



What.

We.

Do.



**Beckers Sustainability
Report 2020**

ABOUT BECKERS

What. We. Do.

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

2020 taught us that there is no time to lose in tackling those challenges. There is a real need to change our system and the global pandemic made that even clearer. To ensure a balanced climate and strong ecosystems, and to create healthy living spaces for all of us, we must act now. That is why we are making sustainability our business.

We will transform our own product portfolio and, by developing innovative formulations, we will support our customers on their journey to become more sustainable. We see this as a real market differentiator and a major transformation in how we do business. It will take us into uncharted territory, away from business as usual. Our goal is ambitious – to catalyze change throughout our industry.

Beckers is equipped to face this challenge. It will also take courage and perseverance. In this report, we will explain how Beckers has taken practical steps towards achieving these goals in 2020.

158,000
tons of product
produced 2020

3,000+
suppliers

1,741
employees | 446 women, 1,295 men

18
countries

24
production sites

on

5

continents

40%
female hires

94%
Check-In
Conversations

75%
supply from
CSR-approved
partners

-23%
carbon emission
intensity since 2013

36%
renewable
energy

54%
reused and
recycled waste

Sustainability Report 2020

Becoming the most Sustainable Industrial Coatings Company in the World.



Towards 2030

- 11 The big picture
- 13 Our strategy process
- 17 Stakeholder engagement



Products with impact

- 21 Our highlights and progress
- 22 Highly diffuse reflective coatings reduce energy consumption
- 24 Exploring environmentally friendly waterborne coil coatings
- 25 Making building envelope maintenance more sustainable
- 27 Water-based paints help Czech customer lower VOC emissions
- 28 Pushing the limits with innovations in bio-based and recycled products
- 29 Breakthrough radiation curing technology for coil coating
- 30 Sustainability Award



People with impact

- 35 Taking care of our employees through the Covid-19 pandemic
- 37 Fostering a behavior-based safety system
- 39 Diverse teams drive innovation
- 43 Establishing a strong feedback culture at Beckers
- 45 Engaging in communities around us
- 48 Our engagement with Global Child Forum
- 51 Sustainability Award



Operations with impact

- 56 Our environmental footprint in 2020
- 60 Increased reuse and waste reduction on smaller sites
- 62 Driving sustainability through our supply chain
- 65 Recognizing sustainability improvements in our supply chain
- 67 It's all about the small steps
- 70 Sustainability Award



GRI Report 2020

- 74 Introducing our leadership
- 77 GRI general disclosures
- 83 GRI material topics disclosures
- 100 Glossary
- 103 Contact

EDITORIAL

Dear Stakeholders

At Beckers, we firmly believe that our success depends on accepting our responsibility to the future. We will therefore take the lead in our industry and push the boundaries for surface performance beyond protection and beauty. We want to have real impact via our products!

GRI 102 – 14

The transformation of our product portfolio will take us into uncharted territory moving away from business as usual. Traditionally, coatings products are anything but “green”, but the impact of our products and operations on sustainability improvements for the industry, people and the planet are immense.

We are well equipped to face this challenge, but it will also take a good deal of courage and perseverance to get there. We take this journey together with our customers, who will benefit from the innovation this brings, our suppliers, who will have a more sustainable value chain and all other stakeholders.

Our main achievements regarding sustainability in 2020

The move towards industry leadership in sustainability is an organization-wide transformation. In 2020, we defined our methodology and how we want to approach sustainability at Beckers, focusing on three pillars: **People, Products**



Watch
Christophe Sabas'
address to the
stakeholders

**“Together we will
change the game!”**

Christophe Sabas | CEO

and Operations. We also laid the foundations for achieving our goals with the publication of our 2030 Sustainability Strategy.

We have set ambitious goals and actionable KPIs and we have started our internal campaign to get all of our colleagues on board. Everyone's contribution counts!

There are a number of specific achievements I would like to highlight from 2020.

(What) In the products stream, 2020 saw the introduction and line trials for new net-sustainable products. We continued the development of our rating scheme and indicator for the sustainability of coatings. This is a proprietary tool for ranking sustainability and an industry first.

(We) In the people stream, one of our focus areas was occupational health & safety, which meant working towards our goal of zero accidents and, of course, preventing the spread of Covid-19. We also confirmed our commitment

+ OUR CORE VALUES

 **Shape and adapt**

 **Team spirit**

 **Customer focus**

 **Trust and integrity**

to diversity and inclusion with our non discrimination policy, invested in leadership development and set the foundation of a feedback culture at Beckers with the introduction of quarterly Check-In Conversations.

(Do) In the operations stream, we introduced new waste management initiatives on several sites and continued the roll-out of our initiative to recondition paint barrels in France and Germany.

Opportunities and challenges in having sustainability as a driver for our business

We are committed to making products with more sustainable materials and functions that mitigate the effects of climate change and make a positive contribution to the challenges the world faces today. The opportunities this offers

are huge. Not only are our customers increasingly sourcing from proven sustainable suppliers, but they are also asking us to support them in making their products more sustainable. This will drive innovation and put value creation at the heart of our business model.

Our sustainability strategy has given all of us a sense of purpose and pride as citizens and as employees. Our workforce will be more motivated and more efficient as a result.

The biggest challenge I see is, are we moving fast enough? Customer demands are changing quickly, and our supply chains are becoming increasingly complex. As climate change and other forms of environmental degradation force us to rethink the way we use natural resources, we will continue to create real value for our employees, our customers and our owner and at the same time drive innovation and sustainability within our industry.

Together, we define our way ahead.

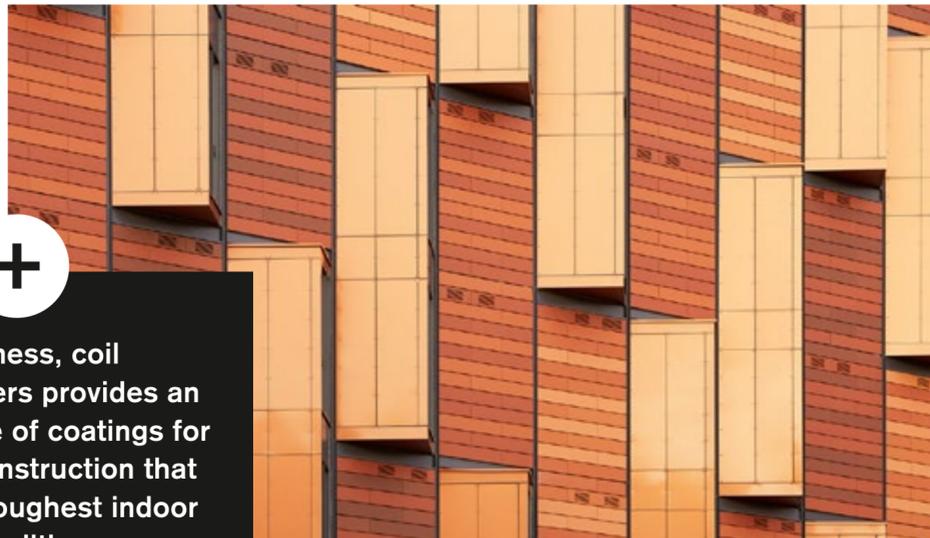



Christophe Sabas
CEO
Berlin, Germany
June 2021

CUSTOM-MADE PAINT SOLUTIONS

Who is Beckers Group?

With over 150 years of experience in paint making, Beckers has grown from a small retail shop in Stockholm, Sweden to become a leading global coatings company that develops high-quality, environmentally compatible paint systems.



In its core business, coil coatings, Beckers provides an extensive range of coatings for building and construction that withstand the toughest indoor and outdoor conditions.

GRI 102-2

Beckers Group is owned by Lindéngruppen, a Swedish family business with a focus on the long-term development of industrial companies. In 2020, 1,741 people worked at 24 production sites in 18 countries around the world. Our corporate head office is located in Berlin, Germany.

The company has 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.



BECKERS' 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.

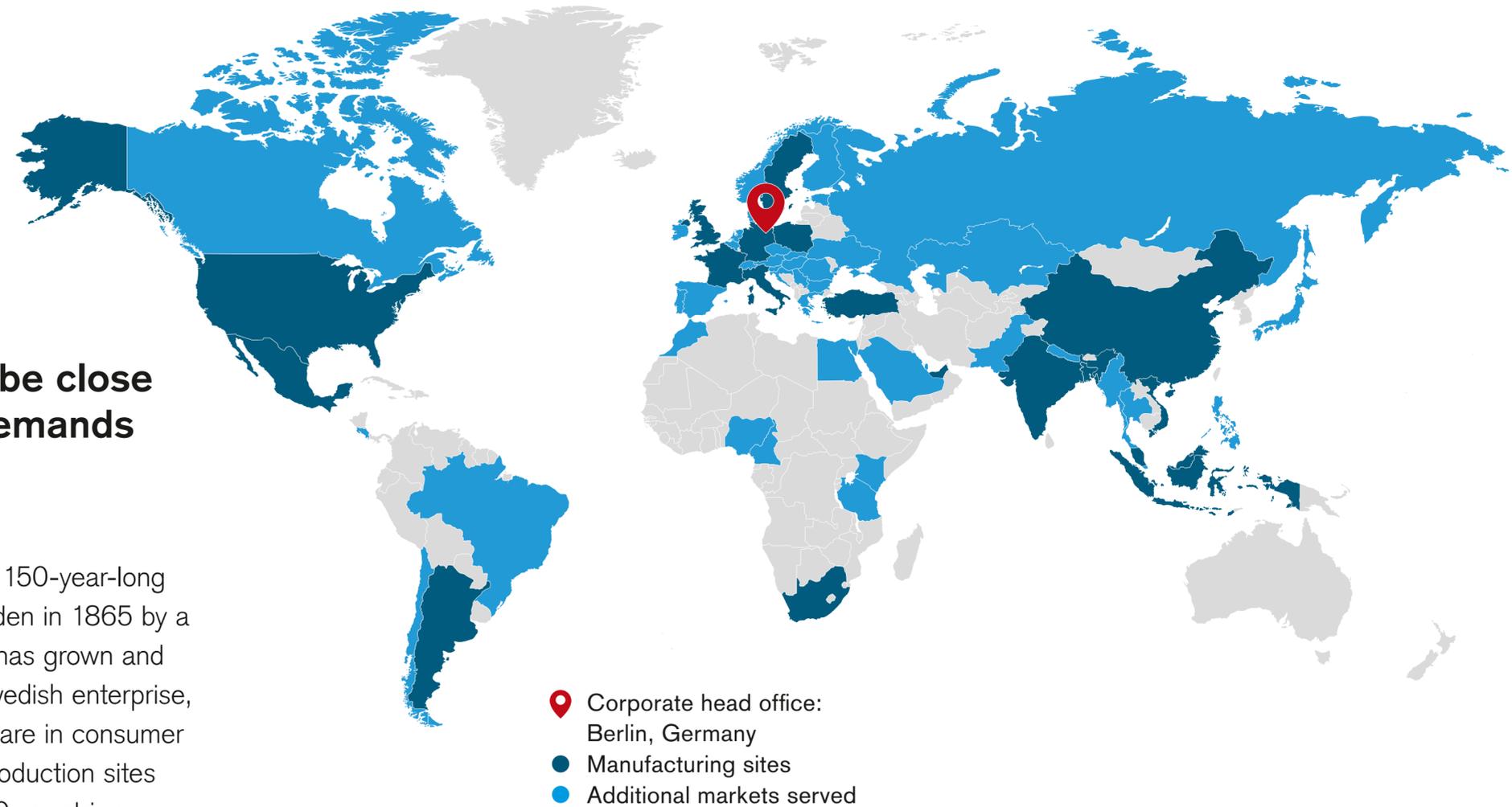
BECKERS WORLDWIDE

Our global network

Beckers operates a global network of manufacturing sites which enables us to be close to our customers and understand their demands and requirements.

GRI 102-4
GRI 102-6

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, Sweden 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 our roots are in consumer paint, today our focus is entirely on industrial coatings. With 24 production sites in 18 countries and five continents, we serve customers in over 50 countries.



ADDING VALUE BEYOND THE SURFACE

How we create value

At Beckers value creation goes beyond sales growth and profit maximization. Financial and non-financial indicators alike determine corporate strategies and success.

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. Global reach and local presence are key for our future success, including our sustainability work. We set financial and non-financial performance targets, which are followed up in our reporting system. Our Chief Financial Officer holds the dual role of Compliance Officer and is responsible for managing financial risks and for correct reporting of Beckers Group's performance.

Financial performance

Net sales 2020	MSEK 5,853
Capitalization	
Equity	MSEK 881
Equity ratio	22%
Net interest-bearing debt	MSEK 645



VALUE CREATION

We believe that value creation goes beyond sales growth and profit maximization. That is why we are adopting the fundamental principle within our organization that non-financial management, controlling, and targets will increasingly determine corporate strategies and success. We will judge the success of our business model in terms of our impact on people and the planet as well as financial profits. Our management will use our purpose and our values as a starting point to develop strategies and integrate measurable targets into their business plans. In 2020 we laid the foundation for that. From 2021 onwards the sustainability targets become part of individual target setting for all employees.

Our Code of Conduct

The Beckers Code of Conduct defines key ethical principles that guide us in our daily business and 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, labor 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 holds the dual role of Compliance Officer and oversees compliance on a global level. Our online Code of Conduct training has a coverage of now 69% of all employees. In parallel we developed and prepared the roll-out of a new training format.

We support 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. We had a total of 11 whistle blowing cases reported and all of them have been handled according to procedure and have been closed.

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.

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 2020. 377 employees have been trained in anti-corruption policies in 2020.

GRI 206 – 1

Anti-competitive behavior

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, antitrust or monopoly practices in 2020.

