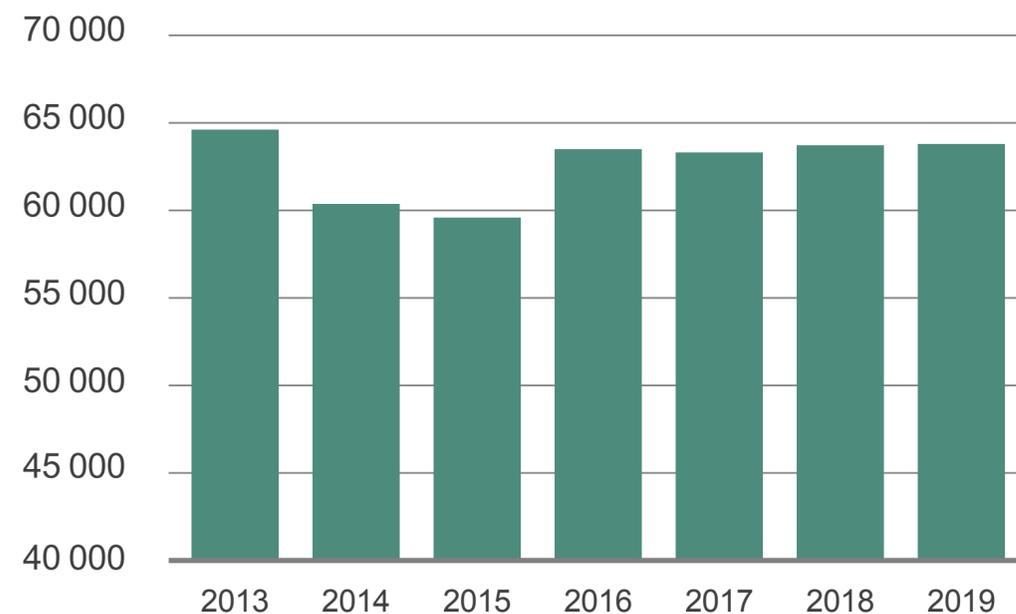
We also saw a good reduction in the use of other forms of energy. This reduction came as a result of the use of heat pumps and air destratifiers, as well as an energy recovery program and the optimisation of heating space. It was also linked to warmer winters in Europe.

We sourced a slightly lower percentage of renewable electricity in 2019 than in 2018. This reduction was caused by lower energy demand at those sites using renewable electricity. For 2020, we foresee an increase in the ratio of renewable energy we use, because we have new contracts in place for additional sourcing of renewable electricity.

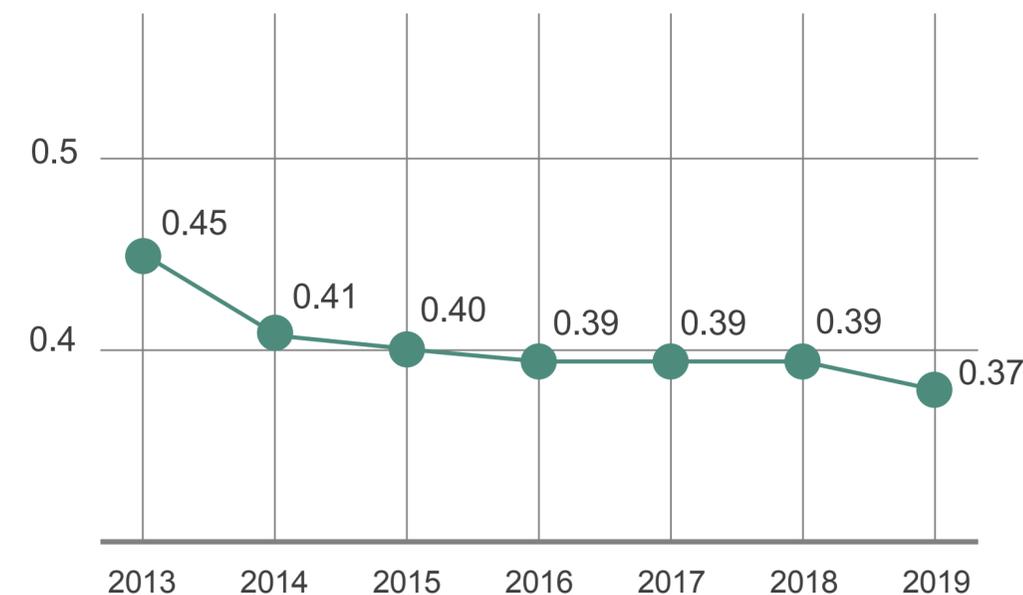
Renewable energy of total



Total energy consumption, MWh



Energy intensity, MWh/ton product



3.1 | Results: Waste

Less waste, more reuse

In 2019, our total waste, including reuse, only increased by 2%, despite a 6% increase in production.

Following the waste hierarchy, we prevent and minimise waste by reusing cleaning solvents, as well as adjusting returned or leftover products while maintaining product specifications and quality. Whenever possible, we also ensure packaging materials are kept in a 'closed loop' between our suppliers and customers – which ensures they are reused as much as possible before disposal.

We encourage the reuse of waste, which we monitor separately from other forms of disposal. For the first time in 2019, we tracked our reuse waste as either hazardous or non-hazardous. We have diverted 10% more material towards reuse and away from conventional disposal methods, such as incineration, recycling or landfilling compared to 2018. The disposal by these conventional methods has been reduced by 49 tons in 2019 compared to 2018.

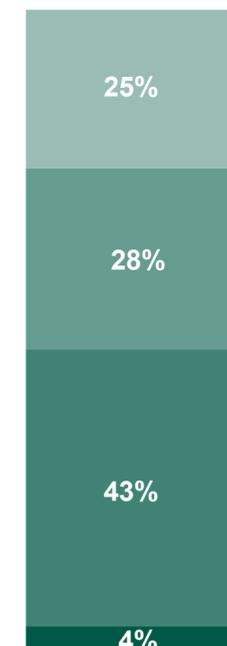
2019 total weight of waste by type and disposal method

Domestic waste and certain industrial waste that is not considered a risk to human health and environment as per regulations in country of operation.

Total Non-Hazardous
2 570 tons
of which 1 080 tons come from reused.

Waste from chemicals or contaminated by chemicals that have a risk to human health or environment as per regulations in country of operation.

Total Hazardous
5 617 tons
of which 949 tons come from reused.



Reused
2 029 tons

Materials used back into the market without major re-manufacturing processes to alter it.

Recycled
2 323 tons

Used materials that are broken down to make raw materials for manufacturing of new products.

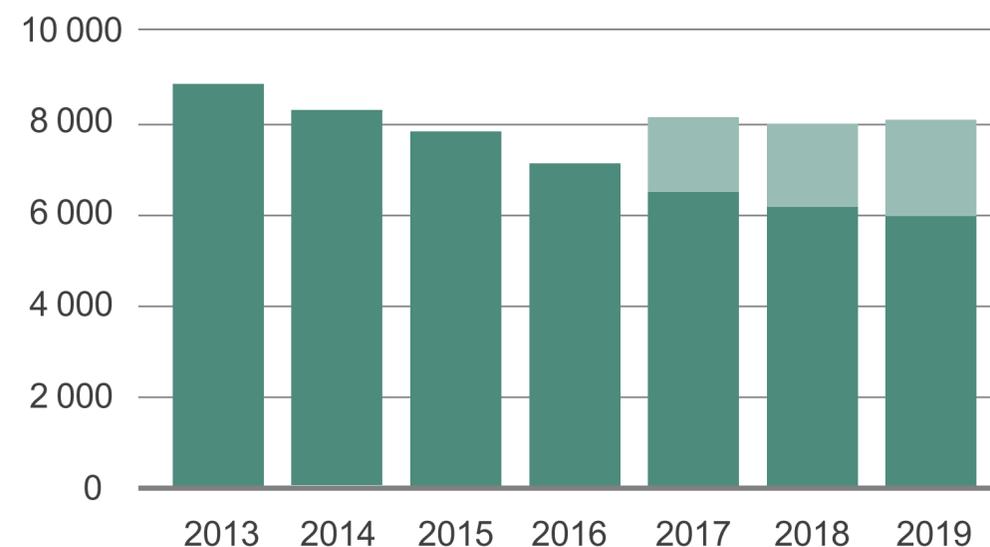
Incinerated
3 511 tons
of which 2 846 tons was with heat recovery.

Combustion of waste with the possibility to recover energy from heat generated.

Landfilled
324 tons

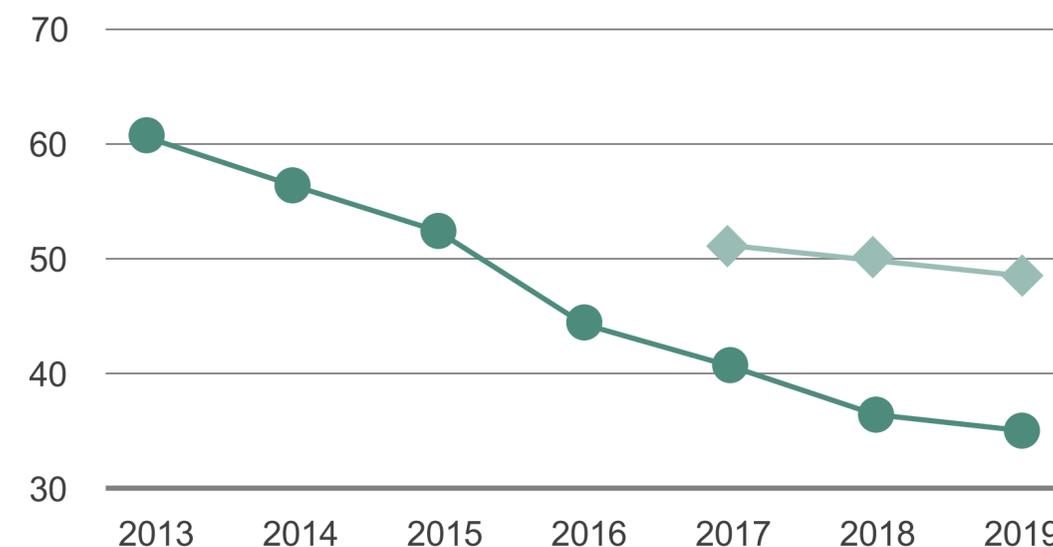
Disposal by dumping waste in government-designated areas.

Total waste, tons



■ Total waste excluding reused waste ■ Reused waste. Share of the total waste reported for the first time in 2017

Waste intensity, kg/ton product



● Total waste excluding reused waste ◆ Total waste including reused waste

3.2

Driving down our value chain emissions

To measure, reduce and report on our carbon footprint, we must address the carbon emissions created along our value chain. One area with a lot of potential for improvement – both up- and downstream – is transport.

En route to reducing our transport impact

The faster we can switch to less carbon-intensive forms of transport, the smoother the transition to a low-carbon economy. In practice, this means moving away from road transport as the default towards using a combination of rail, ship and road – known as intermodal transport.

Switching to intermodal transport to ship products to our customers requires close cooperation with external partners, as well as greater organisation and flexibility from our business and from our customers. However, with the right mindset, change is possible.

For example, we serve our customers ArcelorMittal and Tata Steel in Northern France and Belgium from

our production site in Montbrison with a combination of rail and road shipment. The effect is significant: CO₂ emissions are reduced by 71% or 146 tons/year compared to standard road deliveries.

Looking at our inbound supply chain we have been successful with a similar project. Our solvent supplier DHC routinely serves our production sites in Italy, England and Sweden from Germany with combined rail, ship and road transports, reducing CO₂ emissions by 32% versus a truck using a ferry.

We are always on the lookout for more opportunities to cooperate in a similar fashion – either up- or downstream in our value chain.



3.3

Drumming up the circular economy

It is increasingly clear that our economy must shift from a linear model of production, consumption and disposal to a more circular model of use and reuse. But although everyone is talking about the circular economy, examples of success are still rare – which makes this project even more important to share.