WE SUPPORT



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, labor, the environment and anti-corruption, and make an even stronger commitment to taking action and reporting on our progress.

BECKERS SUSTAINABILITY STRATEGY

Towards 2030

At Beckers, we are determined to ensure our company is part of the solution for a sustainable future. For us 2020 was extremely important in this regard. We launched our 2030 Sustainability Strategy, set ambitious targets and KPIs to measure our progress with it, and rolled it out across the whole organization. Our sustainability strategy is now the core of our company strategy.

Together with our stakeholders, we have the potential to make a huge difference throughout our value chain and we take this challenge seriously.

- + **The big picture**
p. 11
- + **Our strategy process**
p. 13
- + **Stakeholder engagement**
p. 17

IT'S TIME TO ACT. WE ARE ACTING.

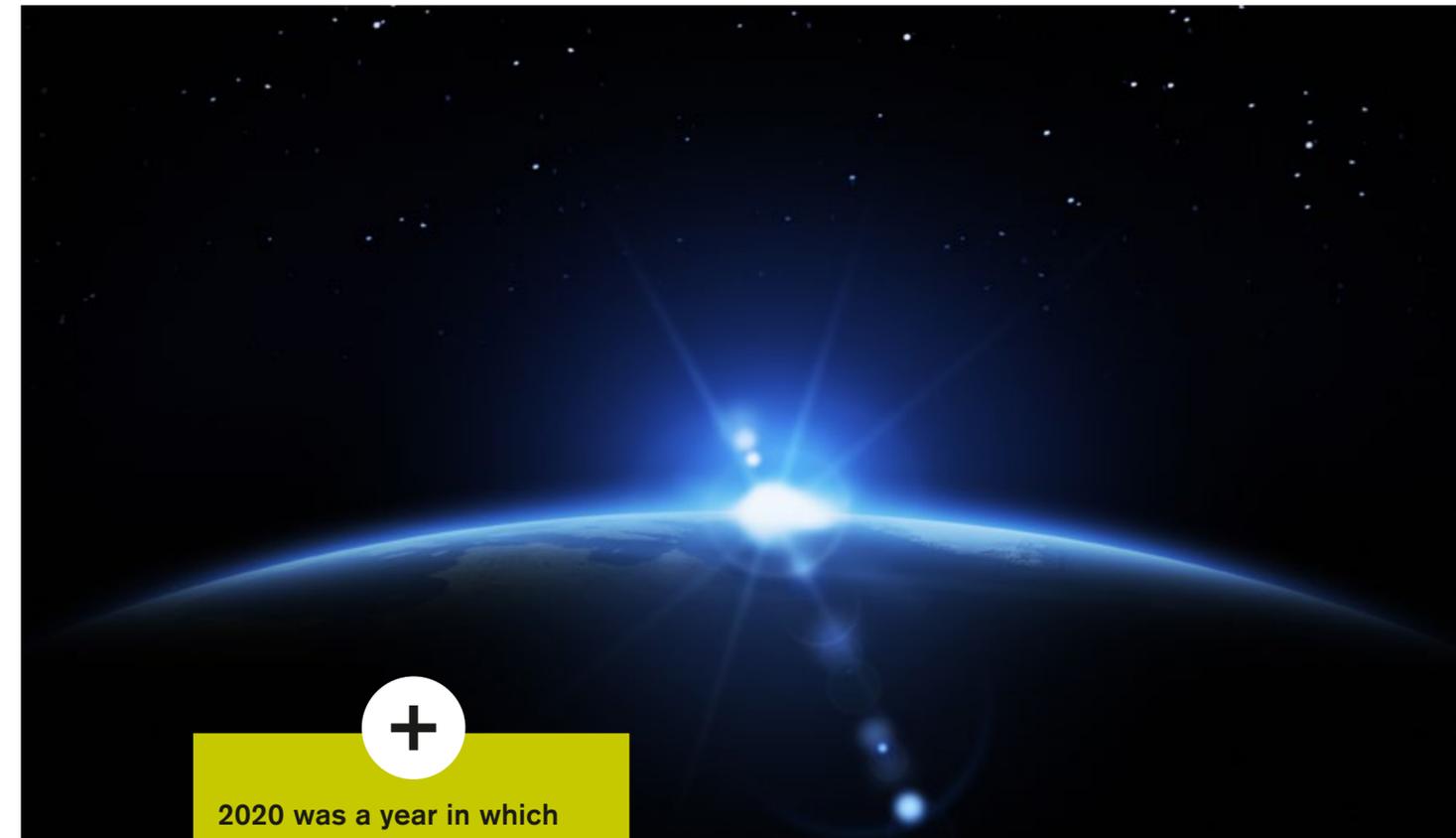
The big picture

Covid-19 dominated our lives in 2020. Experts see the virus not only as a global health challenge but as one of many indications of a major crisis in our system.

With the extinction of species, loss of biodiversity, humans living closer to nature than ever before, as well as our globalized society – we've given this virus the perfect environment to spread.

But if it were not for Covid-19, the top news of the year might have been the fact that, in Europe at least, 2020 was the hottest year on record. Across the globe the effects of climate change were felt – whether it was the wildfires in Australia or later in the United States, or regions of the Arctic reaching 38°C in summer, climate-related extreme weather events were constantly in the news, even if the headlines focused on the unfolding pandemic.

The impact of the system crisis we face is not limited to the environment. Covid-19 has made inequalities more visible in our societies. We've seen how fragile many of our achievements are, for example in women's and children's rights. There is a risk that the pandemic sets back progress in many of these



2020 was a year in which the world listened to scientists, a year in which the voices for real change became stronger.



Also watch the video in our digital report!



Our vision

Beckers will become the most sustainable industrial coatings company in the world.



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.

areas, and it has become clear that the most devastating consequences of Covid-19 have been felt by the weakest in our societies.

But 2020 was also a year in which the world listened to scientists. Despite the pandemic – or because of it – the voices for real change became stronger. The voices came from across society including business. Businesses everywhere – among them our customers and suppliers – want to be part of the solution. For many this means that small adjustments will no longer be enough. What is needed now is transformation toward sustainable solutions.

As a company Beckers has long recognized that we have an important role to play in this space. We want to transform our industry by developing solutions that create maximum positive impact for our customers, society and the planet. That's our purpose. We want to be a leader in the transformation of our industry – and we mean business.

For Beckers 2020 was pivotal in this regard. We launched our 2030 Sustainability Strategy, set ambitious targets and KPIs to measure our progress with it, and rolled it out across the whole organization. Our sustainability strategy is now the core of our company strategy. We are changing the way we measure the success of our business. Success will no longer be measured only by growth, but by the value that we create through our people and products for society and the planet. We want to be part of the solution! That is our responsibility and our purpose.

WHAT. WE. DO.

Our strategy process

At Beckers, we are determined to ensure our company is part of the solution for a sustainable future.

In July 2020 we launched our 2030 Sustainability Strategy setting out how we will do this. The strategy is divided in three streams and contains ambitious goals and actionable key performance indicators for each. Last fall, we kicked off the real work by communicating these across the company. In this report we show how we have begun implementing our 2030 Sustainability Strategy, making sustainability our priority even in the midst of the Covid-19 pandemic.

Rolling out the strategy

The UN and world leaders call the years up to 2030 the “Decade of Action”. We also are clear that it will be our actions, not just words or strategy that will create impact and therefore have worked quickly to translate our goals into activities. After publishing the sustainability strategy in July 2020, the Executive Committee worked together with the sustainability team to finalize the KPIs and targets for each of

+ EVENTS & ACTIONS 2020

- + Video messages by the CEO and members of the Executive Committee on the main messages
- + Sustainability employee survey
- + Kick-off meetings with important internal stakeholder groups
🌀 Stakeholder engagement
- + Communication campaign plan for further in-depth internal and external communication
- + Development of a company-wide sustainability dashboard
- + Digital Advent calendar for all including important messages on the sustainability goals, the sustainability award short list entries and pre-holiday fun
- + Initial workshops with functions and preparation of site workshops

the three streams. These ambitious goals were then challenged and approved by internal expert groups and finally, in September, by the Beckers Board. In fall 2020 we started fully rolling out the strategy across the company with a series of events designed to get everyone on board (see box for details).

The three streams

The 2030 Sustainability Strategy is divided into three work streams: **People with impact, Products with impact and Operations with impact.** Within each stream we have defined our approach, set ambitious goals and strong KPIs.



Progress towards our goals

The progress we made towards our goals in 2020 is set out in detail in this report. It is also visible throughout Beckers. Within each stream, these are some of the highlights.

What. Products with Impact.

- + Market introduction and line trials of new net-sustainable products
- + Further development of a rating scheme and indicator for the sustainability of coatings
- + Fostering value chain partnerships including collaboration with key customers to better understand the downstream challenges
- + Partnerships with suppliers to find opportunities to collaborate on use of more sustainable raw materials

 **Pushing the limits with innovations in bio-based and recycled products**

 **Making building envelope maintenance more sustainable**

 **Our highlights and progress**

 **Water-based paints help Czech customer lower VOC emissions**

We. People with Impact.

- + 2020 occupational health & safety focus: work towards zero accident goal and additionally implementing strict measures to prevent the spread of Covid-19
- + Enhancement of leadership journey: training of people managers in team efficiency and conflict management
- + Implementation of non-discrimination policy
- + Development and roll-out preparation of new code of conduct training format
- + Introduction of people growth and feedback culture
- + Advancement of children's rights
- + Improvement of gender diversity among new recruits

 **Taking care of our employees through the Covid-19 pandemic**

 **Establishing a strong feedback culture at Beckers**

 **Our engagement with Global Child Forum**

 **Diverse teams drive innovation**

Do. Operations with Impact.

- + Signed new contracts for green electricity
- + Implementation of waste management initiatives on different sites
- + Continued roll-out of initiative to introduce reconditioned paint barrels in France and Germany
- + Significant increase in number of suppliers approved for their CSR approach
- + Strengthening supply chain sustainability through the initiation of supplier awards
- + Climate assessment and emissions tracking since 2011 to limit our impact

 **It's all about the small steps**

 **Recognizing sustainability improvements in our supply chain**

Key topics on the agenda in 2021

In 2021 we will complete the full roll-out and integration of the 2030 Sustainability Strategy across the company. Employee engagement will continue to be a main focus. Each colleague will take responsibility for the sustainability strategy in their own sphere of influence. Driving forward the 2030 Sustainability Strategy will be a key priority in everyone's daily work. The global sustainability team offers support to everyone across the company with trainings, workshops and communication material. All sites will develop individual roadmaps as well as action plans and strategies for sustainable investments.

We will integrate our products into the Beckers Sustainability Index. This will make our portfolio more transparent and give our customers a holistic view of how the improvements in our products can help them to make progress towards net-sustainable products.

We will enhance the internal environmental audits of our sites and initiate a global industrial investment plan. We will hold the next global employee engagement survey to continuously listen to our colleagues and define actions to optimize the employee experience.



“There is no planet B. It is our responsibility today to ensure that we all have a future on it.”

Dr. Miranda Johansson | Technical Manager
R&D Coil Coatings North Europe

CONSTANTLY IN TOUCH

Stakeholder engagement

It is important to understand our stakeholders' needs and requirements so that we can work together along the value chain, find opportunities and address risks.

GRI 102-40
GRI 102-42

The four key stakeholder groups we will focus on for our communication, engagement and activities are: customers, employees, suppliers, and regulators and communities.

We are constantly in touch with our stakeholders through the channels described in the table on p.21. This builds on listening to and engaging with representatives of all our important stakeholders during a stakeholder dialogue we held in 2019, with a two-day multinational workshop at which all four key groups were represented. Read more about the process on p.7 of our Sustainability Report 2019.

What our stakeholders told us

The feedback we received from our stakeholders confirmed that sustainability is a priority for customers and suppliers alike. Many saw the need for a profound system change in the industry and called for thought leaders to work together. Together we must move away from fossil-based raw materials toward greener chemistry and from linear business models to more circular thinking. Our stakeholders agree with us that there is a need for bold, long-term vision and goals, and that we need to work with partners along the value chain.

Focus on internal stakeholders in 2020

The message from the internal stakeholders at our 2019 workshop was clear: we should build on team spirit, engagement and awareness among employees in all our regions. That is what we have done in 2020, focusing our communication on our employees with the aim of securing their commitment to our 2030 Sustainability Strategy. Colleagues from numerous Beckers sites with different backgrounds were involved in the finalization of our goals for 2030. Further internal feedback rounds, interviews and the initiation of expert groups for each stream to validate goals, KPIs and targets on a regular basis ensure broad involvement in this strategic topic. Since October 2020 the sustainability team has been holding workshops with functions and sites, and an internal communications campaign makes everything transparent.

GRI 102-43
GRI 102-44

Stakeholder communication

Customers

Customer focus means we serve our customers by creating value through sustainable solutions that encompass both products and services.

- + Local, flexible and professional customer service
- + Workshops and pilot projects on sustainable product developments with customers
- + Closely and directly connected to customers
- + Market research and business development

How we engage and communicate with them

Suppliers

Beckers relies on the products and services provided by our crucial partners and we cooperate for better synergies.

- + 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
- + Dedicated sustainability workshops to evaluate joint developments with suppliers

Employees

We live our values. We share the Beckers spirit, we have a strong sense of belonging. We are conscious about assuming responsibility. We aim to be a top employer and offer our employees valuable opportunities to grow personally and professionally.

- + Dialogue with Union representatives in many countries and the EWC (European Works Council)
- + Regular internal communications, learning opportunities and trainings
- + Health & safety committees
- + Global employee surveys and feedback through Check-in Conversations

How we engage and communicate with them

Regulators and Communities

We take our responsibilities as corporate citizens seriously. We comply with or exceed all applicable regulations in countries we operate in and aim to positively contribute in our communities.

- + Transparency through reporting (GRI report and local environmental reporting)
- + Local social activities and initiatives
- + Employee social engagement

Products with impact

We are proud of our track record on sustainable innovation. In 2020 we moved closer to our goal of providing coatings that deliver value beyond the surface. **By 2030, our ambition is to deliver surface solutions that help advance society while protecting the planet.**

Our goals

- 50% sales are net-sustainable products
- 100% new R&D products are net-sustainable

- + **Our highlights and progress**
p. 21
- + **Highly diffuse reflective coatings reduce energy consumption**
p. 22
- + **Exploring environmentally friendly waterborne coil coatings**
p. 24
- + **Making building envelope maintenance more sustainable**
p. 25
- + **Water-based paints help Czech customer lower VOC emissions**
p. 27
- + **Pushing the limits with innovations in bio-based and recycled products**
p. 28
- + **Breakthrough radiation curing technology for coil coating**
p. 29
- + **Sustainability Award**
p. 30

Our approach

GRI 103/301
GRI 103/
Product
stewardship

What	How
Our coatings are materially sustainable and use components that are inherently safe and responsibly derived.	<ul style="list-style-type: none"> + Use materials that are non-toxic to humans and the environment. + Sell coatings that have minimal VOCs and CO₂ emissions. + Promote the use of renewable raw materials. + Avoid using any minerals that are scarce or endangered.
Our coatings are functionally sustainable and contribute positively to our customers and society.	<ul style="list-style-type: none"> + Coatings that shall provide proven functional sustainability benefits for customers and society whilst in service. + Develop new products that are capable of repurposing within the circular economy.
We leverage our value chain by collaborating with partners to create breakthrough innovation.	<ul style="list-style-type: none"> + Work with key partners downstream to build strong and effective collaboration. + Create transparency about the sustainability of our products with the Beckers Sustainability Index (BSI).

Customers will expect sustainable products

Product Stewardship is one of our material topics. This means taking responsibility for sustainability issues along the product value chain – from raw materials suppliers to product applicators and end users. Ultimately, this topic will help us to develop more products for our customers that meet their needs and fulfill our shared vision of sustainability.

The areas in which it is essential that we 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.

+ UN Sustainable Development Goals



Our highlights and progress

GRI 103/301
GRI 103/
Product
stewardship

To measure our progress towards our ambitious targets, we have developed the Beckers Sustainability Index (BSI) matrix. Beckers offers a transparent product classification tool to map and measure full systems' sustainability. It will help the industry and Beckers for both R&D and commercial purposes.

The BSI classifies the sustainable impact of coating systems via a material and functional dimension. It is already widely in use for Coil Coatings. In 2020, we began with the classification of all our Industrial Coatings. In order to simplify communication, all existing and new products will be placed into one of four defined classes that uniquely reflect our products' sustainability attributes.



Functional sustainability

We measure functional sustainability on the basis of how much our coatings contribute to improving the sustainability of the products they coat. The measures include to what extent the coating improves product lifetime or the product energy efficiency, reduces product maintenance, or even improves the well-being of the product user. This will be our competitive advantage in the future.

[Making building envelope maintenance more sustainable](#)

Material sustainability

Material sustainability measures the sustainability of how we make our coatings and the materials we chose to use. It measures the extent to which a coating is derived from minerals that are sustainably mined and not scarce in nature. It also measures how much the coating is based on renewable (bio-based or recycled) raw materials, whether it is free from persistent and toxic substances, and how far we have minimized any potential contribution to the degradation of the environment. [Pushing the limits with innovations in bio-based and recycled products](#)

Net-sustainable coatings

Net-sustainable coatings are coatings that fulfill the highest standards in both categories – functional and material sustainability. In other words, they are products that are placed in the highest class of the BSI coating system because they significantly improve the sustainability of the coated product and receive a high score in the material sustainability category. The percentage of net-sustainable products sold is currently being assessed and we will report this number as soon as it is available.

IMPROVED ILLUMINATION

Highly diffuse reflective coatings reduce energy consumption

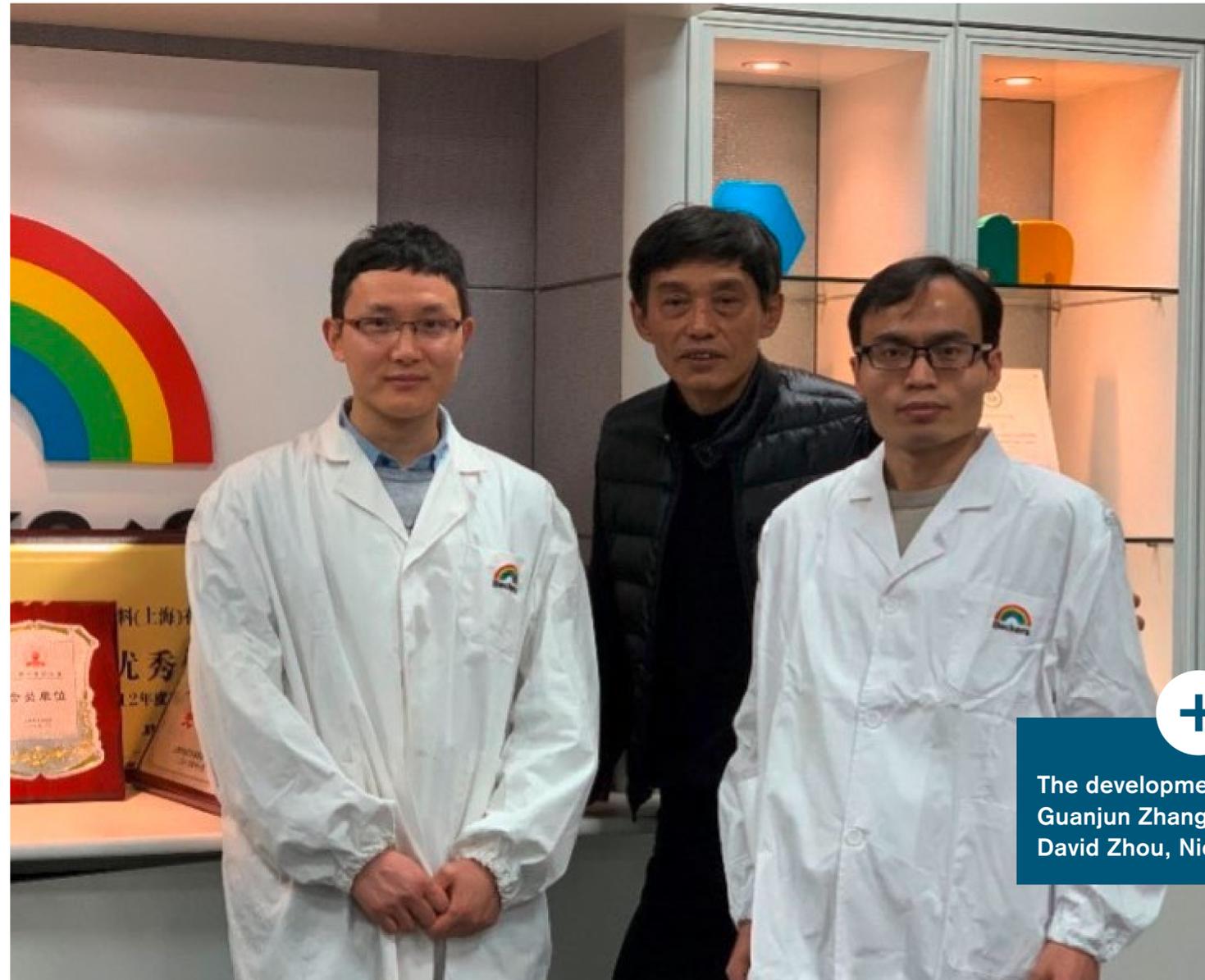
Chengdu Tianfu International Airport will be one of the most environmentally friendly Chinese airport hubs when it is completed.

Sustainability has been a focus throughout the development of Chengdu Tianfu International Airport, which will be the third largest airport hub in China upon completion.

Beckers has played its part in increasing the new airport's sustainability by providing a high-build microwrinkle coating system for the interior. The coating system has a diffuse light reflectance value of over 95 percent.



+
The new Tianfu Airport
in Chengdu, China



+
The development team:
Guanjun Zhang,
David Zhou, Nick Qiao

Airport interiors pose a particular challenge in terms of sustainability as they are lit 24 hours a day. Beckers' coating not only has remarkable functional characteristics but also very good material properties. Alongside the high light reflectivity, the topcoat has a soft touch finish which improves illumination and does not contain heavy metals and chromates. Together these factors reduce the amount of interior lighting required, resulting in energy savings and improved sustainability.

The project represents a key step for Beckers toward its aim of making a positive impact with products that are both innovative and sustainable. The product could be used to reduce lighting energy consumption in train stations, exhibition spaces or convention centers.

RISING REGULATIONS IN ASIA

Exploring environmentally friendly waterborne coil coatings



Phui Kuan is in charge of the waterborne coil coatings project at Beckers Malaysia.

Around the world, growing concern about the environmental impact of products is, rightly, leading to increasingly stringent regulations.

Some benefits in terms of sustainability are obvious, but the overall impact needs to be considered and sometimes meeting the new requirements is a challenge.

In the case of coil coatings, there is a push underway, especially in Asia, to move from solvent-based to waterborne systems as these are based on a renewable natural source, rather than fossil-based raw materials. They also have lower levels of volatile organic compounds (VOC), which significantly improves air quality, and have lower toxicity and flammability as well as a more subtle odor.

But developing new waterborne systems presents several challenges. Waterborne coil coatings potentially have a bigger environmental impact and might cost more, because more energy is required in the curing process. There is also the risk of poorer corrosion properties if the coating is not able to resist the water present in the process.

The Long-Term Development Laboratory at Beckers Malaysia has been working on the solution to provide a complete waterborne coating system which would close the coating performance gap between waterborne and solvent-based systems and meet customers' expectations in terms performance and design.

The team carried out a line trial of a waterborne pre-treatment with a customer in New Zealand. It met the challenges both in terms of low VOC content and corrosion resistance. Work is ongoing on a waterborne primer, backcoat and topcoat system.

Although this is still in development, the progress we have made in improving these technologies and overcoming the inherent challenges is encouraging and could help our customers meet their environmental requirements.

BECKRY®FRESH 2000

Making building envelope maintenance more sustainable

Keeping buildings looking attractive in warm and humid tropical regions is not easy.

Add to that the pollution associated with rapid urbanization and it means that buildings in cities in parts of Asia and Latin America have to be frequently cleaned, repainted and restored. One of the main drivers is that even prestigious buildings can look awful in a few months because of the dirt pick-up phenomenon. This requires not only a substantial amount of time and cost, but also resources.

Beckers has developed Beckry®Fresh 2000, a two-coat system that is simpler and cheaper than the standard self-cleaning system and keeps the building envelope fresh-looking for as long as possible. It also brings substantial sustainability gains.



Easy-to-clean topcoats enable the building envelope to look as fresh as possible for as long as possible.



“Today, the sustainability aspects of coatings have moved beyond the use of environmentally-friendly materials. The future sustainable product itself needs to have more versatile functional capabilities that also help improve our planet and the lives of those who use it.”

Khong Wei Teh | Product Optimisation Manager,
Long Term Development Laboratory Asia & Middle East

The standard self-cleaning technology is a 3-coat system. A thin hydrophilic layer of inorganic coating is applied to a conventional primer and topcoat. It usually takes two passes of the coil coating line to apply this system, which is both tricky and costly.

Beckry®Fresh 2000 is a two-coat self-cleaning system. Made with durable and sustainable ingredients, the system provides a high level of hardness which prevents dirt from embedding into the coating. The hydrophilic surface attracts atmospheric moisture and forms a fine film of water on the coating surface which acts as a barrier to dirt. The hydrophilic technology also makes the system self-cleaning, allowing rainwater to rinse off the surface easily taking dust particles with it. The system's thermal control properties maximize surface cooling to avoid the coating from softening in high temperatures and possibly staining.

After long-term exposure at sites in the tropics with high levels of pollution Beckry®Fresh 2000 has proven its worth. The system lowers maintenance costs and extends the service life of the building. It also reduces the amount of water and chemical waste associated with cleaning and the energy required to keep the building at the right temperature. And as a 2-coat system it can be applied in just one pass.

Our Long Term Development Laboratory has been collaborating with sites in China, India, Mexico, Malaysia, United Arab Emirates and Sweden to bring this state-of-the-art technology to the market. It is a prime example of a functionally sustainable product that makes a positive contribution our customers and society.

[!\[\]\(1c70f21f694d12b9fc928edb998ea27b_img.jpg\) Our highlights and progress](#)

DEVELOPING TOGETHER

Water-based paints help Czech customer lower VOC emissions

The close cooperation with a Czech client led to the development of a more eco-friendly paint.

Okula Nýrsko a. s., a Czech manufacturer of plastic molded parts for the electronics, automotive and pharmaceutical industries, approached Beckers Germany in 2018 looking for a water-based paint solution. Okula Nýrsko needed a coating for a coffee machine they were developing for the home appliances company BSH. Their current supplier could only offer solvent-based paints.

The Beckers team proposed its monolayer system BJ 76. The product has a VOC of less than 10 percent. This is very low for the kind of effect silver paint Okula required and represented a clear advantage over the competitor's 2-layer solvent-based paint.

The Beckers team worked with Okula Nýrsko to match colors and test the paint system against BSH's specifications. BSH gave Okula Nýrsko approval to proceed with trials on original parts just as the first wave of the pandemic hit



Katrin Schlebrowski and Markus Wieler do a visual quality inspection of the innovative water-based system.



and travel became near impossible. Nevertheless, the trial run was a success and Beckers is now supplying its water-based paints on a regular basis to Okula Nýrsko. It has also started development work on three further projects.