An award-winning circular solution

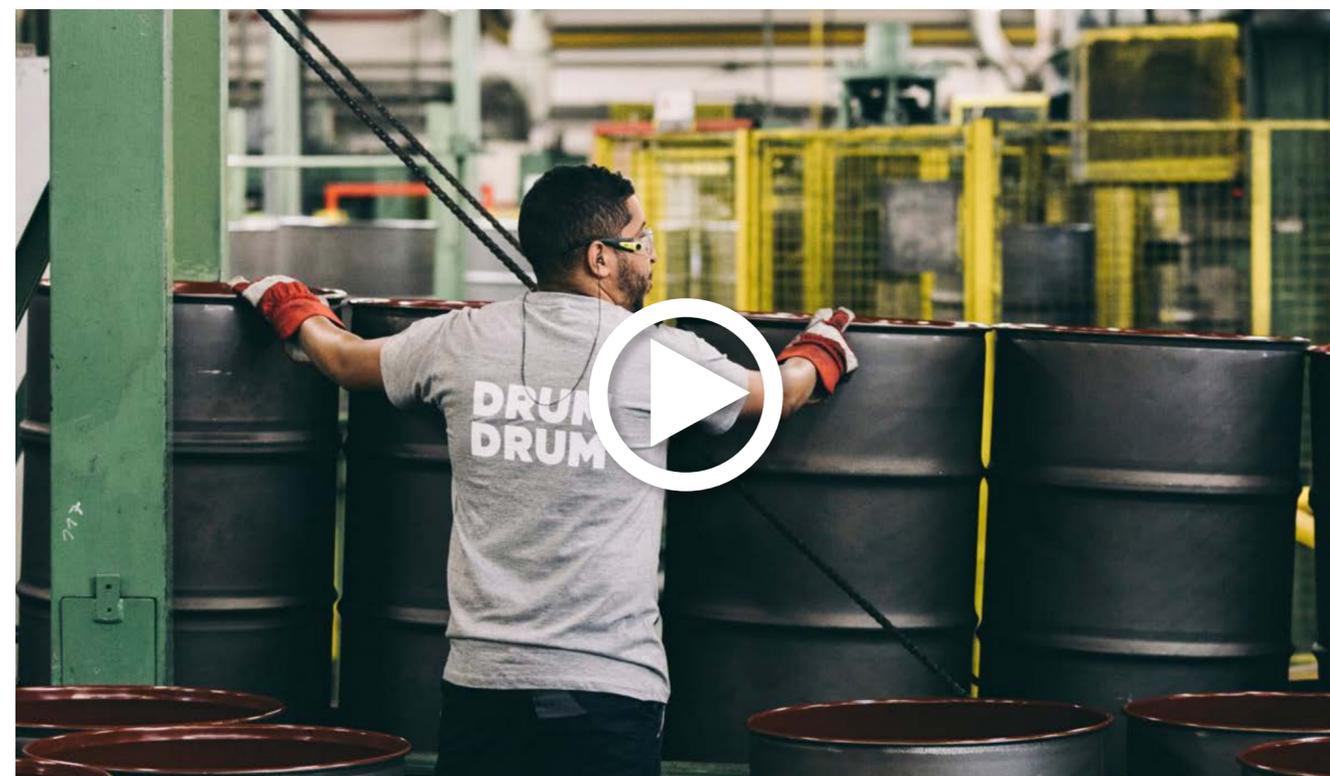
Have you ever considered the impact of how we deliver our paint? Paint is mainly sold in steel drums and manufacturing a new one creates around 30kg of CO₂ emissions. Given that we use hundreds of thousands of steel drums every year, this adds up to a big footprint.

In 2019, we were thrilled to receive a sustainability award from the French National Chemical Industries Association for a pilot scheme that significantly reduces the impact of our steel drums. The project involves reconditioning used steel drums so we can fill them again and again. A reconditioned drum creates just under 10kg of CO₂ emissions – a third of what it takes to create a new one. We tested the project at our site in the north of France in Feignies in June 2019 and are confident that in 2020,

it will save 250 tons of CO₂. We are now expanding the initiative to our bigger production sites in France and Germany where we use more than 120,000 drums per year, which could mean an annual saving of 2,500 tons of CO₂ emissions.

Investing in circular economy solutions is an essential step to fulfilling our sustainability vision. And, by its nature, the circular economy requires collaboration along the value chain. We are therefore grateful to our customers and suppliers for working with us to overcome obstacles and deliver this project. We hope it sets a new standard for drum use across our industry.

The numbers and calculations in this text are based on input from the following sources: DRUMDRUM, Serred and a study from Tauw Group



Meet the team behind the reconditioned drum project, and find out how they worked together to implement a circular economy solution.

Find the video on the Beckers Group YouTube channel

3.4

Keeping our people safe and well

In 2019, we continued to strive towards providing a safe and healthy working environment by focusing on the prevention of workplace accidents and illnesses in all our facilities. As ever, our goal is zero accidents or incidents worldwide.

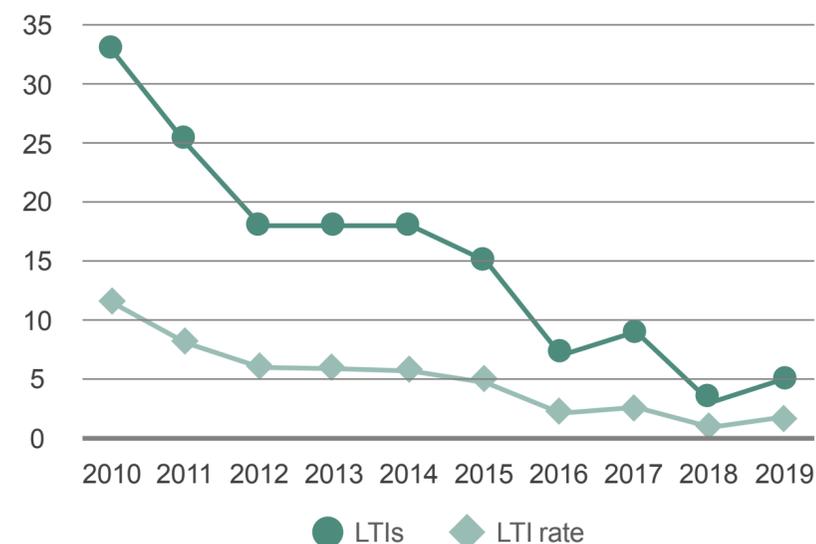
Proactive engagement in Environment, Health & Safety (EHS)

We take a range of actions to look after our people, and help them look after themselves. This includes organising our Global Safety Day and implementing new checks and processes that ensure EHS issues are at the front of everyone's mind – whether you're working in our boardroom or on the factory floor. At the heart of this commitment is the ongoing development of a culture of safety at Beckers.

A closer look at our LTI rate

Lost Time Injury (LTI) is an injury that leads to someone taking time off work and is calculated per 1 million worked hours. Our ultimate goal is to achieve an LTI score of zero. However, as you can see in the graph below, despite making good progress towards that goal in 2018, we suffered a

Lost time injuries / LTI rate



This graph shows our LTI rate from 2010 through to 2019. Although we have seen progress, we still have work to do – particularly given the small but serious increase from 2018 to 2019.

small setback, which we still take very seriously.

The best way for us to deliver our goal of zero LTIs is by taking collective ownership of EHS at every level of our business. We are developing this culture through a robust framework and continuous progress. We recognise this is a process and it will take time to truly embed the right behaviours.



Usually, every year all Beckers entities dedicate one day to health and safety. The 2019 safety day had the motto ZERO LTI.

3.4

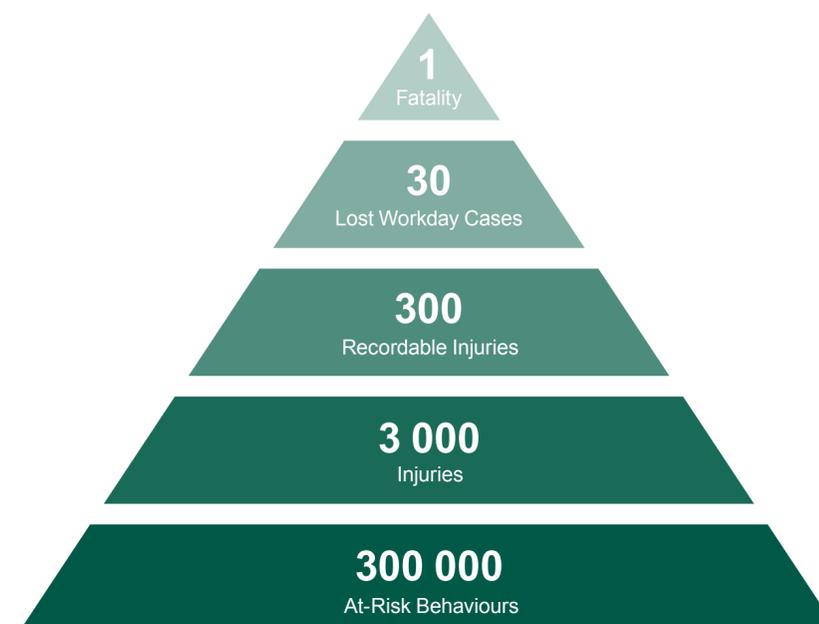
Keeping our people safe and well

In 2019, we continued to strive towards providing a safe and healthy working environment by focusing on the prevention of workplace accidents and illnesses in all our facilities. As ever, our goal is zero accidents or incidents worldwide.

An increase in reporting indicates progress

One of the foundations of our EHS work is our safety reporting mechanism, which provides every Beckers' employee with a centralised platform to report on safety observations and near misses. A strong safety culture encourages employees to continuously report safety observations, which in turn reduces near misses and, in the end, accidents.

Our approach is grounded in the theory of the 'Accident Pyramid': by minimising the number of unsafe behaviours and minor incidents you will reduce major accidents. Therefore, the better we get at reporting, following up and addressing even the smallest issues, the better our safety behaviour becomes.



The Accident Prevention Pyramid illustrates how a reduction in risk leads to a reduction in serious accidents. It is based on general statistics, and does not relate to Beckers' numbers.

Source: graphic adapted from ConocoPhillips Marine Safety Pyramid.

Our safety reporting mechanism report is tracked and distributed to our country heads on a monthly basis, providing the first-hand information they need to identify and proactively address any issues. This means we can investigate and deal with issues as quickly as possible to avoid repeating any exposure to risk, while also sharing any learning and action with other sites. We are tracking the number of reports we receive and will report on this going forward.

The Beckers Loss Prevention Standard

To prevent accidents, we focus on people. However, we also need to look at our facilities – which is why we have the Beckers Loss Prevention Standard (BLPS). The BLPS is a risk management standard that helps us take better care of our people and our community by ensuring we are taking good care of our properties and assets.

Global Safety Day 2019

The roadmap we developed to keep improving EHS at Beckers includes holding a Global Safety Day. For the last few years, this event has been focused on embedding 'We Own EHS' to continue building our safety culture.

This theme continued in 2019: the tagline for our Global Safety Day was our shared goal of 'ZERO LTI'. Following an increase in our 2019 LTI rate, we must continue to further embed safety practices, particularly reporting any observations or near misses.

Our Global Safety Day provides an important check-in point, bringing colleagues together at all sites for a day of health and safety activities. Different sites organise different activities, according to their needs. In 2019, these included activities such as 'Show me your workplace' and '360 degrees methodology'.

3.5

Adding value from sustainability to service

At Beckers, our spirit of innovation and collaboration means we are continuously improving operations across our value chain. Our approach is grounded in the principles of Operational Excellence, which employ a range of methodologies to help us keep improving our operational processes and company culture.

Bringing Operational Excellence to life at Beckers

Operational Excellence creates a culture that helps us produce valuable products and services for our customers and achieve long-term sustainable growth. It means embedding a mindset of working together to solve problems as we continue to build an agile organisation that partners with our customers to reduce inefficiencies in time, resources and costs. These savings transfer directly into sustainability gains – both for Beckers and for our customers.

We have two approaches to identify and action these opportunities to reduce inefficiencies – Greenbelt projects and Kaizen events. Greenbelt projects are larger in scope, often cross-functional and the employees are certified to be Lean Six Sigma Greenbelts after completion; Kaizen events are targeted, intense, rapid activities with a smaller scope. In 2019, we ran 11 successful Greenbelt projects and eight Kaizen events. We explain each approach below, and share a few highlights from 2019.