The paints have a much lower solvent content than solvent-based products and can be diluted with deionized water instead of solvents. VOCs in general have a negative impact on climate change and therefore harmful emissions are reduced by using low VOC paint systems. Developing low VOC paints and working with customers to enable them to use these paints in their products is therefore a key part of Beckers' 2030 Sustainability Strategy.

CLOSE COOPERATION

Pushing the limits with innovations in bio-based and recycled products

After years of perseverance, the Beckers team produced the first ever bio-based smooth polyester topcoat for Hydro in Homestrand, Norway.

It was a dark winter day in November in the Norwegian fjord, the lights burned brightly in the facilities of a coil coating line, where line trials for the new topcoat were taking place. The results beat expectations. The achievement was possible thanks to a close collaboration between Beckers sites as well as suppliers and customers.

The binder was developed by the Beckers Long Term Development Laboratory in the UK. A series of different binders had been evaluated over seven years. Finally, one was found that not only met requirements such as R_{UV} classification and hardness, but also had approximately 30 percent bio-content. In 2020 the resin

was outsourced, upscaled and produced by one of Beckers' suppliers and finally delivered to Beckers Sweden in September.

A Beckry®Pol paint based on this resin was developed in two existing shades – a brown and a white. These were manufactured at Beckers Sweden in Märsta and then delivered to the customer in early November. The products showed good run-ability on the line and were visibly superior to current products with regard to flow and finish. Combined with Hydro's product CIRCAL 75R, which has a certified recycled content of more than 75 percent, this represents a big step towards lowering the carbon footprint and improving the environmental profile of our customers' products.



The bio-based topcoat is part of ongoing efforts by teams across Beckers to introduce partially bio-based products to the market and promote the penetration of products based on renewable and recycled components throughout the value chain. We will continue to pushing the limits with the ambition of becoming the market leader of green products.



Sample of the Beckry®Pol coating that was tested at Hydro in Norway.

INTRODUCING BECKRY®LUX

Breakthrough radiation curing technology for coil coating

Beckers has been working for many years with its partners to develop more sustainable paints.

The development of radiation curing technology represents a real step change in environmental terms and Beckers France has been chosen to be the first supplier for the industrialization of this technology for the coil market.

Two irradiation processes are currently used in the industry for the radical polymerization of paints: ultraviolet (UV) radiation and the electron beam (EB). Both have advantages, including the speed of crosslinking, compatibility with heat-sensitive substrates and the reduction in energy consumption compared to traditional drying methods.

Through many years of development, Beckers France has acquired a strong knowledge in this technology. Together with steel customers, Beckers has carried out a large number of pilot line trials since 2005 to develop and fine tune UV/EB products.

Advantages

Product side	Process side
+ no solvents (no VOC)	+ on/off process
+ formaldehyde free	+ no solvent incinerator
+ high product yield	+ no heat release
+ no yellowing	+ energy savings
+ high thicknesses possible	+ ease of adaptation
+ high coverage	+ line speed

Radiation polymerization not only eliminates many of the solvents required for traditional processes and therefore helps manufacturers to comply with VOC regulations, but the product is also formaldehyde free while meeting market performance requirements such as high product yield, no yellowing, high thicknesses and high coverage.

The process also has advantages in terms of sustainability. As there is no need for a solvent incinerator or heat release, energy savings can be made that translate into a significant reduction in the product's carbon footprint.

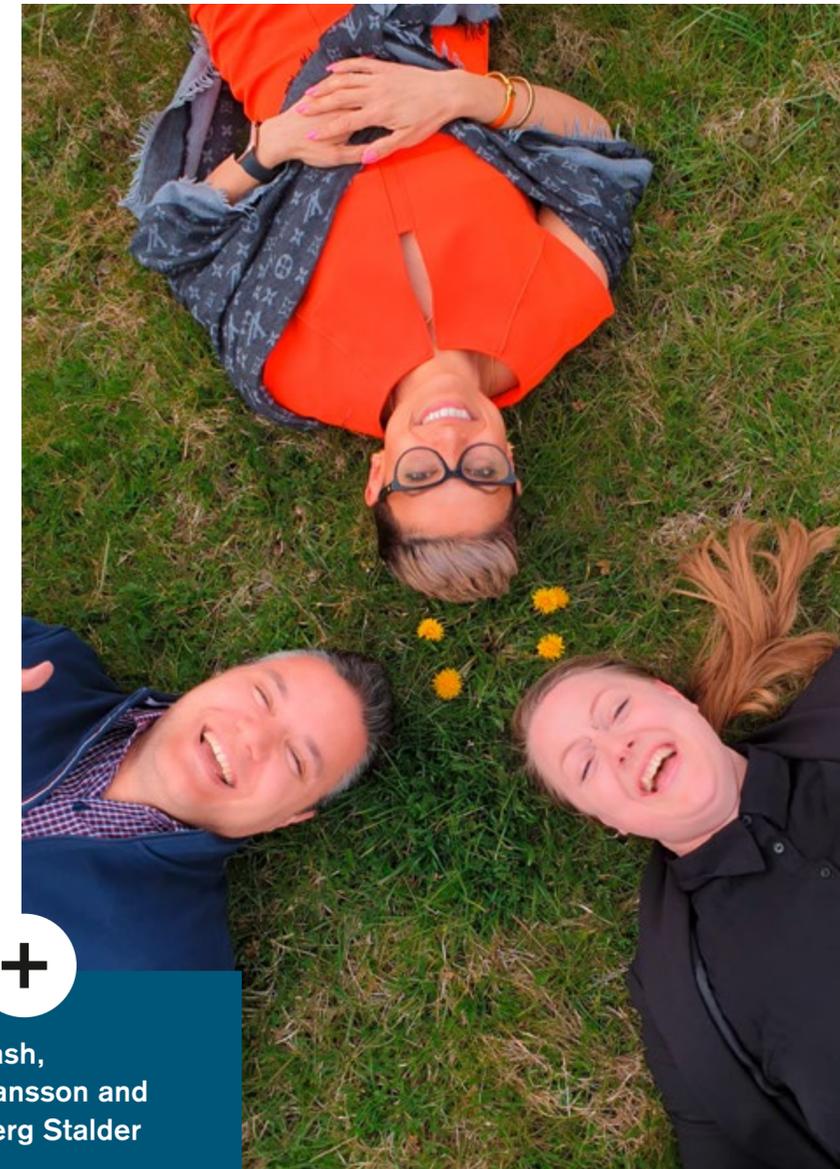
Some of Beckers' customers are now exploring the possibilities of the radiation curing technology. Metal coating with radiation curing still only represents two percent of the total market share. By replacing solvent-based topcoats with products that use UV/EB technology, there is the potential to achieve significant gains in terms of sustainability.

EMPLOYEE ENGAGEMENT

Sustainability Award

The Beckers Sustainability Award in the category **Products with impact** was assigned to Vanja Dahlberg Stalder, Ibrahim Tabash, and Miranda Johansson for the production and line trials of partially bio-based products.

The Coil Coatings Team at Beckers Sweden has been pushing hard to develop more sustainable coil products and has succeeded in generating bio-content of around 20 percent. The aim is not only to increase awareness of Beckers' sustainability profile but also to enable a penetration of "greener" products through the value chain.



Ibrahim Tabash,
Miranda Johansson and
Vanja Dahlberg Stalder



“The line trial and bringing the partially bio-based products to the market was a huge success for us and is extremely exciting. The use of bio-based raw materials is a conscious step we need to take to get closer to our 2030 sustainability targets. Winning the award is an honor for us!”

Vanja Dahlberg Stalder | Technical Account Manager

Beckers Sweden used a partially bio-based polyester resin developed by LTD UK in the production of standard polyester topcoats as part of their renewable coatings project. The resin was custom-manufactured and delivered to Beckers Sweden in September 2020. Two shades were developed, produced and then run successfully on Hydro's line in Norway in November.

Given their own ambitions to meet today's environmental targets, Nordic customers see great potential in moving towards bio-based products.

Reasoning of the jury

The Swedish team is awarded for its adaption to the market and the line trials with the customer. Substituting fossil-based ingredients with renewables is a big challenge for our products. The team collaborated with many stakeholders along the value chain, from resin suppliers to the customer. When these products are taken up by our customers it will significantly improve the environmental footprint of their products. This is a major step forward towards our goal of 50 percent net-sustainable products.

People with impact

In 2020 we supported our colleagues and communities to thrive as we work together for a more sustainable future. Our Social Sustainability Roadmap, introduced in 2018, became the fundament for the 2030 Sustainability Strategy goals and is designed to help our employees progress. **By 2030, we aim to be the top employer and go-to partner for sustainability.**

Our goals

- Inclusive, gender-balanced organization
- Engagement in line with top performing companies
- Role model of well-being
- Socially engaged business

- + Taking care of our employees through the Covid-19 pandemic
p. 35
- + Fostering a behavior-based safety system
p. 37
- + Diverse teams drive innovation
p. 39
- + Establishing a strong feedback culture at Beckers
p. 43
- + Engaging in communities around us
p. 45
- + Our engagement with Global Child Forum
p. 48
- + Sustainability Award
p. 51

Our approach

GRI 103/401
GRI 103/403
GRI 103/405
GRI 103/
Training and
Education
GRI 103/Local
Communities

What	How
Our employees are motivated, happy, and empowered.	<ul style="list-style-type: none"> + Establish a unique culture based on our values. + Actively work on engagement, leadership, and team spirit, conducting regular employee surveys with strong action plans. + With an environment that prevents discrimination and thrives on diversity of individuals.
Our sites are role models for well-being.	<ul style="list-style-type: none"> + Foster a robust system of safety focused on behavior that results in zero accidents. + Systematically address physical and psycho-social risks for all employees and create a health plan with proactive measures for each site.
We stand for purpose-driven community and social engagement.	<ul style="list-style-type: none"> + A well-developed procedure of neighbor dialogue and active community engagement. + One global cause and partner with NGOs to make a difference. + Encourage employees to participate in working on our cause.

Employees need impact

Our employees are the driving force behind our success. We are striving for a diverse workforce with equal opportunities for each and every employee. The health, safety and well-being of our employees, partners and customers is of ongoing, critical importance, and we endeavor to reduce the number of accidents or incidents worldwide to zero.

We care about the professional development of our employees whether they work in our boardroom or at one of our factories. We believe it's important that everyone – no matter their role within the company – benefits from our value-based approach to learning and development and the investments we make in their continuous development.

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.

+ UN Sustainable Development Goals





“The simplest way to boost development is ongoing feedback, to learn about your own strengths and possible blind spots, and to match it with your self reflection.”

Judith Jungmann | Chief Human Resources Officer

We started rolling out our sustainability strategy across the company in fall 2020. It is essential to get all employees on board and engage them in sustainability. To do this we organized kick-off meetings with important internal stakeholder groups which provided valuable insights regarding potential opportunities and challenges.

The last Beckers Employee Engagement Survey indicated that our employees would like more opportunities to develop. We started with the foundation of development: getting regular feedback. With this we are establishing a strong feedback culture through frequent one-on-one Check-In Conversations between every employee and their manager. 📌 **Establishing a strong feedback culture at Beckers**



Frequent feedback from their managers helps all colleagues better understand their role and performance.

WELL-BEING

Taking care of our employees through the Covid-19 pandemic

The safety of our colleagues always has the highest priority.

GRI 103/403

In 2020 we reacted quickly to the pandemic and, as a result, had a relatively low number of Covid cases throughout Beckers. At the same time, we managed to keep the business running with only temporary site closures in spring.

Wherever possible colleagues have worked from home. For those who had to work on site, protection equipment is provided, and sanitary plans are in place and adhered to. Those measures included, for example, taking temperatures before work on all sites and separate shifts without overlap. General well-being also played a role, in Sweden for example regular pulse surveys added to the feedback that employees give in their Check-In Conversations.



To prevent the spread of Covid-19, protection measures such as taking the temperature before work have been implemented on all sites.



From left: Operations Manager Uwe Strang, Mayor Erik Lierendfeld and Global Director Procurement Dr. Thomas Lüder

Local EHS coordinators have been supported throughout by a global task force, with different measures required in each country depending on local rules and regulations. Our internal communications platform myBeckers was used as a hub for information in the local language and to distribute video messages from the top management as well as best-practice interviews with site managers.

Playing our part in tackling the global crisis

At Beckers we not only did our best to ensure the safety of our own staff throughout 2020, our employees at sites across the world also contributed to the global effort to stem the spread of the pandemic.

In February, Beckers Guangzhou site in southern China set up an emergency medical equipment production team to help a customer manufacture urgently needed medical equipment including ventilators and monitors. The equipment was sent to the parts of China worst affected by Covid-19.

From April on, Beckers in Sweden began the small-scale production of Beckry®Hand, a hand disinfectant based on the WHO's formulation and guidelines. Meanwhile, Beckers France donated protective masks to Montbrison's hospitals and the ADMR nursing home association, and Beckers Dormagen in Germany donated 2,000 protective face masks to local and smaller institutions, such as kindergartens and care services.

ROLE MODEL OF WELL-BEING

Fostering a behavior-based safety system

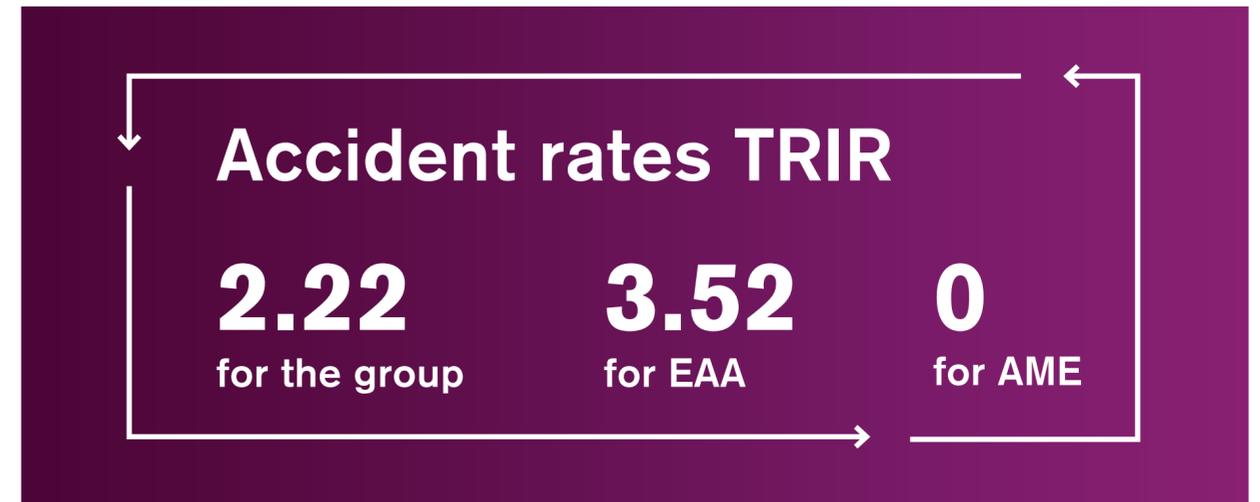
Our accident rates have been at a very low level for some years now, but our goal is of course zero accidents. Therefore we are emphasizing this topic in 2021 again, with a special focus on safety reporting and behavior training.

Safety anniversary in Poland

Our site in Poland had a special anniversary: 10 years without Lost Time Injury (LTI). How did the team achieve this? Several reasons: dedication, culture of work discipline, and effective management, but also plant design, ergonomic solutions, daily housekeeping, and effective maintenance.

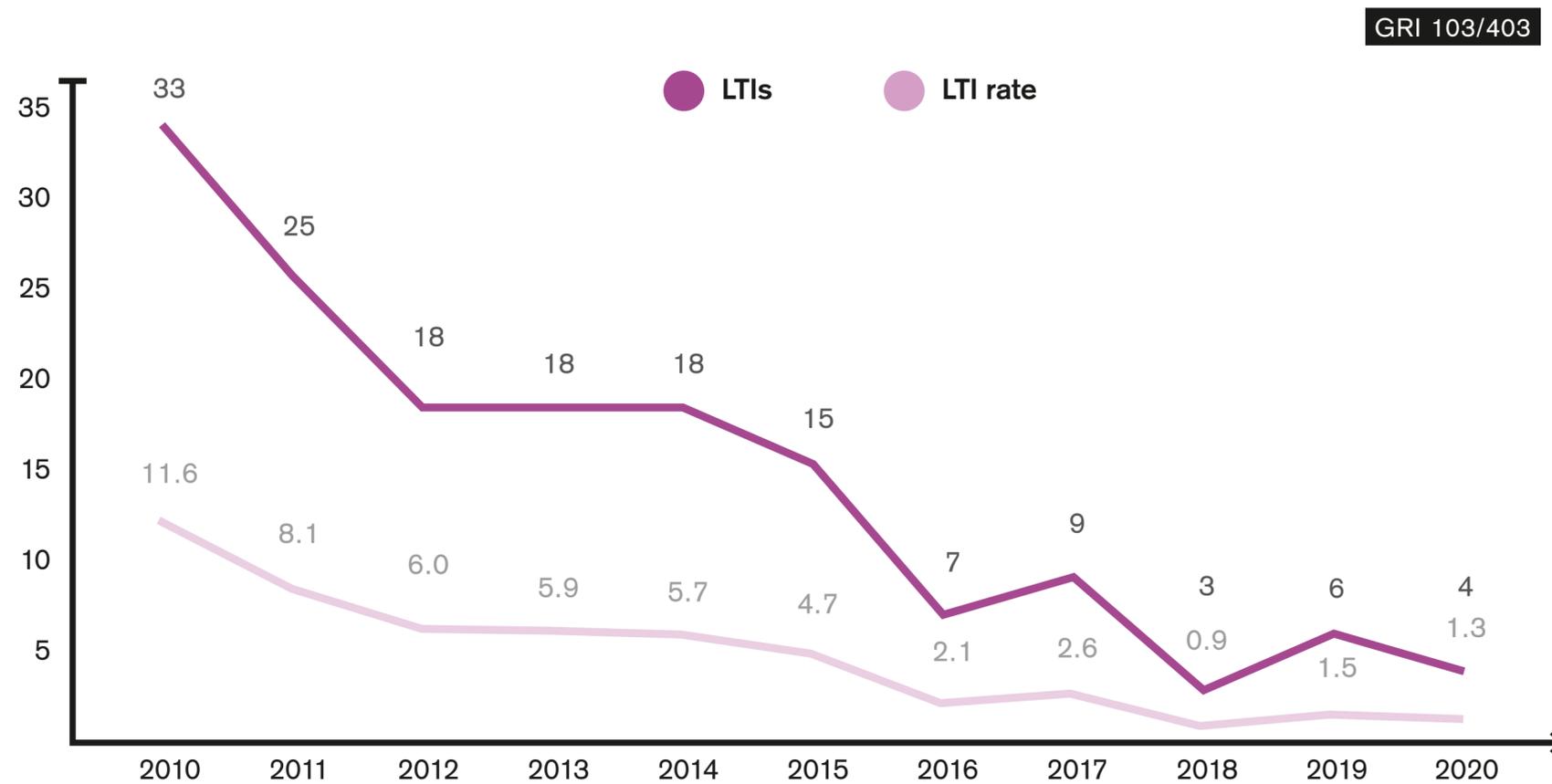


Watch the anniversary video



While in 2020 our absolute focus was on keeping our employees safe from Covid-19 with local measures and global best-practice sharing, we also consolidated our robust system of safety and continued to focus on zero accidents. Safety observations play a key role providing our colleagues with a safe work environment. If risks are identified early on, accidents can be avoided. Our safety reporting mechanism provides every Beckers employee with a centralized platform to report on safety observations and near misses and we have seen some good results in this regard. All safety reports are tracked and distributed to all country heads on a monthly basis, who then can in turn investigate and deal with issues as quickly as possible to avoid repeating any exposure to risk. A strong safety culture encourages employees to continuously report safety observations.

Lost time injuries/LTI rate



Moving from LTI to TRI reporting

With this 2020 Sustainability Report, we are introducing next to our LTI (lost time injury) our TRI (total recordable injury) rate. Recordable injury means the sum of reported lost time injuries, medical treatment injuries, and alternate duty cases. We believe this will help us to identify risks more accurately and establish more robust responses to accidents that occur.

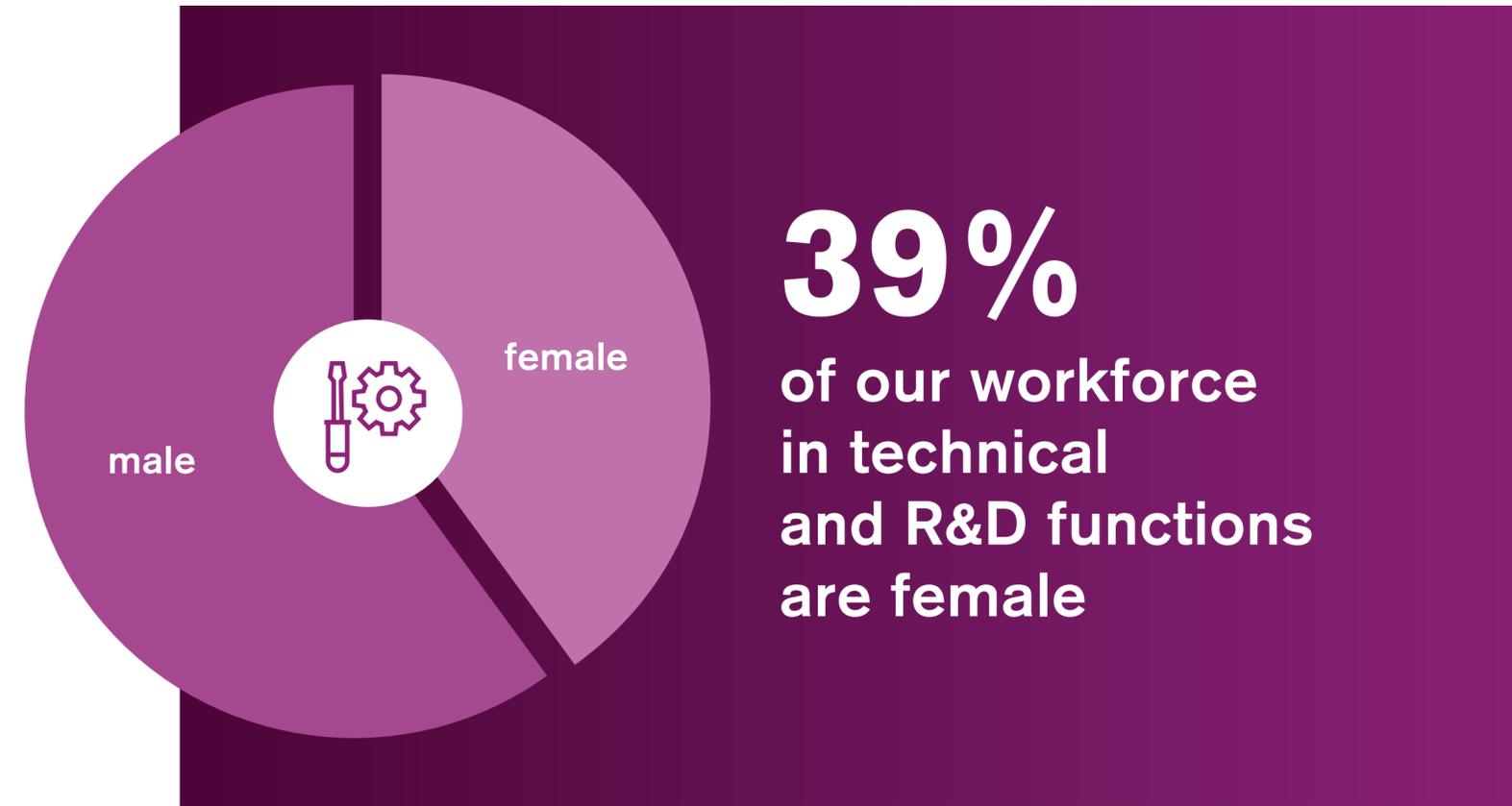
GLOBAL BENEFIT

Diverse teams drive innovation

Gender diversity is an opportunity for every company and one of our key strategic goals within our 2030 Sustainability Strategy. Here are some great examples from four of our sites.

GRI 103/405
GRI 405 – 1

As a coatings manufacturer, we are especially proud that 39% of our workforce in technical and R&D functions are female. However, we know there is more we can do. We aim to become an inclusive and gender-balanced organization that provides a safe work environment where our diverse workforce can thrive professionally as well as personally. For the last two years, we have therefore been training our HR managers in unconscious bias in recruiting, which creates awareness from the beginning of the hiring process and embeds behaviors that will further level up our gender diversity. We have established regular reporting on gender of our new hires and, in 2021, we will go further and analyze fair pay in all countries. Making further progress toward diversity is an ongoing priority for our top management. We measure and closely monitor our progress and, during the last few years, have achieved some good results. Since 2015, our gender diversity rate has increased by 19% among new hires; in 2020, 40% of all new hires were women.



+
Gender diversity throughout the company is an ongoing priority for all Beckers sites.

“One of the biggest benefits of having a diverse management team is the variety of viewpoints we access when discussing business challenges. The team here is creating new solutions by looking into the union of several viewpoints rather than taking any one person’s solution.”

Jethro Montzka | Vice President Americas

Beckers US and Beckers UK – Diversity in management

57% female and 43% male – that is the gender balance in the Beckers US management team. When it comes to diversity, gender is not the only metric. Beckers in the US are also supported by a personality profiling tool and are educating themselves about different personality types. Drawing on their wide breadth of experiences and training in self-awareness, the team creates unique solutions to old challenges. Even when a team member may not be a subject matter expert, their perception of a problem can point the way forward. Diverse teams constantly challenge each others’ stories about particular situations. Combined with open-mindedness and an atmosphere that encourages curiosity, excellent outcomes are a natural result.

The management team at Beckers UK today consists of five men and three women. Just over three years ago, it was all male. Achieving this balance was a key aim of the company because of its lighthouse effect. Through targeted promotions and recruitment, the team is now more balanced and is benefiting from the advantages that diversity brings. **Jared Ireland, Managing Director of Beckers UK**, believes that the blend of experience and gender within their management team has promoted collaboration and improved the way we solve problems. “We benefit from the different insights and have been stretched to think more critically and creatively,” he says.

Beckers Sweden – Diversity in operations

They call it the winds of change in Sweden – it permeates business, society and all of Beckers Sweden. For several years now, we have employed more and more women in operations at our site in Märsta. This mixture is enriching Beckers. Colleagues feel seen and heard for their competence, rather than their gender, and are encouraged to value diversity. The benefits are a better working climate, more empathy and cooperation, and a greater tendency for people to help each other. The management team for operations in Märsta is 50/50 female and male managers.

Production Manager Åsa Mattsson believes that having more women in the Operations team not only benefits the working climate but also improves efficiency and helps in handling conflicts. In the past, the heavy work and working hours might have put women off Operations. Now, heavy lifting is supported by machines and the availability of childcare has opened opportunities for women. What is more, women see the impact other women have, and that makes the job more attractive. As a result, more women have joined Operations.