Greenbelt in action

A Greenbelt project embraces problem-solving and leadership as the key to continuous improvements. The goal is for every employee to see and actively improve the flow of value to their internal and external customers, creating a culture that helps us produce valuable products and services for our customers and achieve long-term sustainable growth.

Reducing unmarketable stock at Beckers China

In 2018, stock levels at our Guangzhou site had reached critical levels. We launched a Greenbelt project, run by the local supply chain manager, to understand the causes behind this increase and develop solutions to reduce levels of slow-moving and obsolete stock.



The team uncovered several root causes, including forecast inaccuracy. By devising new and improved processes and putting control measures in place, we reduced unmarketable stock levels by 65% and increased forecast accuracy by 30%. This improves our sustainability performance because it helps prevent unmarketable stock going to waste.

Optimising forklift truck flow at Beckers France

Montbrison is a large French site that significantly expanded over time. This meant that as the site grew, the flow of transportation became increasingly suboptimal. The local EHS coordinator applied tools and techniques learned in the Greenbelt training and analysed forklift traffic to identify opportunities for efficiency improvements. She found various inefficiencies and reduced overall traffic by 26%, which in turn reduced both energy use and safety issues. She also halved the number of forklift trucks required, which not only saves costs, but also decreases the initial material use.

3.5

Adding value from sustainability to service

At Beckers, our spirit of innovation and collaboration means we are continuously improving operations across our value chain. Our approach is grounded in the principles of Operational Excellence, which employ a range of methodologies to help us keep improving our operational processes and company culture.

Kaizen in action

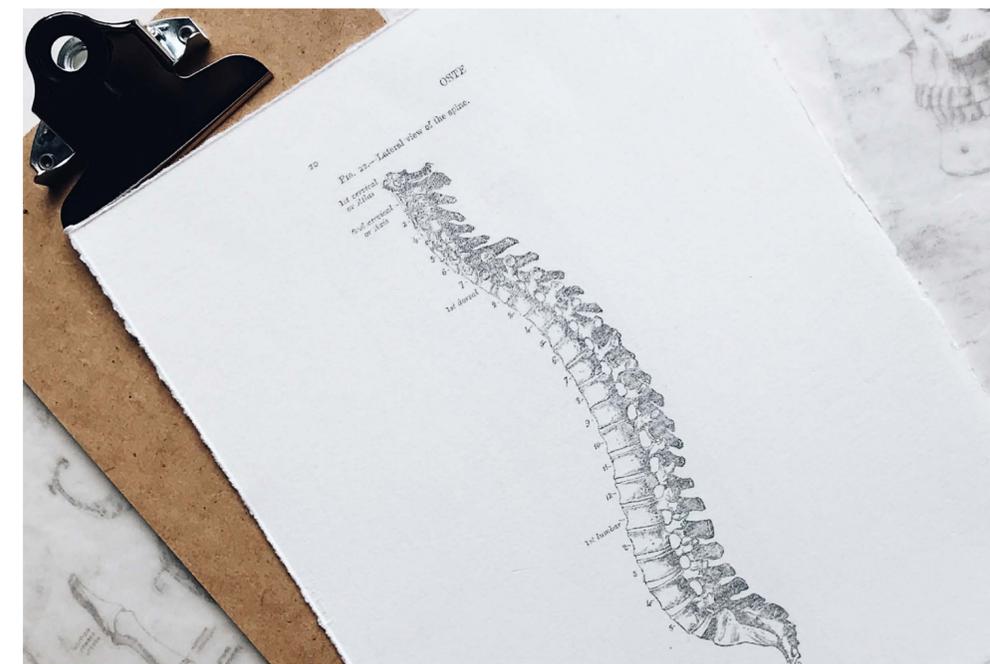
Kaizen is a Japanese term meaning 'change for better'. It describes the mindset of constant improvement – in everything from products and processes, to costs, safety, skills and morale. A Kaizen project will focus on short actionable improvement cycles grounded in testing and the implementation of solutions.

Decrease in PVdF dispersion process temperature at Beckers UAE

High temperatures were causing inefficiencies, like long batch cycle times, at our Ras Al-Khaimah (RAK) site. The production executive initiated a Kaizen event with the local team to investigate the reasons for this problem and the potential solutions. Through a mixture of process and equipment-setting changes, the team decreased the temperature by 17%, which shortened overall batch cycle time by around 40 minutes. This resulted in energy savings of 80 kW per batch and a reduced solvent use of 1.6% per batch – both of which improve the sustainability of our production.

Packing efficiency and ergonomic improvements at Beckers India

At our Indian site, our team was packing 1,500 20-litre cans by hand every month, which took a long time and caused lots of back pain. By observing the shop floor, the production team noticed the suboptimal design of the filling machine and suggested a modification that allowed workers to stand up straight instead of bending down to fill every can. Along with a few other improvements, this resulted in a significant decrease of back pain and injury. It also increased output by 30%, freeing up two hours a day for other activities.



3.6

Chain up! CSR assessment of our supply chain

Our suppliers play a key role in our sustainability efforts and therefore represent an important stakeholder group. We invited a selection of suppliers to take part in our stakeholder workshop in 2019, as part of the development of our 2030 sustainability strategy.

Engaging with our suppliers to improve

Because we take a holistic value chain approach to sustainability, our suppliers have a significant impact on our own performance. We use a three-step process to monitor the social and environmental sustainability of all our suppliers and empower them to improve their performance.



Step 1: Sign and adhere to the Supplier Code of Conduct

We introduced our Supplier Code of Conduct in 2017. It is essential we have an effective way to manage the 3,000+ accredited suppliers that support us at different locations around the world. To do this, we have launched a new collaborative tool to help our sites manage this process locally and monitor the status of every single supplier.

In 2019, 84% of our external global spend was covered by suppliers that declared their adherence to our Supplier Code of Conduct. Today, it is a fundamental part of how we communicate and collaborate with our suppliers.



Step 2: Conduct third-party assessments

We ask our key suppliers to conduct EcoVadis assessments. Although these assessments are user-friendly, they are in depth and require suppliers to provide proof for all their claims. A

supplier must score a minimum of 40 points in each of the four segments of the assessment to achieve full approval. Those who fail must work through a transparent corrective action plan towards a reassessment.

This process allows us to take our suppliers with us as we move our industry in the right direction. In 2019, our EcoVadis-assessed raw material suppliers covered 78% of our total raw material purchase value (up from 72% in 2018). Our EcoVadis-approved (which means suppliers that score 40 or above four times) purchase value was 68% (up from 62% in 2018).

EcoVadis selected Beckers as a case study to demonstrate how medium-sized companies can lead sustainable procurement. You can read this case study on the EcoVadis website.



Step 3: Conduct in-house audits

We conduct our own in-house audits on selected key suppliers – primarily operating in higher risk regions – to verify their compliance with our Corporate Social Responsibility and quality expectations.

We select which suppliers to audit based on a risk assessment that includes factors such as geographic location, industry or sector, self-assessment results, length of relationship and previous performance. We work together with the audited supplier to improve, sharing improvement proposals and requesting action plans within a specific time period. We have seen remarkable improvement in quality control and sustainability performance in recent years.

One additional supplier was audited in 2019 and we did intensive follow-ups with four suppliers that were audited in previous years.

People with impact

While the first chapter saw us sharing our 2030 ambitions, in this chapter we take a closer look at the work we did in 2019 to support our colleagues and communities to thrive as we work together for a more sustainable future.

Accelerating along our Social Sustainability Roadmap

How we're fulfilling our social sustainability ambitions.

Our holistic approach to health, happiness and diversity

We are committed to a fair and diverse workforce, in which every employee feels safe, included and fulfilled.



Change from within

A team of innovators is changing Beckers for the better.

Taking our pulse

The results of our first global employee survey give us unprecedented insight and opportunity for growth.

Beckers Sustainability Award

Our 2019 winners of our social and environmental awards.

Local social initiatives

An overview of our local impact around the world.

A company-wide commitment to learning

An exchange program at the heart of our operations.

4.1

Accelerating along our Social Sustainability Roadmap

We launched our new Social Sustainability Roadmap in 2018 and are pleased to report that we are progressing well towards our goals.

The roadmap was designed to help our employees thrive in their work. However, the scope of the roadmap is not limited to our own company – it also seeks to address issues concerning the societies and cultures in which we operate.

We put a lot of time and effort into developing our Social Sustainability Roadmap, drawing on ideas, concerns and opportunities from a wide range of stakeholders and expert resources. The roadmap is structured in four streams, described to the right, and is anchored in our values, our Code of Conduct and our respect for human and children's rights.



Empowering employees

We are committed to supporting every employee to learn and grow while

they work at Beckers. This involves investing in development opportunities for our employees, using a progressive organisational model and continuing to nurture our value-based culture.

In 2019, our US site launched a new initiative called Change Innovators. This project empowers employees to identify challenges or opportunities at work, and supports them in the implementation of creative solutions. Read more about Change Innovators on page 44.

Well-being and safety



Our roadmap focuses on three levers to keep our employees safe and well: providing tools for employees to improve their health, offering training opportunities to managers,

and safety role modelling to inspire and inform.

In 2019, did a pilot mindfulness training with managers at one of our sites. We continued to embed a culture of safety at Beckers with a focus on increasing safety reporting – no matter how minor the issue – to further reduce the risk of more serious incidents. You can read more about our approach on page 45.



Diversity

A diverse organisation is a creative and resilient one. This work stream involves recruiting the best talent, optimising

collaboration across a large team and supporting healthy work-life choices.

In 2019, we saw good progress in our gender diversity as a result of training our recruiters on how to avoid unconscious bias. Find out more on page 45.



Community engagement

Around the world, every Beckers site is connected to its local community.

We are engaged in local activities and projects, supporting everything from schools and sports clubs, to charitable and cultural events.

In 2019, we donated to an orphanage in Vietnam, raised funds for Macmillan Nurses in the UK and helped brighten up the local community in Chicago. Read more about these stories and others on page 46.

4.2

Taking our pulse

We want Beckers to be a great place to work, but it's not always obvious how our employees feel about working for us. Our global engagement survey gives us that visibility and with it, the opportunity to keep improving.

Our first global employee survey

In 2018, we launched a global engagement survey to ask everyone at Beckers the same questions, wherever they work. We wanted to deepen our understanding of our strengths as an employer and identify where we need to improve.

We conducted the survey in three waves over the course of 15 months, based on the best timing for those sites that had previously carried out local surveys. By the end of 2019, we had collected a global overview of Beckers.

We asked questions about the big topics, using the latest research on what leads to the greatest employee engagement and therefore to business success.

'We were overwhelmed by the fantastic response rate, with over 94% of colleagues giving us input – far above any benchmark.'

The survey revealed our greatest strengths, which include our common values, clarity on goals and a positive and respectful work environment. At the same time, the survey showed us we can improve on team efficiency, managing conflict and development opportunities.

We are using these results to challenge ourselves and make further improvements. For example, we will soon be implementing regular team 'check-ins' as an opportunity to celebrate our strengths, talk about issues that require attention and ensure everyone is on the same page. The purpose of these meetings is to provide more feedback and communication, which in turn will fuel a cycle of continuous improvement – much like the approach we use to keep improving our products and processes.



We plan to run our global employee engagement survey every two years, along with more frequent 'pulse checks' to keep track of our performance and progress. These will be easier to conduct thanks to the myBeckers app (see box), which every employee can access on their smartphone.

The myBeckers app

The myBeckers app is our internal employee app. It went live in 2019 and replaced different legacy systems – unifying HR information, Intranet and performance management in one app. It allows users to see performance management and targets, and to submit pulse checks. It also allows employees to share feedback and give recognition to colleagues for outstanding behaviour at work – a tool that has quickly become very popular!



4.2

Taking our pulse

We want Beckers to be a great place to work, but it's not always obvious how our employees feel about working for us. Our global engagement survey gives us that visibility and with it, the opportunity to keep improving.

A closer look at Sweden

A journey without waymarkers is much harder to navigate. Regular employee surveys provide essential information on where we've come from, where we're heading and how we're getting on. Beckers Sweden carried out the first iteration of today's global employee engagement survey in 2017. Having conducted the same survey in 2019, we can now compare the results between the two and therefore check we are heading in the right direction.

We are pleased to report that Beckers Sweden has scored higher in almost all areas surveyed, in particular on Leadership and Engagement. Similarly, it is great to see our employee Net Promoter Score – where we ask, 'Would you recommend Beckers as an employer?' – has almost doubled.

It seems clear that much of this improvement came

as a result of the Swedish team acting in response to the 2017 survey results. This included making improvements to how we articulate, communicate and share goals; better task planning; more useful weekly meetings; and a more effective feedback loop.

We believe this dedication to acting on the 2017 survey results also led to 2019's high participation rate: employees could see a clear link between their input and follow-up activities, and became more engaged as a result.

Sweden's 2019 survey results have already led to action plans involving objectives around following up on work, more frequent and structured information-sharing from managers to employees, and more structured systems for feedback. In 2020, Sweden will train its management team in giving and receiving feedback, as will all other Beckers entities.



4.3

A company-wide commitment to learning

Beckers is investing in the continuous development of our employees across our company – whether they work in our boardroom or at one of our factories.

A mutually rewarding exchange

In 2019, we ran an exchange program for three colleagues from France. Julien Blondeau, a production operator, and Diane Hardy and Marlène Gagnaire, both laboratory workers, spent several summer months on exchange working at our Swedish site.

This was an amazing opportunity – both for the employees involved, and for each country to learn and

develop from the experience. The exchange led to a rewarding sharing of knowledge, understanding and practices between the sites.

The initiation and success of this exchange shows the strength of teamwork between our French and Swedish teams. The program is an example of us at Beckers living our values. We believe it's important that everyone – no matter their role within the company – benefits from our unified approach to learning and development.



Watch this video to find out the motivation behind our exchange initiative, and hear first-hand the positive impact it had on those involved as well as the difference it made to our company.

Find the video on the Beckers Group YouTube channel

4.4

Change from within

We believe in the power of our people to effect change – in their lives, their communities and their workplace. We also understand that giving people the opportunity to solve problems is hugely rewarding, both for themselves, their team and our company.

Introducing the Change Innovators

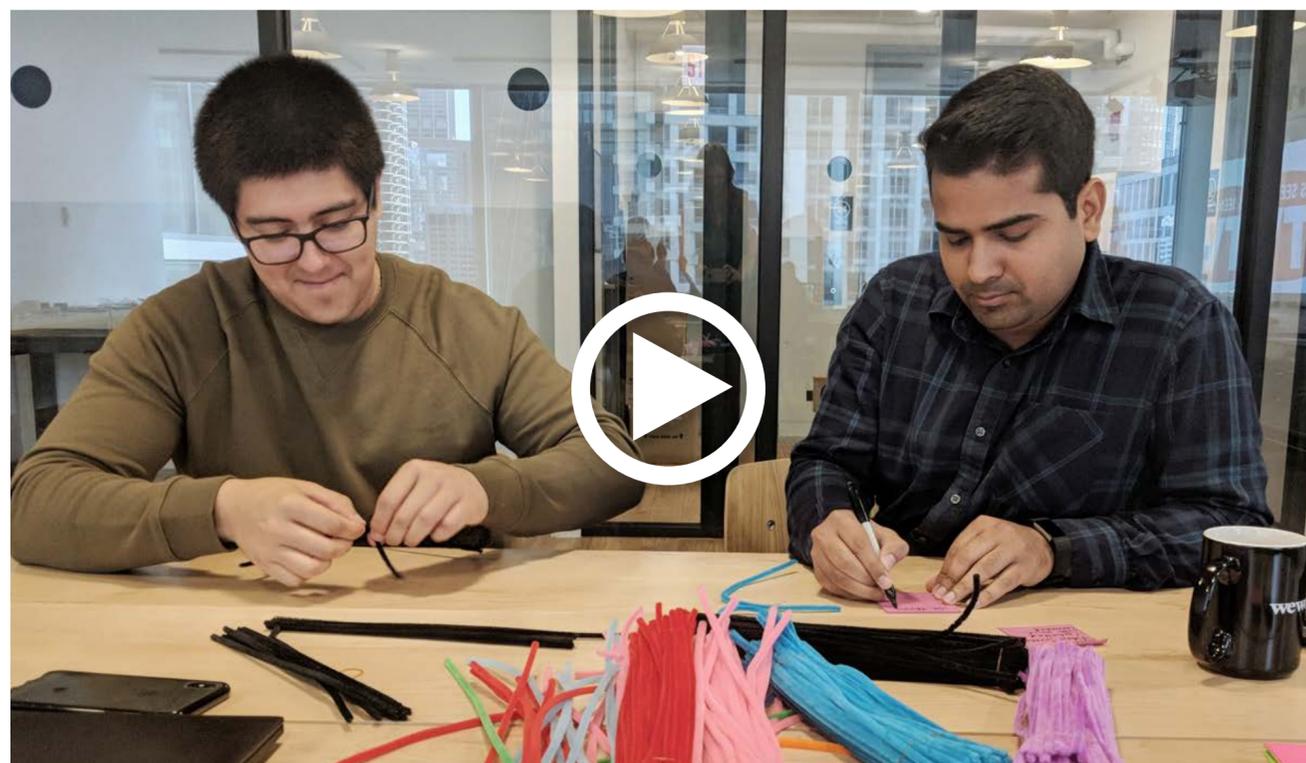
In 2019, we spotted an opportunity to solve two challenges with one solution. Firstly, we wanted to increase employee engagement among on-site staff in the US. And secondly, we wanted to experiment with some creative solutions to local challenges.

The answer? A new initiative called Change Innovators. The role of this small, cross-functional team is to generate ideas, policies and solutions to complex challenges facing Beckers.

So far, their results have been impressive. Guided by a coach who taught techniques to optimise collaboration, the group has already kickstarted an annual

Beckers-sponsored scholarship fund, installed a break room, facilitated the switch to compostable tableware, restructured a parental leave policy and improved a paint manufacturing process. Looking ahead, the Change Innovators are organising a Sustainability Day for 2020.

As well as solving challenges, the group helps its members learn how to turn creative concepts into tangible results. The initiative also helps improve our company culture, providing an opportunity for better communication and a smoother flow of ideas across different functions. The Change Innovators is a strong example of how we are nurturing our company culture and continuously improving our performance.



Watch to find out where this innovative project began and to hear about the journey those involved went on to make it such a success – for themselves, for their team and for our company.

Find the video on the Beckers Group YouTube channel

4.5

Our holistic approach to health, happiness and diversity

Taking care of our people doesn't just mean acting on health and safety issues. We must also ensure a fair and diverse workplace, in which everyone can feel happy and well.



Promoting mental well-being

As you will read in other parts of this report, our focus on the health and safety of everyone at Beckers remains strong.

Our commitment to the well-being of our employees extends to equipping them with the knowledge and skills to care for their mental health. Following feedback from our 2019 employee engagement survey, we decided to run stress management training for our team in RAK.

We organised a one-day training program on 'Resilience and Stress Management' in September 2019, which was run by an excellent facilitator from Mindfulness Dubai. Sixteen employees attended the training, where they learned basic mental health techniques – such as breath control, empathy, journal writing and focused attention patterns.

The training was well received, and we plan to offer the same resource to the rest of our employees in RAK. Those who attended the training are checking in with each other to encourage an ongoing practice of the techniques learned. They are also sharing mindfulness resources with the rest of their team.

Levelling up our gender diversity

Gender diversity is an opportunity for every company, and we recognise it as key to our ongoing business success. Our objective is to increase the proportion of women working for Beckers at every level of our organisation. We measure and closely monitor our progress towards this goal and, during the last few years, have seen some good results.

In the five years since 2015, our gender diversity rate has increased by 11% among new hires; in 2019, 32% of all new hires were women. As a coatings manufacturer, we are especially proud to have a 40% female workforce in our technological functions, such as innovation and R&D. Our employee survey also gives some insight into our progress. From last year's results, we know that most of our female colleagues feel they can influence their work situation and have enough opportunities for growth.

While we are proud of our ongoing progress, we know there is more we can do. For the last two years, we have been training our HR managers on unconscious bias in recruiting, which creates awareness from the beginning of the hiring process and embeds behaviours that will further level up our gender diversity.

4.6

Local social initiatives

Beckers has a significant global presence, but we never forget how important it is to be part of our local community. That's why we're proud to support a range of local initiatives that help others to thrive. Explore a few examples of the programs and projects we support here.

Vietnam

Beckers made a donation of nappies and milk to the Nghe An orphanage, which is home to 50 disabled children and young people. The orphanage is run by volunteers and has little access to funding or other support.



Poland

We support Proactive, a local foundation that helps young people into work. In 2019, we recruited two interns as part of our collaboration with Proactive and were thrilled to employ them both after they completed our six-month program. We are hoping to see the same success in 2020!



United Kingdom

Our UK team runs an annual cake bake sale to raise money for McMillans Nurses, a charity that provides invaluable support to people with cancer. They also support Circus Star, an organisation that puts on circus performances for disabled children.



United States

Several Beckers' employees and their families support Paint a Brighter Chicago, contributing time and paint to brighten up community schools that could otherwise not afford to keep their buildings looking fresh.



Germany

Beckers continues to support the Dormagen Lerntraining project, which helps children and young people cope better at school as well as in everyday life, through mentoring and targeted coaching.

4.7

Beckers Sustainability Award 2019

We are pleased to announce the winners of the annual Beckers Sustainability Award 2019. Every year, we are impressed by the standard of nominations – something that makes the job of choosing finalists and winners even harder for our judges.

Before we share the overall category winners, we'd like to acknowledge and congratulate all contributors, especially the finalists. We had 28 nominations from 12 sites – a considerable increase from last year. Thanks to them, we keep improving our sustainability value proposition, and our social or environmental impact.

Presenting the 2019 winners

Social Sustainability Award:

Adil Sandhu, Eddie Baron, Justin Jansen, Danyelle Dalitto, Eli Lara and Mike Pratt of Beckers US

The Change Innovators is an agile interdisciplinary group, made up of representatives from various functions within Beckers US. The team exists to generate ideas and creative solutions, and is dedicated to internal progress around culture and processes. The group has already successfully initiated (and closed) various projects – from introducing compostable tableware, to organising a sustainability day and to implementing a new parental leave policy (see page 44 for more on this).

Economical & Environmental Award:

Frank Beaurez of Beckers Mexico

By working in close collaboration with our customer Ternium, Beckers Mexico has moved all residential roofing coatings to Beckry®Therm. This is a lighthouse project for sustainability at Beckers. As a result, over 118 tons of Wrinkle Cool Roof have been sold within two years, which is more than 10% of the total topcoat share for this customer. This is a great example of how we can benefit from strategic collaboration with our customers.



The Change Innovators: Adil Sandhu, Eddie Baron, Justin Jansen, Danyelle Dalitto, Eli Lara and Mike Pratt of Beckers US.

The Change Innovators team is extremely honored to be receiving this award. I am earnestly grateful for the recognition we have received for our work, because I know how hard we strived as a team to make the Change Innovators a constructive and successful endeavor.

– Danyelle Dalitto of Beckers US,
winner of the Social Sustainability Award

”

I'm proud of this strategic collaboration with our customer Ternium and of sharing this award with them. With bringing this high-range, sustainable product to the market, all involved parties are winners, not least the residents of the buildings who are reducing energy consumption due to our coating and benefiting from lower temperatures inside.

– Frank Beaurez of Beckers Mexico,
winner of the Economical and Environmental Award

”

We are Beckers Group

An overview of how Beckers works as a business, providing sustainable coating solutions to customers around the world.



Who is Beckers Group

Our company structure, financial performance, business segments and core values.

Our global network

An overview of our presence around the world.

Our Sustainability Journey

Take a trip from 2009 – the start of our sustainability journey – to today, where we decide the future of our business.



5.1

Who is Beckers Group

Beckers is a global coatings company that develops high-quality, environmentally compatible paint systems. Our expertise is based on our long history dating back over 150 years. In 2019, 1,800 people worked at 24 production sites in 18 countries, providing products and custom-made solutions to customers in over 60 countries around the world.