19%

women in management positions



26% (25% in 2019)

of all employees are female

40% (33% in 2019)

of all new hires are female

Beckers Vietnam – Diversity in the lab

Gender diversity is very important in our day-to-day business, not only in management and operations but also in our labs. A good example of this is in our Vietnam business. Lab assistants used to be predominantly male. Today, 55% of the lab assistants at Beckers Vietnam are women. How did this change happen? The local team improved the working environment by, for example, reducing Volatile Organic Compounds (VOCs) and educating employees about health and safety. This has removed some of the concerns that women had about the job. In addition, by making changes to the hiring process and granting more flexibility to allow for a better work-life balance, Beckers Vietnam have made the role more attractive to women. Today, work that requires travelling to the customer's site is allocated to those members of staff who have more flexibility. These measures, together with the improved gender balance, have increased efficiency and reduced staff turnover significantly.



The Lab Assistant team in Vietnam.



“It’s a big challenge to achieve gender balance. I strongly believe we need to create the environment and change some processes to get an optimal result.”

Desmond Chong | Vice President Malaysia & Vietnam

FEEDBACK CULTURE AND EMPLOYEE GROWTH

Establishing a strong feedback culture at Beckers

Our employees told us they wanted more frequent feedback from managers and opportunities to grow.

In response, we have introduced a system of frequent one-on-one Check-In Conversations between every employee and their manager. Ongoing feedback is the simplest way to boost development. It enables every person to learn about their own strengths and possible blind spots. Everybody can match it with the own self-reflection to grow.

The objective is to create a simple but focused dialogue format to stimulate employee self-reflection and feedback together with their manager.



“I am so proud of our launch of the feedback culture: almost every employee had a Check-In Conversation in 2020!”

Judith Jungmann | Chief Human Resources Officer

94%
of all employees had at least one feedback conversation

883
hours spent on team efficiency training in 9 languages

How are you? How do you feel?

1. Clarity of role and targets:

What am I responsible for, what is expected?

2. On performance and fit with values:

What do I do really well/best?

3. Performance and fit with values:

What do I need to improve?

4. What do I need from you/my boss?

Managers hold conversations with each of their employees on a quarterly basis. The conversations are documented digitally in the myBeckers internal system. Both managers and employees are provided with information in advance to ensure everyone is clear about the objectives of the conversations, how they should be conducted, and what to do with the outcome.

The Check-In Conversations have established an essential feedback channel between managers and their team members. They provide employees with clarity about their role and responsibilities, as well as feedback on their performance. For managers, they provide an opportunity to gain valuable insights from their team.

The importance of a feedback culture during the Covid-19 pandemic

With many of our employees working from home during the pandemic, the digital Check-In Conversations have been an essential feedback tool. Although video Check-In Conversations are not a perfect replacement for face-to-face meetings, they do provide essential manager-employee interaction.

Employees and managers alike appreciated the simplicity of the format and said it had enabled them to gain new insights and understanding of their colleagues.

Supporting employees to learn and grow

Trainings that were rolled out globally in 2020 included sessions on team efficiency, feedback culture and Check-In Conversations. There was a leadership training pilot at Beckers Germany and we renewed our anti-corruption e-learning. We had a drop in training hours due to physical trainings that were canceled, postponed or held online in a smaller format.

COMMUNITY ENGAGEMENT

Engaging in communities around us

Beckers has a significant global presence, but we never forget how important it is to be part of our local community.

GRI 103/Local Communities

This was especially important in a year such as 2020, when social differences weighed even more and many charities suffered. We're proud that even in this extraordinary year our colleagues supported a range of local initiatives that help others to thrive. These are some of the programs and projects we have supported.

Many of them might seem like small improvements, but they demonstrate very clearly how change starts.



Our colleagues in Vietnam supported a brittle-bone children's center.

Vietnam

Vietnam is one of the countries that will be most affected by climate change. Beckers has two sites in Vietnam. Our local teams are among the most active when it comes to implementing changes to reduce their climate impact as well as improving the well-being of employees and supporting the communities around them. Their strong sense of togetherness and common purpose shows in their community engagement and in various activities that support the well-being of the local employees.

A team from Beckers Vietnam visited the brittle-bone children's center. They donated two weeks' worth of food, helped to prepare a meal and spent time playing with the kids.

On World Blood Donor Day Event, a team from our site in Nghe An, Vietnam supported local events by volunteering, donating materials and helping to issue blood donation certificates to donors. The Beckers employees also donated blood.

Many people use a motorbike for daily transportation. During the rainy season, road safety is a concern. To improve safety not only at work but also on the way to work, the team designed a special Beckers raincoat, which sends a strong reminder to all road users to drive safely.

During regular "clean hours", all employees help with housekeeping surrounding our factories. The teams have also planted trees and flowers to make the environment greener and fresher for everyone.



All together
in support of
nurses!

France

During 2020, our site in France donated masks for healthcare personnel at Montbrison hospital, several local retirement homes, and other local caregivers. In April, the site nurse worked at the hospital to help support the staff there through a critical time. Employees' children made drawings to thank the medical staff at the hospital for all their hard work and commitment in fighting Covid-19. Beckers employees also made a short movie in the same spirit for the nurses at a local retirement home.

Germany

The local team in Dormagen supported a project called "Dormagen Lerntraining", an initiative to bring individual learning and training support to young people. The local team donated money to this project, in which children and young people are individually supported. They are prepared for school and training through personal and long-term mentoring. Learning trainers or learning companions – some still active in their professional life, others already in retirement – volunteer and bring their life experience to this task. They support the children and young people, for example in the case of school problems through targeted coaching. But sometimes children also need help with difficulties they encounter in everyday life. The learning trainer is there for them personally to help them work through their problems. The project is a cooperation between pupils, parents, teachers and volunteers.



The medical staff in Montbrison hospital say thank you to Beckers.



Italy

The local staff made a donation to “Fondazione Asolo” to support children treated at the pediatric onco-hematological day center at the F. del Ponte di Varese Hospital. The aim of the foundation is to offer children and adolescents with onco-hematological pathologies the most qualified medical assistance and psychological support, to ensure a better quality of life during treatment, and facilitate the healing process.

Poland

Staff cooperated with a local foundation to provide young talented people internships from 3 to 6 months. Staff also raise funds at Christmas to support various local charities, including the animal shelter, a women’s refuge, and an emergency care center for children.

South Africa

In South Africa we supported seven students to study analytical chemistry at Tswane University of Technology in their first semester. In long-term partnership with the non-profit organization Star for Life, we supported Eketsang secondary school in Alberton, Johannesburg. The team also sponsored kits for the Tembisa Ladies Rugby Club.

PRUDENCE IN THE VALUE CHAIN

Our engagement with Global Child Forum

GRI 103/Local Communities

Millions of children around the world lack access to proper education, and many are forced to work long hours under hazardous conditions. The sad fact is that, still today, children are too easily exploited and abused. In 2020 the Covid-19 pandemic only worsened the situation for this vulnerable group. While some look to governments and regulators to solve these issues, businesses can have a huge impact, too. They interact with children every day, as family members of workers, employees and consumers, and as members of communities that are affected by operations and supply chains.

GRI 408 – 1
GRI 409 – 1
GRI 103/408
GRI 103/409

Beckers condemns all forms of child and forced labor. We are not aware of any incidents of child or forced labor in our operations. To monitor the social and environmental sustainability of all our suppliers we use a three-step process and ask our key suppliers to conduct EcoVadis assessments which cover labor and human rights issues. In 2020, our EcoVadis-assessed raw material suppliers covered 82% of our total raw material purchase value. [Driving sustainability through our supply chain](#)



Should any incidents arise, we will take appropriate measures to eradicate all forms of child and forced labor.

At Beckers, we have run a number of charity projects to help children and their families. Beckers employees volunteered for programs in which they wanted to invest time and money to support local initiatives in their countries. One such initiative is the Glassbone Center in Vietnam. Another is Star for Life in South Africa, which motivates learners to invest in their schooling and overall well-being.

Now we want to take a more systematic approach, because we've realized that there is much more to it than just supporting charities and we realized we have more impact on children's lives than just via our supply chain.

In 2020 we started to engage in these issues on a much deeper level. We joined a project initiated by our owner Lindéngruppen and the Global Child Forum. We also took the first strategic steps to putting children’s rights on our agenda. We broadened our understanding of how our business impacts children, raised awareness for the topic among our top management, and prioritized the steps needed to engage with children as stakeholders.

**How to implement a children’s rights perspective:
A workbook for business**

Together with the Global Child Forum and Boston Consulting Group (BCG) Beckers’ parent company Lindéngruppen pledged to develop a workbook to guide businesses on how to implement a children’s rights perspective. The workbook was developed in 2019 and launched in October 2020. It is a comprehensive step-by-step guide to help companies understand how their business impacts the lives of children. At Beckers Group we were among the first companies to start working with it and to give feedback on it.

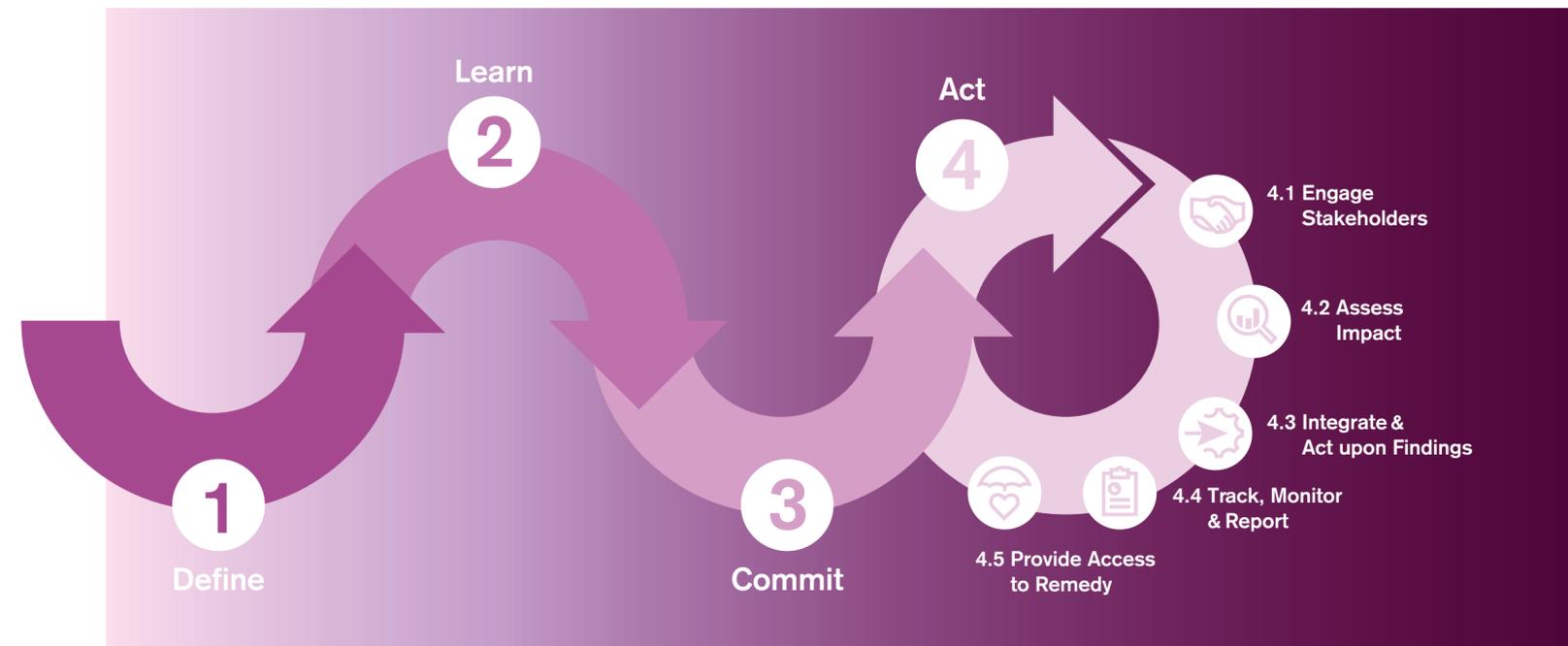


About the workbook

The workbook provides a practical step-by-step guide for companies on how to incorporate children’s rights into existing business processes using available human rights guidance.

What we did

- + Mapped out our overall interactions with, and impact on, children in the workplace, marketplace, community and environment
- + Evaluated the impact our business has on children
- + Identified relevant stakeholders
- + Prioritized potential material Children’s Rights issues
- + Conducted global HR survey regarding parental leave, living wage, health measures and flexible hours
- + Reviewed workbook to give feedback to Global Child Forum





[Read more about the Global Child Forum](#)

Global Child Forum digital action lab

Why does it make sense for companies to engage with children's rights? This and other questions were discussed in October in a digital action lab hosted by the Global Child Forum. Nicklas Augustsson contributed Beckers' perspective.

There are numerous ways in which Beckers as a company has an impact on children well beyond our current main focus on child labor in the value chain. We have defined the most important issues and are now developing a roadmap setting out how we will move forward and prioritize our next steps.

Global Child Forum is a non-profit foundation initiated by the Swedish royal family in 2009 that fights for a sustainable world in which children's rights enjoy universal respect. It is an independent platform for informed dialogue on children's rights and brings businesses and regional and global stakeholders together to foster progress in this field.

Our owner Lindéngruppen is a partner to Global Child Forum and a member of its advisory board. Beckers Group is a member of the GCF Business Sounding Board.

+ **“This work has made us realize at a much deeper level where our impacts on children are and has contributed significantly to our journey towards addressing children’s rights. It helped us to understand our overall interactions with and impact on children in the workplace, marketplace, community and environment.”**

Nicklas Augustsson | Global Sustainability Director

EMPLOYEE ENGAGEMENT

Sustainability Award

The Beckers Sustainability Award in the category **People with impact** was given to Brigitte Vaccaro, Pauline Barou and Anne-Eva Noyel for setting up automatic PPE dispensers for more safety and better access.