The company is structured into two business units: Coil Coatings and Industrial Coatings. Our aim is to be a solutions provider that offers more value than the sum of our products. Environmental responsibility is an integral part of Beckers' mission. We are committed to setting new standards in product innovation, customer relationships and environmental sustainability and thus invest heavily in research and development to produce state-of-the-art coating solutions.

Financial performance

Net sales 2019: MSEK 6,488

Capitalisation

Equity: MSEK 853

Equity ratio: 22%

Net interest-bearing debt: MSEK 891

The Group net interest-bearing debt is interest-bearing liabilities and provisions for defined benefit pension obligations, less interest-bearing receivables and cash & cash equivalents.

Stable financial results are key for Beckers to develop our operations, to maintain good stakeholder relations and to be a valued corporate citizen.

Striving for outstanding financial results ensures that we strengthen our owners' trust and the opportunity to extend our operations in new locations while creating fruitful

customer relationships. Global reach and local presence are key for our future success, including our sustainability work. We set financial performance targets, which are followed up in our financial reporting system.

Our Chief Financial Officer is responsible for managing financial risks and for the correct reporting of Beckers Group's financial performance.

Our business units

Coil Coatings

As the leading global supplier of coil coatings, we set industry standards for high-performance liquid coatings applied to sheet metal.

Industrial Coatings

We supply a complete range of specially manufactured coatings for preformed metal parts and plastic components as well as consumer devices.

The spirit of Beckers

Our values and culture are our spirit. As well as providing the foundation for our business, they are a major reason for our ongoing success.

Our values represent our guiding principles and help shape our business culture. Our values guide our priorities, actions and behaviour; they are long-term and define the character of the company.

While culture has many aspects and may change over time, its core consists of a clear sense of purpose derived from our values. Our culture also creates the foundation for our strategy.



Our Core Values



Customer focus

By understanding our customers' requirements today and in the future, we provide competitive, sustainable solutions that create real value.



Team spirit

We are passionate about our business, and act as a true team towards our shared goals. Fairness is important to us, and all our business dealings are based on mutual trust and respect.



Shape and adapt

Building on our history, we strive for operational excellence by benchmarking and continuously optimising our processes. In this way, we prepare for the future in everything we do.



Trust and integrity

Our actions are guided by the strong moral compass of a responsible company.

Our purpose

We will transform our industry by developing solutions that give surfaces a new meaning and create maximum positive impact for our customers, for society and the planet.

Our Code of Conduct

The Beckers Code of Conduct defines key ethical principles that guide us in our daily business. The Beckers Code of Conduct applies at all levels: from executives and managers to line employees. We consistently apply our core values with respect to children's rights and human rights, labour standards, environmental standards and anti-corruption. These conditions are defined in the United Nations Global Compact.

Compliance with our Code of Conduct is continuously monitored by the Management of the Group. The Chief Financial Officer oversees compliance on a global level.

Our online Code of Conduct training has been further rolled out and is available in five languages. Coverage is now 45% of all employees.

We support the open and fair discussion of issues and concerns. We encourage and expect our employees to report any incidents of non-compliance or suspected non-compliance with our Code of Conduct. We have established several 'whistle blowing' channels to protect the anonymity and confidentiality of those reporting.

Our Supplier Code of Conduct

Our Supplier Code of Conduct defines our basic requirements for all suppliers of goods and services, in particular concerning their responsibilities towards their stakeholders and the environment. Beckers expects its suppliers to adhere to international human

rights and environmental laws and practices, monitor their ethical performance, and take immediate and thorough steps in cases where this ethical performance comes into question.

The UN Global Compact

The UN Global Compact has been a fundamental part of our values and Code of Conduct for many years. By signing the Global Compact, we take responsibility within the areas of human rights, labour, the environment and anti-corruption, and make an even stronger commitment to taking action and reporting on our progress.

Anti-corruption and bribery

No one may, directly or indirectly, demand or accept, offer or give any kind of bribe, kickback or any other unlawful or unethical benefit to employees or other representatives or associates of the Beckers Group or its companies or any third party.

There were no legal actions for corruption in 2019.

Anti-competitive behaviour

All companies within our Group compete vigorously but honestly for business and uphold the highest standards of business ethics. We respect anti-trust and fair competition laws that prohibit certain actions that unfairly and dishonestly harm competitors. We also act in accordance with fair business, marketing and advertising practices.

There were no legal actions for anti-competitive conduct, anti-trust or monopoly practices in 2019.

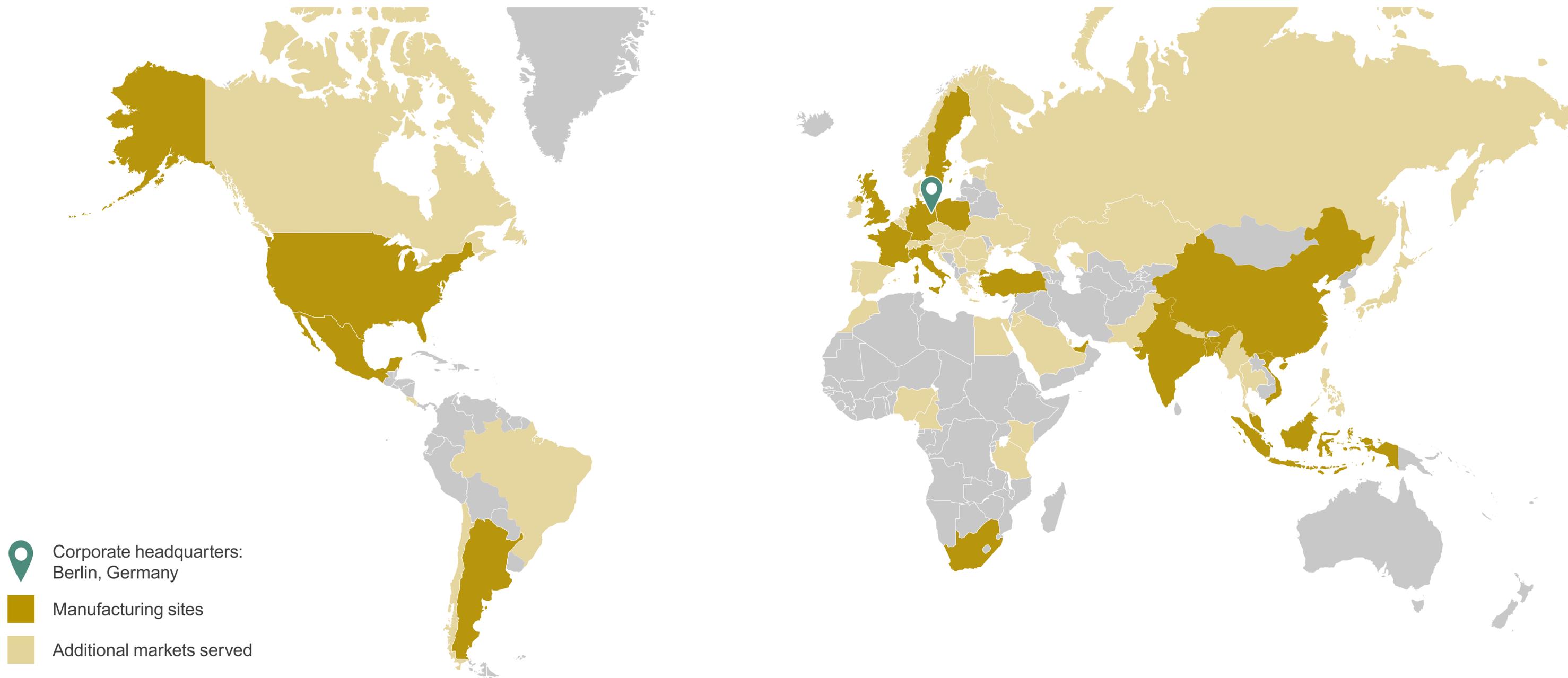
5.2

Our global network

Beckers operates a global network of manufacturing sites to follow customer demands and stay as geographically close to them as possible.

This global presence was not built in a day – it is the result of our 150-year-long history in paint making. Beckers was founded in Stockholm in 1865 by a German chemist, Carl Wilhelm Becker. Since then, our company has grown and evolved from a one-man consumer paint shop, to a successful Swedish enterprise, to a world leader in industrial surface finishes.

Although Beckers started as a consumer paint company, today our focus is entirely on industrial coatings. With 24 production sites in 18 countries and five continents, we act as one global Beckers Group, serving customers in over 60 countries.



5.3

Introducing our Board of Directors and the Executive Group

Beckers Group is owned by Lindéngruppen, a Swedish family business with a focus on the long-term development of industrial companies. Our corporate headquarters are located in Berlin, Germany.

Beckers Group is governed by its Board of Directors, which has four meetings a year. Our CEO and selected Executive Group members participate in these meetings. The Executive Group consists of the Global Leadership Team and Presidents of all business units; it meets once a month. Our Global Leadership Team consists of our CEO, CFO, CHRO and COO, and meets twice a month.

Sustainability is part of the Chief Human Resources Officer's agenda and thus the Global Leadership Team's agenda. This is fuelled by a team led by a Global Sustainability Director. The Sustainability Committee is responsible for strategy development, stakeholder engagement and alignment. The committee is chaired by the Global Sustainability Director and consists of representatives from all key functions and regions.

Executive Group 2019

Dr. Boris Gorella
CEO

Dr. Karsten Eller
Chief Operating Officer

Judith Jungmann
Chief Human Resources Officer

Olivier Laune
Chief Financial Officer

Paul Menezes
President Coil Coatings
Asia & Middle East

Christophe Sabas
President Coil Coatings
Europe, Africa & Americas

Christian Vogel
President Industrial
Coatings



Executive Group: (From left to right) Christian Vogel, Olivier Laune, Christophe Sabas, Judith Jungmann, Paul Menezes, Dr. Boris Gorella, Dr. Karsten Eller.

Board of Directors 2019

Paul Schrotti
Chairman

Jenny Lindén Urnes
Owner

Dr. Boris Gorella
CEO, Beckers Group

Georg Brunstam
Chairman, Hexpol AB

Mark Hamlin
Chair, Organisation
Resource UK

Malin Persson
CEO and owner, Accuracy
AB

Suzanne Thoma
CEO, BKW AG

Leonardo Franconeri
Labour Representative

Päivi Kukkonen
Labour Representative



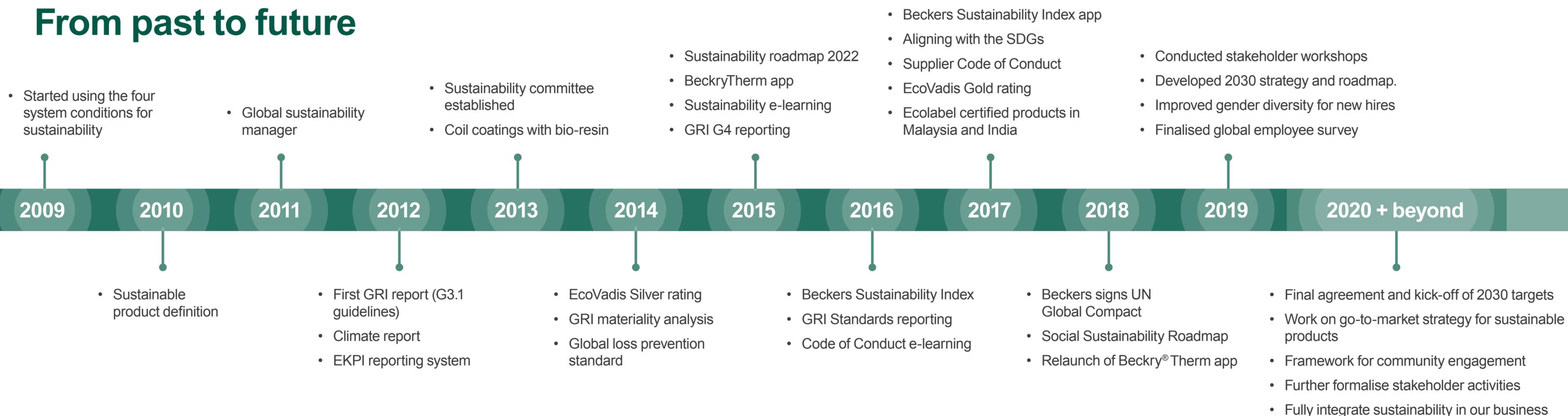
Board of Directors: (From left to right) Päivi Kukkonen, Mark Hamlin, Georg Brunstam, Dr. Boris Gorella, Jenny Lindén Urnes, Paul Schrotti, Suzanne Thoma, Malin Persson, Leonardo Franconeri.

5.4 Our sustainability journey

As we enter a new decade, we look back on over ten years of commitment to sustainability. Many of our original goals remain at the heart of our vision today. And, having set a new 2030 strategy in 2019, we look forward with anticipation, ambition and confidence.



From past to future



5.4

Our sustainability journey

As we enter a new decade, we look back on over ten years of commitment to sustainability. Many of our original goals remain at the heart of our vision today. And, having set a new 2030 strategy in 2019, we look forward with anticipation, ambition and confidence.

Building on strong foundations

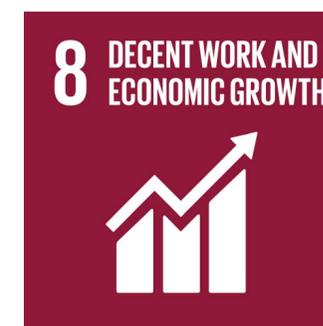
We recognised a long time ago how important sustainability would be for Beckers. Everything we do today has evolved from our long-term commitment to sustainability and is built on the frameworks, systems and strategies that have guided our journey so far.

The sustainability topics relevant to our business have evolved over time and today include product stewardship, employment, occupational health and safety, training and education, local communities, energy, emissions and waste.

In 2017, we aligned our strategy and material topics with the United Nations Sustainable Development Goals (SDGs), and thereby became part of a global

movement to work together for change. In 2018, we confirmed and further deepened our connection with the UN's sustainability approach when we signed the 10 principles of the UN Global Compact, joining the initiative as a signatory.

While we recognise all 17 SDGs are important, we have identified eight goals as a priority for our business. In 2020, we will review those eight SDGs and find relevant sub-targets, while also looking closely at how we are currently impacting the goals.

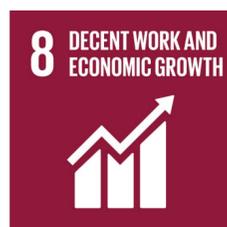


**SDG 4: Quality education****Creating opportunities for all**

Increasing access to quality education and training, in the underprivileged areas of the world in which we operate, and among our own workforce.

**SDG 5: Gender equality****Empowering girls and women**

Improving equality for the people and communities where we do business, and addressing the gender balance across our own company.

**SDG 8: Decent work and economic growth****Offering good lives for employees and their families**

Providing decent work along our supply chain and working to decouple economic growth from environmental degradation.

**SDG 10: Reduced inequalities****Respecting and caring for employees and communities**

Respecting human rights and working on remuneration, diversity, equality and economic inclusion.

**SDG 11: Sustainable cities and communities****Contributing with our products**

Creating products that positively impact the sustainability of our built environment and the infrastructure we all use.

**SDG 12: Responsible consumption and production****Creating sustainable supply chains and operations**

Addressing sustainability issues along our value chain – from partners and resource use, to the waste we create.

**SDG 13: Climate action****Improving our impact along the value chain**

Reducing and mitigating climate impact along our value chain, including through the education and empowerment of our employees.

**SDG 17: Partnerships for the goals****Working together for the greater good**

Building partnerships and cooperating with companies, associations, universities, NGOs, UN bodies and organisations.



GRI Report 2019

About the Report

Since 2011, Beckers has been reporting its sustainability performance. This report covers the operations of the Beckers Group for 2019 and is the communication on our Progress on the UN Global Compact.

Management Approach

This section presents the management of our material topics for sustainability. When shifting to GRI Standards for 2016 reporting, we decided to review our material topics, reflecting our roadmap for fulfilling our vision.

Our Stakeholders

Beckers has identified the following stakeholders as the most important focus for our communication, engagement and activities: customers, employees, suppliers, regulators and communities.

General Disclosures

This report has been prepared in accordance with the GRI Standards: Core option.

Material Topics

We report according to the topic-specific GRI Standards for each of our material topics and thus disclose the information and data from 2019.

6.1

About the Report

Since 2011, Beckers has been reporting its sustainability performance. This report covers the operations of the Beckers Group for 2019 and is our Communication on Progress (COP) on the UN Global Compact.

The material topics have been identified based on their relevance to the business in terms of impacts and in relation to the stakeholders, which refers to stakeholder dialogue conducted in 2015. Starting in 2016, the reporting practices were adapted to enable the transition to the GRI Standards and then the material topics were reviewed. In 2019, Beckers conducted an extensive stakeholder dialogue. Based on this process, we reviewed our material topics and developed the 2030 strategy.

This report has been prepared in accordance with the GRI Standards: Core option. The reporting consists of the sustainability report and this GRI report. Both are published together on Beckers' website.

All of Beckers' 31 legal entities in 21 countries are included in the report. The GRI Index in this document compiles disclosure information and explains any omissions to the reported data. The data have not been externally audited.

Beckers Group became a signatory to the UN Global Compact (UNGC) in 2018 and our sustainability report and this GRI report serve as our Communication on Progress. To us, the ten principles of the UNGC define the foundation on which a responsible business should stand. Starting from that foundation, the UN Sustainable Development Goals (SDGs) define the future we all want and that we need to strive for in our business.

In the section Management Approach 6.2, we link each one of our material topics to the relevant UNGC principles as well as to the SDGs.

The Ten Principles of the United Nations Global Compact

Human Rights

- 1 Businesses should support and respect the protection of internationally proclaimed human rights.
- 2 Make sure that they are not complicit in human right abuses.

Labour

- 3 Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4 The elimination of all forms of forced and compulsory labour.
- 5 The effective abolition of child labour.
- 6 The elimination of discrimination in respect of employment and occupation.

Environment

- 7 Business should support a precautionary approach to environmental challenges.
- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- 10 Business should work against corruption in all its forms, including extortion and bribery.

6.2 Management Approach

This section presents the management of our material topics for sustainability. When shifting to GRI Standards for 2016 reporting, we decided to review our material topics, which was in line with our roadmap for fulfilling our mission.

The creation of the topic 'Product Stewardship' enabled us to condense the number of material topics from 17 to eight. We still have the same focus on sustainability; this reorganisation of our topics makes them simpler and more structured for our stakeholders. This section evaluates our management approach, and is included in our yearly GRI reporting as we review any changes in impact, risks

and requirements. During 2017, Beckers reviewed and prioritised the UN SDGs. The prioritised goals in this GRI report are also linked to each material topic.

Compliance related to human rights, children's rights, environment, health and safety, anti-corruption, anti-competitive behavior, protection of personal data and privacy is clearly regulated by the law and our Code of Conduct (CoC). Compliance to our CoC is continuously followed by the Management of the Group. The Chief Financial Officer together with the General Counsel is in charge of compliance on a global level. To us, legal compliance is not a GRI topic, but an absolute minimum level of performance.

Topic description and boundary

Product stewardship and materials

We created Product Stewardship as one of our eight material topics. Ultimately, this topic will help us to develop more products for our customers that meet their needs and fulfil our shared vision of sustainability. Our most vital areas to improve are choice of raw materials, suppliers' environmental and social performance, product performance for applicators and end user, and finally what happens with scrapped painted materials.

Boundary: Impact across the whole value chain from raw materials suppliers to Beckers' operations applicators and end users. Note that customer health and safety is covered by this topic. It means taking responsibility for sustainability issues along the length of the product value chain.

Energy

As a chemical industry manufacturer, energy efficiency is material – both in terms of efficiency and climate change – and is measured and targeted. To support sustainable development globally, we need to use energy from renewable sources.

Boundary: Impact in own operations, energy consumed at Beckers' sites.

Emissions

Climate impact is material and we already measure and assess it. Energy use at operations and transportation of goods has a major climate impact targets.

VOCs have significant climate impact and may also affect health. Hence, our focus is on greenhouse gases and VOC emissions, and we have set a target on reduction.

Boundary: Impact in own operations and value chain, contributed by Beckers.

Policies and grievance mechanisms

Beckers Sustainability Policy, Beckers Code of Conduct and Beckers Supplier Code of Conduct.

Beckers Sustainability Policy, Code of Conduct and EHS Policy.

Beckers Sustainability Policy, Code of Conduct and EHS Policy.

Actions

- Supply chain targets.
- Chain up supply chain initiatives for CSR at suppliers.
- The development of the Beckers Sustainability Index tool for measuring product sustainability.
- Project on reuse of drums.

- 18% reduction (total energy used per ton produced) 2019 from 2013 baseline.
- We have an energy management system according to ISO 50001 at three sites.
- Solar panels installed 2017 covers 10% of energy used in Malaysia.
- Transition to renewable electricity realised at some sites.

- 40% reduction (VOC kg emitted/ton produced) 2019 from 2013 baseline.
- Climate assessment yearly since 2012 to follow emissions and be able to target and limit our impact.

Responsibilities and resources

Business unit managers, COO (RM and suppliers). Incentive programs are linked to performance.

Local Managing Director. Incentive programs are linked to performance.

Local Managing Director. Incentive programs are linked to performance.

UN Sustainable Development Goals



UN Global Compact Principles



UN Sustainable Development Goals



UN Global Compact Principles

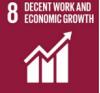
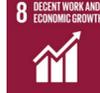
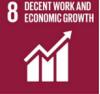
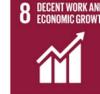


UN Sustainable Development Goals



UN Global Compact Principles



Topic description and boundary		Policies and grievance mechanisms	Actions	Responsibilities and resources
<p>Effluents and Waste</p> <p>As a chemical industry manufacturer, resource usage is material and is already measured and targeted.</p> <p>This means minimising wasted materials and closing packaging material loops.</p> <p><u>Boundary:</u> Impact on own operations, caused by Beckers.</p>	<p>UN Sustainable Development Goals</p>   <p>UN Global Compact Principles</p> 	<p>Beckers Sustainability Policy, Code of Conduct and EHS Policy.</p>	<ul style="list-style-type: none"> • 41% reduction (total waste kg/ton produced) 2019 from 2013 baseline. 	<p>Local Managing Director. Incentive programs are linked to performance.</p>
<p>Employment</p> <p>Our employees are the driving force behind our success. We are striving for a diverse workforce with equal opportunities for each and every employee. We are measuring employee turnover to identify opportunities for improvement.</p> <p><u>Boundary:</u> Impact on own operations, caused by Beckers.</p>	<p>UN Sustainable Development Goals</p>    <p>UN Global Compact Principles</p> 	<p>Beckers Sustainability Policy, Code of Conduct, Recruitment Policy and Local HR handbooks, Equal employment and anti-harrassment policy.</p>	<ul style="list-style-type: none"> • Engagement surveys measuring employee satisfaction and opportunities. • Working on gender balance and diversity and thus increased female hires to 32% of all new hires in 2019. 	<p>CFO (for CoC), CHRO and global and local HR.</p>
<p>Occupational Health and Safety</p> <p>The health, safety and well-being of our employees, partners and customers is of ongoing, critical importance, and we endeavour to reduce the number of accidents or incidents worldwide to zero.</p> <p><u>Boundary:</u> Impact on own operations, caused by Beckers.</p>	<p>UN Sustainable Development Goals</p>   <p>UN Global Compact Principles</p> 	<p>Beckers Sustainability Policy, Code of Conduct and EHS Policy.</p>	<ul style="list-style-type: none"> • Focus on health and safety with roadmap for EHS. • Trainings to minimise the number of unsafe behaviours. • Improved hazard identification & assessment and accident elimination. • Global Safety Day. 	<p>Local and global EHS, according to regulation. Incentive programs are linked to performance.</p>
<p>Training and Education</p> <p>We care about the professional development of our employees in the short and long term. It is only through the know-how of our employees that we can accelerate our progress towards a more sustainable business.</p> <p><u>Boundary:</u> Impact on own operations, caused by Beckers.</p>	<p>UN Sustainable Development Goals</p>     <p>UN Global Compact Principles</p> 	<p>Beckers Sustainability Policy, Beckers Code of Conduct.</p>	<ul style="list-style-type: none"> • E-learnings rolled out broadly in the organisation on sustainability and on CoC. • Local seminars on sustainability at site visits. • Internal webinars on specific topics, eg. BSI tool. • A company-wide commitment to safety. 	<p>CFO (for CoC training), CHRO and global and local HR.</p>
<p>Local Communities</p> <p>Social engagement with local stakeholders is an important part of sustainable development in the communities where we are active. This is because we are interdependent with our stakeholders and rely on their contribution to our success.</p> <p><u>Boundary:</u> Impact on own operations and local communities, contributed by Beckers.</p>	<p>UN Sustainable Development Goals</p>      <p>UN Global Compact Principles</p> 	<p>Beckers Sustainability Policy, Beckers Code of Conduct and Lindéngruppen guidelines.</p>	<ul style="list-style-type: none"> • Local social initiatives. (e.g. support to local schools, children's homes by donations as well as scholarships and apprenticeships.) 	<p>Local Managing Director.</p>

6.3

Our Stakeholders

Beckers has identified the following stakeholders as the most important to focus on for our communication, engagement and activities: customers, employees, suppliers, regulators and communities.