They made the lives of their colleagues easier by making the distribution process of personal protection equipment (PPE) at our site in Montbrison, France more efficient and effective through automation. The team set up three dispensers that are available round the clock and placed them strategically at the entrance to the changing facilities. They work like snack machines allowing employees to help themselves to safety glasses, earplugs, gloves, masks and suits as and when they need them. The automated service allows PPE consumption to be directly monitored. Some items can also be ordered via an electronic catalogue. The dispensers display current safety messages and are stacked by ITHAC, a company that supports the integration of people with special needs.



Brigitte Vaccaro, Pauline Barou & Anne-Eva Noyel



“We are happy to have received the Beckers Sustainability Award. Our intention was to make the lives of our colleagues a little safer and facilitate a daily process for them. We hope that this initiative can be used as best-practice example for other sites.”

Anne-Eva Noyel | EHS Coordinator of Beckers France

Reasoning of the jury

The jury gave points for innovation, transferability and improving the safety of our people. Working towards the goal of zero accidents is Beckers' first priority. By making safety equipment more easily accessible and improving the inventory management the project helps us meet this goal. Users mentioned that the level of bureaucracy to get safety equipment was significantly reduced. The colleagues feel better protected and the location was well chosen. Furthermore, in the current pandemic the automated system has the advantage of reducing contact with other colleagues and therefore the spread of the virus.



OUR WINNERS

For the year 2020 we have had the highest number of participants for the Beckers Sustainability Award yet. We are pleased to announce the winners of the annual Beckers Sustainability Award 2020. 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. The Beckers Sustainability Committee makes a shortlist and judges the submissions according to the value they add toward reaching the goals of our 2030 Sustainability Strategy. The committee also takes into account the impact on our business, the level of innovation, the passion and commitment of the team, as well as the transferability of the project and idea.

[🔗 Sustainability Award Products](#)

[🔗 Sustainability Award Operations](#)

We'd like to acknowledge and congratulate all contributors, especially the finalists. We had 30 nominations from 11 sites. This year, for the first time, we have awarded winners for projects in each of the three streams of our 2030 Sustainability Strategy – products, people, and operations with impact.

Operations with impact

In 2020 we worked to positively impact our production and supply chain activities – from reducing transport emissions to investing in the circular economy. **By 2030, our ambition is to have positive contributions from our operations and supply chain.**

Our goals

- 55% CO₂e reduction from our own operations
- 50% CO₂e reduction from third-party logistics
- 75% repurposed waste
- 100% sourcing aligned with our Responsible Sourcing Strategy

- + **Our environmental footprint in 2020**
p. 56
- + **Increased reuse and waste reduction on smaller sites**
p. 60
- + **Driving sustainability through our supply chain**
p. 62
- + **Recognizing sustainability improvements in our supply chain**
p. 65
- + **It's all about the small steps**
p. 67
- + **Sustainability Award**
p. 70

Our approach

GRI 103/302
GRI 103/305
GRI 103/306

What	How
Our sites aim for carbon neutral business activities.	<ul style="list-style-type: none"> + Source renewable energy for our production activities. + Implement energy efficiency programs. + Promote innovative initiatives to minimize the carbon emissions from travel. + Reduce VOC emissions significantly.
Our operations endorse the principles of circular economy: resources are conserved and repurposed.	<ul style="list-style-type: none"> + Strive to eliminate waste. + Reduce to zero the amount of waste sent to landfill. + Repurpose (reuse or recycle) our waste. + Water used as a raw material will be conserved and responsibly sourced. + Implement a comprehensive wastewater management system.
Our supply chain partners globally operate on the basis of the same corporate social responsibility standards as Beckers.	<ul style="list-style-type: none"> + All regular suppliers sign our Supplier Code of Conduct. + All key raw material suppliers are regularly monitored by an independent CSR rating institute. + Selected critical suppliers have successfully passed our audit on their operations and supply chain. + Third parties commit to a significant reduction of CO₂.

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

As a chemical industry manufacturer, energy efficiency and CO₂ footprint are two of our key sustainability topics. To support sustainable development globally, we need to drive energy efficiency across our operations and the transportation of our goods, and we need to use energy from renewable sources wherever possible. In addition, some coatings include volatile organic compounds (VOCs). These not only have a significant impact on the climate, but they may also have an impact on health. We have therefore set targets for reducing greenhouse gases and VOC emissions. Finally, we also have ambitious targets to reduce the amount of waste from our operations and we are seeking ways to eliminate or repurpose waste wherever we can.

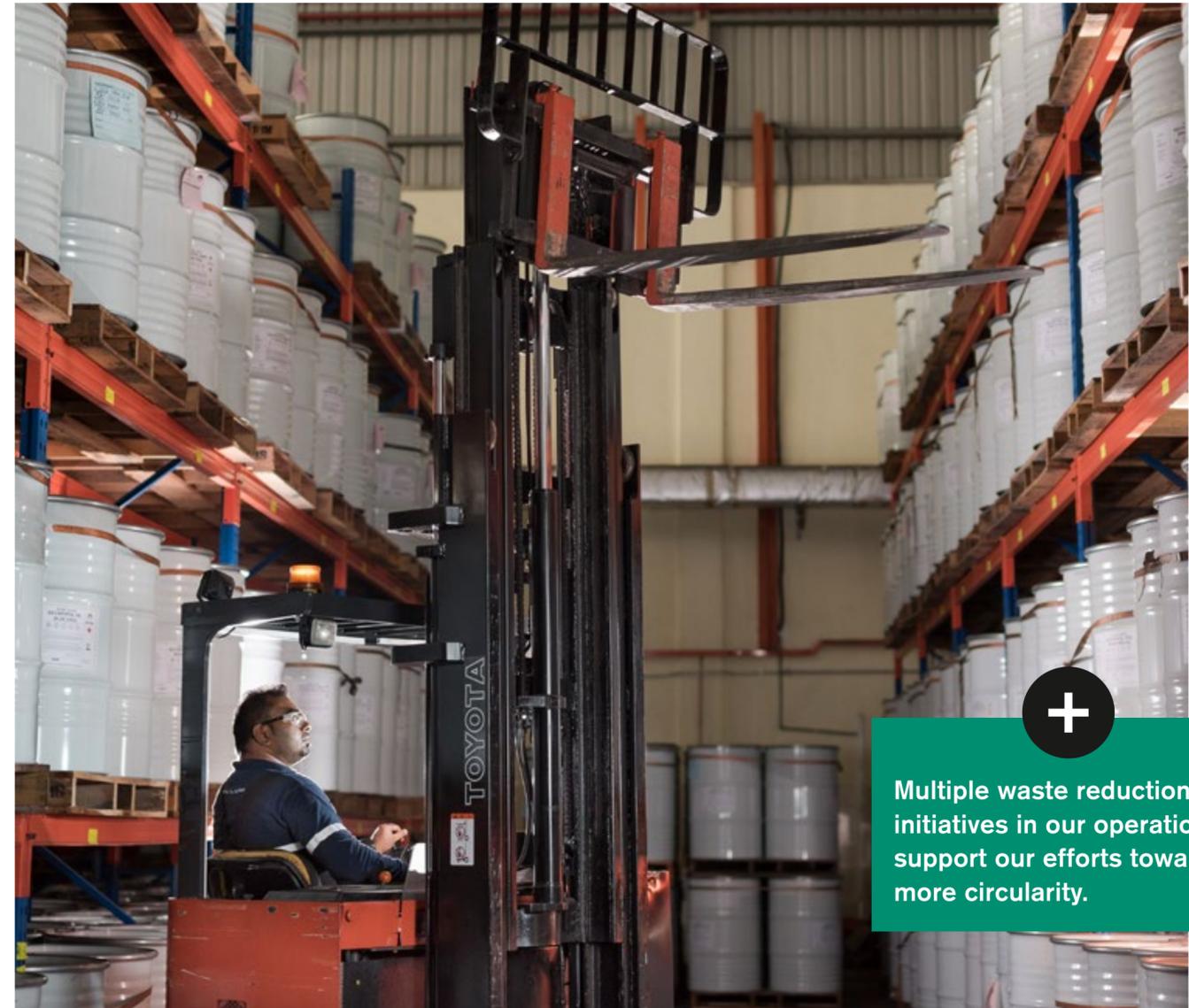
+ UN Sustainable Development Goals





“Operations with impact is an important pillar of our 2030 Sustainability Strategy. Everyone at Beckers must understand how they can contribute to becoming carbon neutral and make progress towards circularity.”

Ridzuan Abdullah | Operations Director Asia & Middle East



Multiple waste reduction initiatives in our operations support our efforts towards more circularity.

TRACKING OUR PROGRESS

Our environmental footprint in 2020

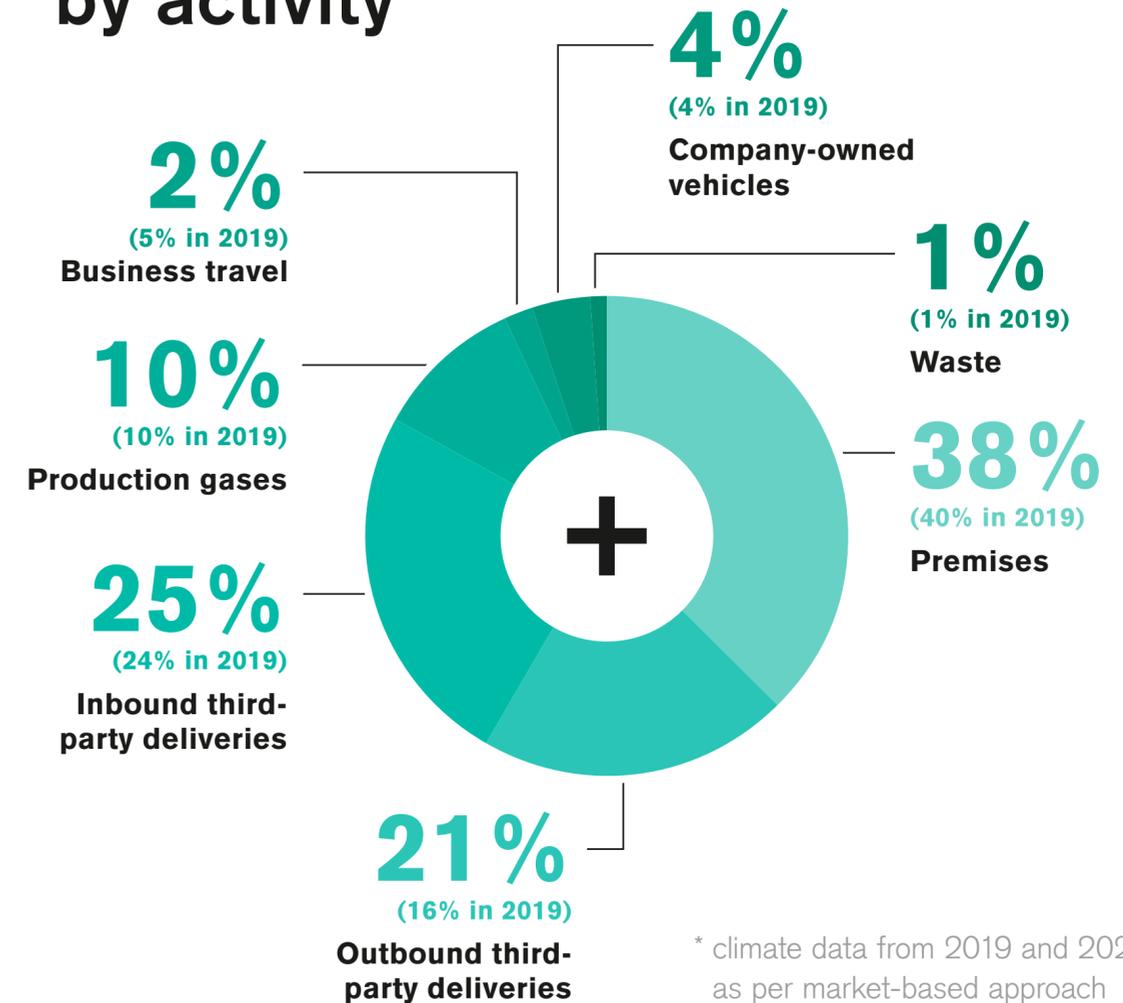
We aim to grow our business while reducing our environmental impact.

GRI 103/305

In 2020 the spread of Covid-19 severely impacted businesses around the globe. At Beckers, we followed recommendations and regulations in each of the regions in which we operate and had to slow down or even suspend business activities for a time. As a result, our production decreased from 170,000 tons in 2019 to 158,000 tons in 2020—a reduction of 8%. In 2020, we had 25 sites to monitor, including our head office in Berlin. 🌀 **It's all about the small steps**

Despite the difficulties associated with the pandemic in 2020, toward the end of the year we were largely successful in restoring production to pre-Covid levels. However, the impact of Covid has been far reaching. It influenced business activities in a direct and indirect manner, causing loss of efficiency and spikes in performance indicators in 2020. In the analysis over the following pages, we look in detail at our environmental KPIs: climate and VOCs, energy and waste. In terms of energy, we look not only at efficiencies but also at the source and provide figures demonstrating the extent to which we have been able to move away from fossil-based to renewable energy in our core and ancillary business activities.

Carbon emissions by activity*



22%

reduction of absolute CO₂ emissions from our own operations since 2013

Our 2020 climate impact

Overall our market-based emissions reduced by 8% in 2020 compared to 2019, from a total of 52,600 to 48,200 tons CO₂e. Reductions in our emissions from switching to renewable

GRI 103/302
GRI 103/305

electricity in our premises – for example at our site in Dormagen, Germany – are most evident in our carbon footprint calculations. Another major contribution to reducing our emissions in 2020 came from business travel, which decreased by 58% compared to 2019 due to the pandemic.