It is important to understand our stakeholders' needs and requirements so we can work together along the value chain, find opportunities and address risks. While we are constantly in touch with them through the channels described in the table on the left, we also established an

extensive stakeholder dialogue process in 2019, with a two-day multinational workshop as a core event. All key groups were represented. Read more about the process on p.7.

Key feedback from stakeholders

The stakeholders gave positive feedback on Beckers' commitment to sustainability and confirmed that sustainability is a primary topic at the customer and supplier level. However, they see the need for a profound system change in the industry, and think leaders should work together to create fundamental change. They stated that the industry is facing challenges in relation to raw materials and linear business models.

Here are other important comments from the stakeholder workshop on what Beckers' priorities should be:

- The need for a bold, long-term vision and goals.
- Fully integrating sustainability into the business at all levels of the organisation.
- Clear challenge to change material input; the raw material base must move away from fossil and towards green chemistry.
- Climate responsibility is self-evident: carbon-neutral, water and energy positive, emission-free.
- Partnering with value chain for systems change.
- Sustainability work needs to shift to even more circular thinking.
- Building on team spirit, engagement and awareness amongst employees in all regions.
- Purpose-driven community engagement.

The outcome of the process and input are key components for our 2030 strategy and can be summarised in the three streams: products, operations and people. Beckers' ambitions for sustainability can be found on p.9.

How we engage and communicate with them

Customers	Employees
Customer focus means we serve our customers by creating value through sustainable solutions that encompass both products and services.	We live our values. We share the Beckers' spirit, we have a strong sense of belonging. We are conscious about assuming responsibility. We offer our employees valuable opportunities to grow personally and professionally. We aspire to become an employer of choice.
<ul style="list-style-type: none"> • Local, flexible and professional customer service • Closely and directly connected to customers • Market research and business development 	<ul style="list-style-type: none"> • Union representation in many countries • EWC (European Works Council) • Regular individual performance reviews and training programs • Health & safety committees • Global employee surveys

How we engage and communicate with them

Suppliers	Regulators and Communities
Beckers relies on the products and services provided by our crucial partners and we cooperate for better synergies.	We are deeply engaged when it comes to our environmental and social responsibilities. We comply with or exceed all applicable regulations in countries where we operate. Beckers Group wants to positively contribute to our communities by providing reliable employment and by giving back through charitable donations and social responsibility programs.
<ul style="list-style-type: none"> • All regular suppliers are asked to sign our supplier code of conduct • Participation in EcoVadis assessment and acting upon its results • On-site supplier audits • Joint development projects with selected partners 	<ul style="list-style-type: none"> • Reporting (GRI report and local environmental reporting) • Local social activities and initiatives

6.4 General Disclosures

This report has been prepared in accordance with the GRI Standards: Core option. The reporting consists of a separate sustainability report and this appendix published on Beckers' website.

All of Beckers' 31 legal entities in 21 countries are included in the report. The GRI Index in this document compiles indicator information and explains any omissions to the reported data. The data has not been externally audited.

Disclosure	2019 input	Comments	Page Reference
Organisational profile			
102-1 Name of the organisation	Beckers Group		
102-2 Activities, brands, products and services	See <i>Who is Beckers Group</i>	Beckers does not sell any products that are banned in the specific market	p.49
102-3 Location of headquarters	Berlin		
102-4 Location of operations	Argentina, Bangladesh, China (3), France (2), Germany, Great Britain, India (2), Indonesia, Italy, Malaysia, Mexico, Poland, South Africa, Sweden, Turkey, UAE, USA (2), Vietnam (2)	31 December 2019 24 production sites in 18 countries	
102-5 Ownership and legal form	See <i>Introducing our Board of Directors and the Executive Group</i>		p.52
102-6 Markets served	Austria, Argentina, Bahrain, Bangladesh, Belgium, Brazil, Bulgaria, Cameroon, Canada, Chile, China, Costa Rica, Croatia, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, India, Indonesia, Ireland, Italy, Japan, Kazakhstan, Kenya, Malaysia, Mexico, Morocco, Myanmar, Nepal, Netherlands, Nigeria, Norway, Pakistan, Philippines, Poland, Portugal, Romania, Qatar, Russia, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Tanzania, Thailand, Turkey, Ukraine, UAE, UK, USA, Vietnam	Including countries where we have production sites	
102-7 Scale of the organisation			
<i>Total number of employees</i>	1 843	Number of employees as headcount by 31 December 2019	
<i>Total number of operations</i>	24	Number of production sites by 31 December 2019	
<i>Net sales</i>	MSEK 6 488		
<i>Total capitalisation</i>	Equity: MSEK 853, Equity ratio: 22%, Net interest bearing debt: MSEK 891		
<i>Quantity of products provided</i>	170 000 tons produced		
102-8 Information on employees and other workers			
a. Total number of employees by employment contract (permanent and temporary), by gender	Total number of employees: 1 843. Permanent: 1 667 in total; 1 262 men, 405 women Temporary: 176 in total; 120 men, 56 women		
b. Total number of employees by employment contract (permanent and temporary), by region	EA&A: Permanent: 1 228, Temporary: 45 A&ME: Permanent: 439, Temporary: 131		
c. Total number of employees by employment type (full-time and part-time), by gender	Full time: 1 803 total; 1 376 men, 427 women Part time: 40 total; 6 men, 34 women		
d. Whether a significant portion of the organisation's activities are performed by workers who are not employees	N/A		



Disclosure	2019 input	Comments	Page Reference
<i>e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c</i>	None		
<i>f. An explanation of how the data have been compiled, including any assumptions made</i>	We use an in-house HR information system. This is maintained and updated by our HR representatives at each site. There are no exclusions.		
102-9 Supply Chain	See <i>Chain up! CSR assessment in supply chain</i>		p.38
102-10 Significant changes to the organisation and its supply chain	Relocation to new plant in Bangladesh	Read more on p.16 of Beckers Magazine:: https://www.beckers-group.com/-/media/files/about-us/publications/beckers-magazine-2019.pdf	
102-11 Precautionary Principle or approach	As a chemical industry organisation with high standards of environmental performance and security, Beckers performs mandatory risk analysis for new processes and materials that take the precautionary principle into account		
102-12 External initiatives	Signatory to the United Nations Global Compact, since 2018		
102-13 Membership of associations	CEPE (European Council of Paint, Printing Ink and Artists' Colours Industry), ECCA (European Coil Coating Association), NCCA (North America Coil Coatings Association) and other national paint organisations		
Strategy	102-14 Statement from senior decision maker	See <i>CEO message</i>	p.3
Ethics and integrity	102-16 Values, principles, standards and norms of behaviour	See <i>Beckers Group Code of Conduct, Our core values</i>	https://www.beckers-group.com/about-us/our-values/code-of-conduct/ p.50
Governance	102-18 Governance structure	See <i>Introducing our Board of Directors and the Executive Group</i>	p.52
Stakeholder engagement	102-40 List of stakeholder groups	See <i>Our stakeholders</i>	p.60
	102-41 Collective bargaining agreements	55%	
	102-42 Identifying and selecting stakeholders	See <i>Our stakeholders</i>	p.60
	102-43 Approach to stakeholder engagement	See <i>Our stakeholders, The way ahead</i>	p.7
	102-44 Key topics and concerns raised	See <i>Our stakeholders, The way ahead</i>	p.7
Reporting practice	102-45 Entities included in the consolidated financial statements	31	In 21 countries (including operations sites and offices)
	102-46 Defining report content and topic boundaries	See <i>About the Report</i>	p.57
	102-47 List of material topics	See <i>Management Approach</i>	p.58
	102-48 Restatements of information	No restatements	
	102-49 Changes in reporting	No changes	
	102-50 Reporting period	1 January 2019 - 31 December 2019	
	102-51 Date of most recent report	7 June 2019	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	See <i>Contact</i>	p.69
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option	
	102-55 GRI content index	This Index	
	102-56 External assurance	No external assurance	



6.5

Material Topics

GRI Standard	Disclosure	2019 input	Comments	Page Reference
OWN TOPIC: Product stewardship	103-1 - 103-3 Management approach 2016	See <i>Management Approach</i>		p.58
	Percentage of raw material purchase value evaluated as per standardised CSR guidelines against total raw material purchase turnover	79%		
	Percentage of raw material purchase approved as per standardised CSR guidelines against total raw material purchase turnover (>40)	68%		
	Percentage of global supplier turnover that signed our Supplier CoC out of total supplier turnover	84%		The number of direct and indirect suppliers that signed the Sustainability CoC
GRI 301: Materials 2016	103-1 - 103-3 Management approach 2016	See <i>Management Approach</i>		p.58
	301-1 Materials used	151 221 tons		From Top 100 suppliers
	a. Total weight or volume of materials that are used to produce and package final products: non-renewable	Non-renewable materials used: 150 115 tons		
	b. Total weight or volume of materials that are used to produce and package final products: renewable	Renewable bio-based content is 1 106 tons		Biobased 0.73% of raw materials purchased
GRI 302: Energy 2016	103-1 - 103-3 Management approach 2016	See <i>Management Approach</i>		p.58
	302-1 Energy consumption within the organisation			
	a. Total fuel consumption from non-renewable	19 180 MWh		
	b. Total fuel consumption from renewable sources	0		
	c. Total consumption of			
	i. Electricity	37 685 MWh		Of which renewable: 14 561 MWh Self-generated solar energy: 123 MWh
	ii. Heating	7 071 MWh		Of which renewable: 6 388 MWh
	iii. Cooling	0		
	iv. Steam	0		
	d. Total sold			
i. Electricity	13.72 MWh		Self-generated solar energy not used at site and sold	

GRI Standard	Disclosure	2019 input	Comments	Page Reference
	ii. Heating	0		
	iii. Cooling	0		
	iv. Steam	0		
	e. Total energy consumption	63 936 MWh	32% renewable of total	
	f. Standards, methodologies, assumptions, calculation tools used	We calculate energy use and greenhouse gas emissions from all operations as well as from certain aspects of our transports. We use the calculation tool <i>Our Impacts</i> . The calculations follow the GHG Protocol and are performed by experts.		
	g. Source of the conversion factors used	The emission factors are included in the tool <i>Our Impacts</i> and are updated and revised regularly. For GWP, IPCC 2007 values are used.		
	302-3 Energy intensity			
	a. Energy intensity ratio	0.37 MWh/ton product		
	b. Organisation specific nominator	Tons of volume produced on-site		
	c. Types of energy included, or all	All	Includes renewable energy generated on-site	
	d. Whether the ratio uses energy consumption within the organisation or outside or both	Energy consumption within the organisation only		
GRI 305: Emissions 2016	103-1 - 103-3 Management approach 2016	See <i>Management Approach</i>		p.58
	305-1 Direct (Scope 1) GHG emissions			
	a. Gross direct emissions	10 646 tons CO ₂ e		
	b. Gases included	CO ₂ , CH ₄ , N ₂ O, HFCs, NF ₃ , SF ₆ and PFCs (when applicable)		
	c. Biogenic emissions	None		
	d. Base year	2013		
	e. Source of emission factors and GWP used	The emission factors are included in the tool <i>Our Impacts</i> and are updated and revised regularly. For GWP, IPCC 2007 values are used.		
	f. Consolidation approach	Operational control		
	g. Standards, methodologies, assumptions, calculation tools used	We calculate energy use and greenhouse gas emissions from all operations as well as from certain aspects of our transports. We use the calculation tool <i>Our Impacts</i> . The calculations follow the GHG Protocol and are performed by experts.		
	305-2 Energy indirect (Scope 2) GHG emissions			
	a. Gross location-based indirect emissions	13 926 tons CO ₂ e		
	b. Gross market-based indirect emissions	13 795 tons CO ₂ e		
	c. Gases included	CO ₂ , CH ₄ , N ₂ O, HFCs, NF ₃ , SF ₆ and PFCs (when applicable)		
	d. Base year	2013		
	e. Source of emission factors and GWP used	The emission factors are included in the tool <i>Our Impacts</i> and are updated and revised regularly. For GWP, IPCC 2007 values are used		
	f. Consolidation approach	Operational control		

GRI Standard	Disclosure	2019 input	Comments	Page Reference
	g. Standards, methodologies, assumptions, calculation tools used	We calculate energy use and greenhouse gas emissions from all operations as well as from certain aspects of our transports. We use the calculation tool <i>Our Impacts</i> . The calculations follow the GHG Protocol and are performed by experts.		
	305-3 Other indirect (Sc3) GHG emissions			
	a. Gross other indirect emissions	28 152 tons		
	b. Gases included	CO ₂ , CH ₄ , N ₂ O, HFCs, NF ₃ , SF ₆ and PFCs (when applicable)		
	c. Biogenic emissions	N/A		
	d. Base year	2013		
	e. Source of emission factors and GWP used	The emission factors are included in the tool <i>Our Impacts</i> and are updated and revised regularly. For GWP, IPCC 2007 values are used.		
	f. Consolidation approach	Operational control		
	g. Standards, methodologies, assumptions, calculation tools used	We calculate energy use and greenhouse gas emissions from all operations as well as from certain aspects of our transports. We use the calculation tool <i>Our Impacts</i> . The calculations follow the GHG Protocol and are performed by experts.		
	305-4 GHG emissions intensity			
	a. GHG emission intensity ratio	0.31 tons CO ₂ e/ton product		
	b. Organisation specific denominator	Volume produced		
	c. Types of GHG emissions included (Sc1, Sc2, Sc3)	Scope 1 + Scope 2 + Scope 3		
	d. Gases included	CO ₂ , CH ₄ , N ₂ O, HFCs, NF ₃ , SF ₆ and PFCs (when applicable)		
	305-7 NOx, SOx and other significant air emissions			
	a. Significant air emissions for VOC	VOC 503 tons Other air emissions N/A Intensity 3 kg/ton		
	b. Source of emission factors used	The emission factors for the climate impact are included in the tool <i>Our Impacts</i> and are updated and revised regularly.		
	c. Standards, methodologies, assumptions, calculation tools used	Climate impact of the VOC emissions are included in our climate assessment in <i>Our Impacts</i>		
	d. Gases included	Various Volatile Organic Compounds such as Xylene, Ethanol, Butylacetate, Methoxypropylacetate etc.	We report on emissions of volatile organic compounds (VOCs) from our operations. We do not report emissions of nitrogen oxides (NOx) and sulphur oxides (SOx) since it is not directly applicable to our business operations.	
GRI 306: Effluents and waste 2016	103-1 - 103-3 Management approach 2016	See <i>Management Approach</i>		p.58
	306-2 Waste by type and disposal method			
	a. Total weight of hazardous waste by disposal methods:			
	i. Reuse	949 tons		
	ii. Recycling	1 337 tons		
	iii. Composting	N/A		



GRI Standard	Disclosure	2019 input	Comments	Page Reference
	iv. Recovery, incl. energy recovery	2 622 tons		
	v. Incineration	663 tons		
	vi. Deep well injection	None		
	vii. Landfill	46 tons		
	viii. On-site storage	None		
	ix. Other	None		
	b. Total weight of non-hazardous waste by disposal method:			
	i. Reuse	1 080 tons		
	ii. Recycling	986 tons		
	iii. Composting	N/A		
	iv. Recovery, incl. energy recovery	224 tons		
	v. Incineration	2 tons		
	vi. Deep well injection	None		
	vii. Landfill	278 tons		
	viii. On-site storage	None		
	ix. Other	None		
	306-3 Significant spills			
	a. Total number and total volume	0		
	b. Additional information for each spill	N/A, since 0 significant spills		
GRI 401: Employment 2016	103-1 - 103-3 Management approach 2016	See <i>Management Approach</i>		p.58
	401-1 Employees - new and turnover			
	a. Total number and rate of new employee hires by age, gender and region	Total hires: 239 Age: <30 103 (43%), 30–50 116 (49%), >50 20 (8%) Gender: Women 80 (33%), Men 159 (67%) Region: AME 92 (38%), EAA 147 (62%)		
	b. Total number and rate of employee turnover by age, gender and region	Total leavers: 235 Age: <30 70 (30%), 30-50 130 (55%), >50 36 (15%) Gender: Women 65 (28%), Men 170 (72%) Region: AME 113 (48%), EAA 122 (52%)		
GRI 403: Occupational Health and Safety 2016	103-1 - 103-3 Management approach 2016	See <i>Management Approach</i>		p.58
	403-1 Workers representation in health and safety committees			
	a. Level of operation of the committee	At local facilities / site level		
	b. Percentage of workers represented in committees	100% of all employees at a site		

GRI Standard	Disclosure	2019 input	Comments	Page Reference
	403-2 Work-related injuries, diseases, lost days etc			
	a. Injury, injury rate, occupational disease rate, lost day rate, absentee rate, work-related fatalities, by region and gender	<p>5 injuries/accidents in group: LTI (injury rate): a) 1.50 for the group, b) 1.44 for EAA and c) 1.61 for AME Lost day rate: a) 12.01 for the group, b) EAA at the rate of 17.89, c) AME is at 1.66</p> <p>Sick leave rate: 3%</p> <p>Sick leave rate not measured at regional or gender level No work-related fatalities Gender split – N/A</p>	<p>Man-hours not captured on gender level (lost days and sick leave) Occupational disease not reported on group level</p>	
	b. The same for workers controlled but not employed	<p>0 injuries/accidents in group No work-related fatalities</p>	Lost day rate not calculated for contractors	
	c. Rules for recording and reporting accidents	An injury/accident that results in an absence from the next working day or shift		
GRI 404: Training and education 2016	103-1 - 103-3 Management approach 2016	See <i>Management Approach</i>		p.58
	Own disclosure: E-learning completion	Code of Conduct training to 45% of all employees	We do not have any recent numbers for sustainability training due to the platform provider discontinuing the service; search for new provider in progress	
GRI 413: Local communities 2016	103-1- 103-3 Management approach 2016	See <i>Management Approach</i>		p.58
	413-1 Local community engagement			
	a. Percentage of operations with local community engagement	78%	<p>Different calculation than for 2018 report Omission: we do not have the information for each project to report on the details of this indicator, thus omitting to report on i - viii</p>	

Glossary

1K Coating

1K is used for coatings that do not require a separate hardener, catalyst or activator. The term is used to describe ready-to-use paints.

2K Coating

2K is a term that describes coatings that need to be mixed by the user before application, with hardener, catalysts or activators.

ACE

Beckers supplies coatings to the Agriculture, Construction and Earth-moving (ACE) equipment sector, which means everything from tractors to trucks.

APE

Automotive Plastics Exterior (APE) refers to the coatings we design that ensure bumpers and other moulded plastic components have the same appearance, colour and durability as a vehicle's metal bodywork.

Circular economy

The circular economy is an economic system that seeks to design out waste through continual use of resources. To do this, circular systems involve reuse, repair, refurbishment and recycling, minimising resource use and reducing waste, pollution and carbon emissions.

CO₂e

CO₂e stands for carbon dioxide equivalent and is a term to describe different greenhouse gases in a common unit. CO₂e signifies the amount of CO₂ that would have

the equivalent global warming impact for any type of greenhouse gas.

Code of Conduct

A Code of Conduct is a set of principles, values, standards or rules of behaviour that guide the decisions, procedures and systems of an organisation in order to respect human rights and environmental standards.

CSR

Corporate Social Responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. The purpose of CSR is to drive change towards sustainability.

EcoVadis

EcoVadis is an independent ratings platform used by organisations of all shapes and sizes to assess CSR and sustainable procurement practices.

EKPI

EKPI stands for Environmental Key Performance Indicator and describes indicators that measure important environmental objectives, such as energy use, waste generation and VOC emissions.

Emission calculation approach

A location-based method reflects the average emissions intensity of grids on which energy consumption occurs, whereas a market-based method reflects emissions from electricity that companies have purposefully chosen.

Functional Sustainability

Functional sustainability is what the coating system does for the overall sustainability of the object it coats. A functionally sustainable

coating system helps with challenges in our society, such as pollution or energy generation. It adds to the product lifetime and/or its energy efficiency; it reduces material use or improves the well-being of people coming in contact with it.

GHG

GHG stands for greenhouse gas and describes a gas that absorbs and emits radiant energy. Greenhouse gases cause the greenhouse effect and are therefore responsible for climate change.

GHG Protocol

The Greenhouse Gas (GHG) Protocol provides standards for accounting and reporting, sector guidance, tools and training. It represents a global framework for measuring and managing emissions.

GRI

The Global Reporting Initiative (GRI) is a global, network-based non-profit organisation that publishes the world's most commonly-used guidelines on sustainability reporting.

LCA

A life-cycle assessment or analysis calculates the environmental impact of a product or service at every stage of its manufacture, use and disposal.

Lean Six Sigma

Lean Six Sigma is a method that relies on a collaborative team effort to improve performance by systematically removing waste and reducing variation. It combines lean manufacturing/lean enterprise and Six Sigma to eliminate the eight kinds of waste.

Material Sustainability

Material sustainability indicates how sustainably a coating system is made – from its component raw materials, to its processing and manufacture. Coatings are considered materially sustainable when they are derived from sustainably mined minerals that are not scarce in nature. They must be free from persistent and/or toxic substances and based on renewable or recycled organic raw materials. They are manufactured with minimal climate impact.

NMP

N-methyl-2-pyrrolidone (NMP) is a reported toxic chemical. According to co-ordinated classification and labelling (ATP09) approved by the European Union, NMP may harm unborn children and cause serious eye, skin and respiratory irritation.

OEM

Original Equipment Manufacturers (OEMs) are typically companies that make parts and equipment that are used and marketed by another manufacturer.

RC5

RC5 is the highest category in the classification that indicates how resistant a coating is to natural outdoor corrosion. The products must pass outdoor exposure tests in a variety of sites representing rural, urban, industrial, maritime, pollution and humidity and sea front environments or combinations thereof.

R_{UV3/4}

R_{UV3} and R_{UV4} are categories in the classification that indicates resistance of a coating to natural outdoor UV radiation. The scale is from R_{UV1} to R_{UV4}, with the latter being the highest category. The coatings that

are labelled R_{UV3} and R_{UV4} must fulfil high standards for UV resistance under natural and artificial testing conditions, such as maintaining their colour and gloss. Details in the European standard EN 10169:2010.

Scope 1, 2 and 3 emissions

Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain.

SDGs

In late 2015, the United Nations published 17 global Sustainable Development Goals, to be achieved by 2030. The SDGs are a call to action for all countries to promote prosperity while protecting the planet.

TCO

The total cost of ownership (TCO) looks at the lifetime costs of a product – from the initial upfront costs, to the ongoing maintenance and eventual end-of-life costs.

UN Global Compact

The Global Compact is an initiative of the United Nations and is based on ten principles for responsible action by companies.

VOC

Volatile organic compounds (VOC), are chemicals that have a high vapour pressure at room temperature. This high vapour pressure results from a low boiling point, which causes large numbers of molecules to evaporate into the surrounding air, a trait known as volatility.

Adding value beyond the surface

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