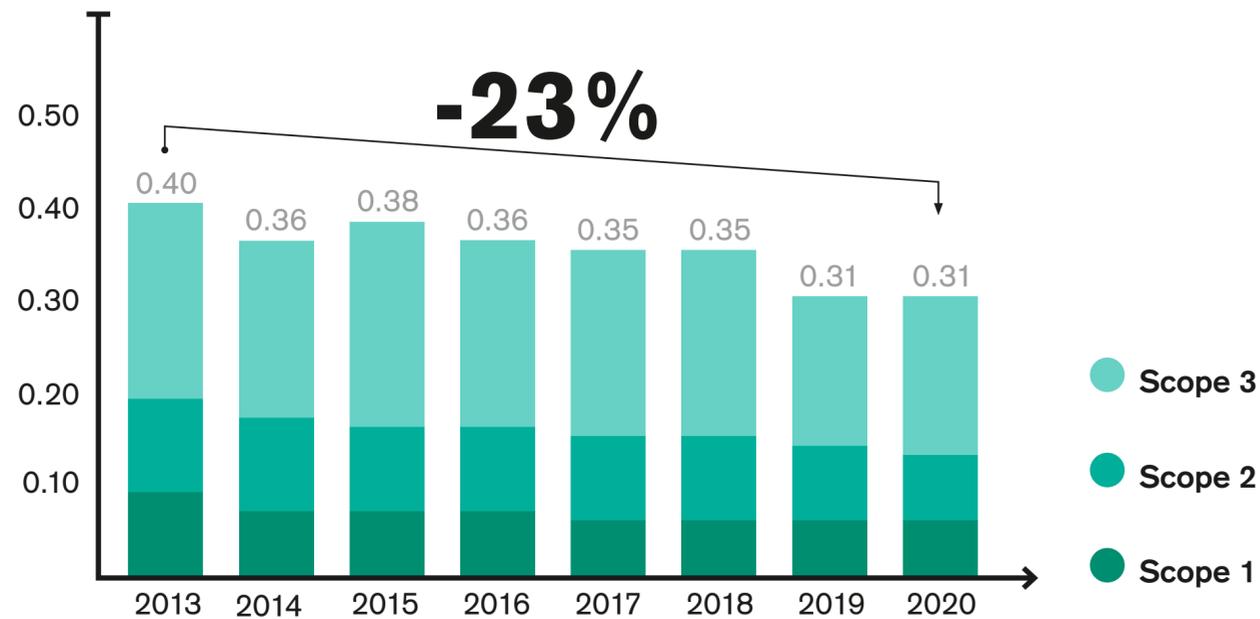
The only business activity where we saw an increase in emissions was outbound third-party deliveries. Here we cleared up some reporting discrepancies from 2019 reporting and adjusted the data collection method. The difference from 2019 to 2020 stems from this.

Emissions from inbound third-party deliveries decreased slightly in 2020. This was due to changes in the supply chain, for example, when sites moved to more local suppliers such as our sites in Malaysia, Vietnam and China. We also optimized systems to improve multimodal deliveries – for example, in Montbrison, France – and switched to sea deliveries – for example, at our site in Nagpur, India.

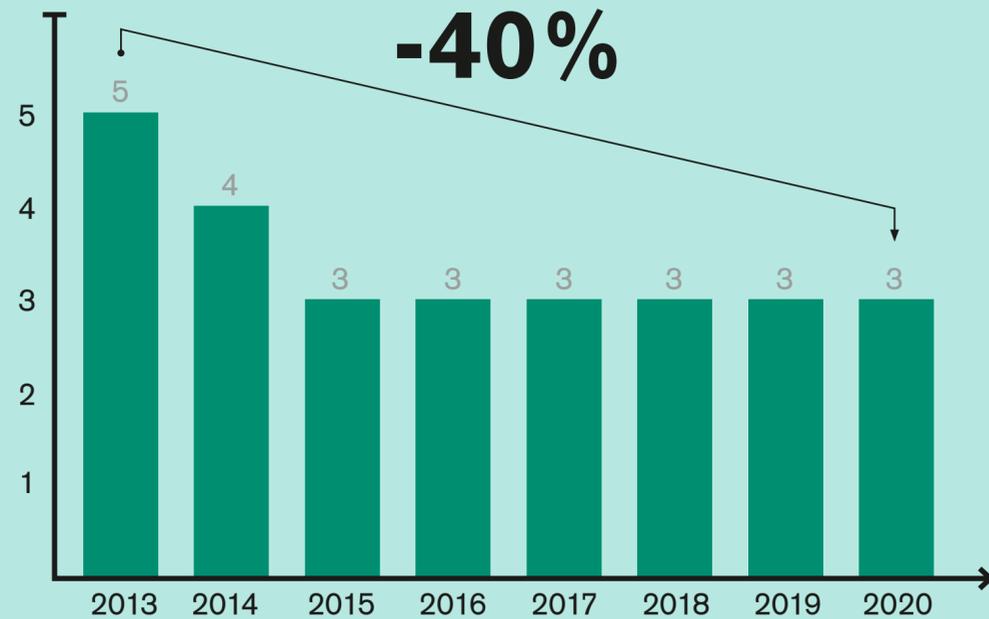
The Emission Factors (EF) we use to assess our climate impact are in the tool **Our Impacts**. These convert units of business activity into equivalent CO₂ amounts. The EFs are constantly updated based on new science and fluid factors such as grid electricity. They are provided by international agencies on climate change, such as the Intergovernmental Panel on Climate Change (IPCC). In line with our Recalculation Policy there is no need to recalculate the base year, since the changes to the emission factors in 2020 do not significantly impact the results.

If you would like to know more about our climate impact, you will find our Climate Assessment Summary for 2020 on our website. For data on our climate and environmental impact, please see the GRI Report 2020. [GRI Report 2020](#)

Carbon emissions intensity, ton CO₂e/ton product



VOC intensity, kg/ton product



471 (503 tons in 2019)
tons VOC emissions in 2020

VOC intensity at same level

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. The 8% decrease in production in 2020 meant that VOC emissions also fell. We also have installed a new VOC abatement system at our site in Guangzhou, China, which has a high capture efficiency. However, this reduction was offset by a shift in our product portfolio towards products that depend on more volatile raw materials, so that we remained at the same level of emissions per ton of product in 2020 as in 2019 on a global level. We are mitigating these effects with various initiatives. In Poland, for example, we introduced a direct pipe connection that reduces the raw materials' contact to the ambient atmosphere, resulting in lower fugitive emissions.

-13%
energy intensity
since 2013

Total energy consumption decreases

The reduction in energy consumption in 2020 was not in line with the reduction in production. While production fell by 8% as a result of the pandemic, energy consumption decreased by only 4%. This is attributed to the increase in both electricity and non-electricity consumption required, for example, for ventilation, heating and air conditioning.

In addition, the installation of energy-intensive equipment such as the VOC abatement system in Guangzhou, China, and new chillers at our site in Vereeniging, South Africa had an impact on our overall energy consumption.

Mitigating against this, work-from-home practices at many sites, investment in an efficient air compressor in Chicago, USA, and proactive measures to reduce consumption during production down-time all helped to reduce energy consumption.

Renewable energy in %



REPURPOSED WASTE

Increased reuse and waste reduction on smaller sites

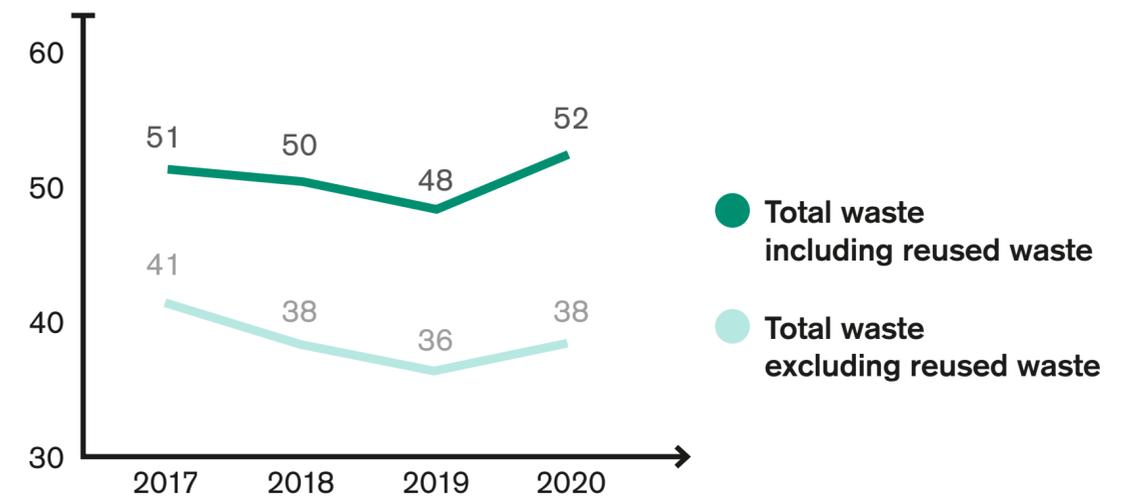
Efficiency efforts and inventory activity impacted our waste results in 2020. We reduced waste by only 1%, compared to an 8% reduction in production.

GRI 103/306

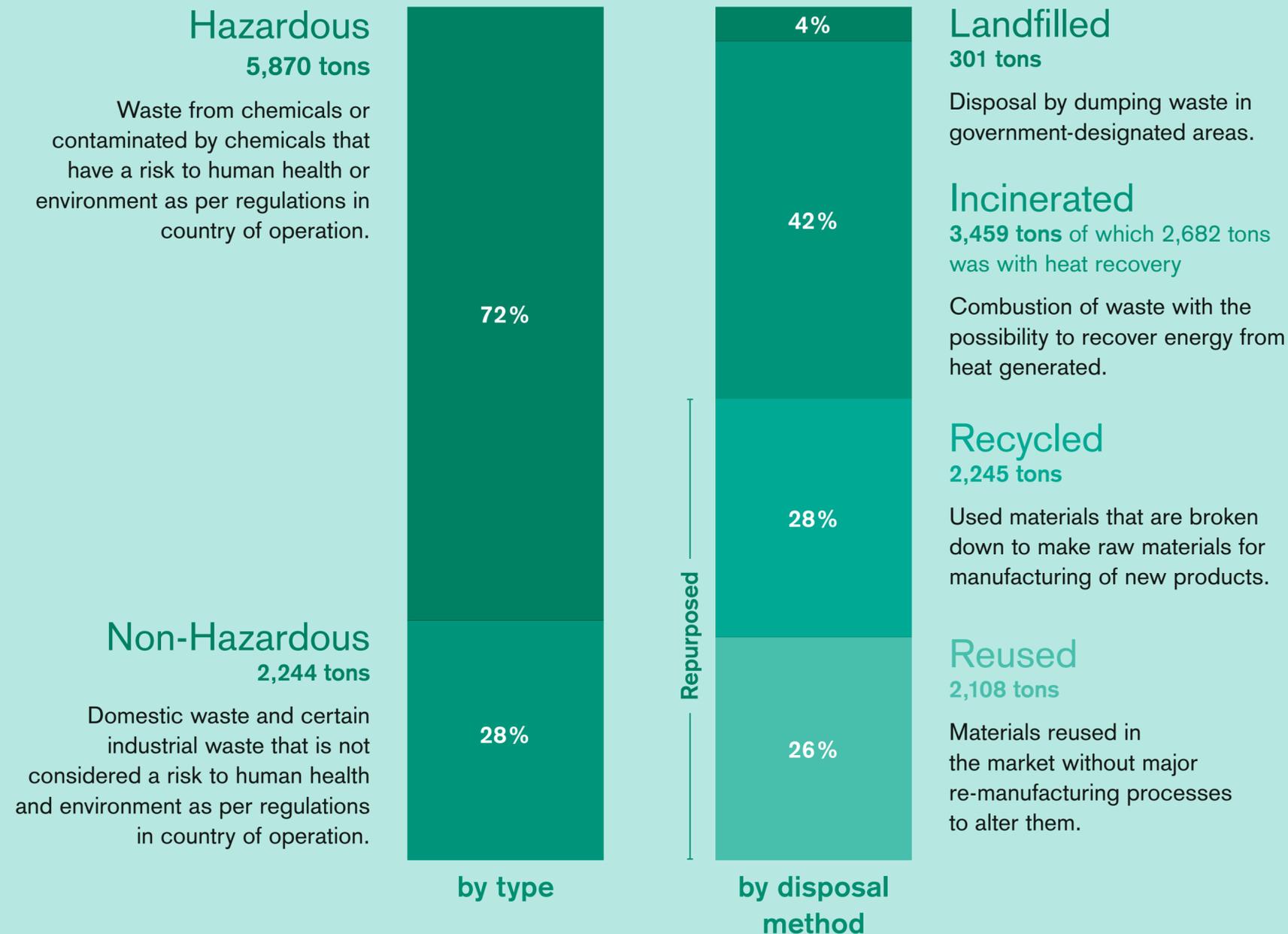
In 2020 we had solid waste reductions on our smaller sites. However, the relatively small reduction in total waste was due to major clearing activity at many sites to dispose of obsolete inventory, for example on a site where a new Enterprise Resource Planning system was introduced.

The decrease in waste we saw on some of our smaller sites can be attributed to them starting to produce more locally. Therefore, for example, less packaging material was used.

Waste intensity, kg/ton product



Total weight of waste



Focus on repurposing of waste

At Beckers we aim for reused or recycled waste, which together is defined as repurposed waste. In 2020 we succeeded to move in the right direction and increased the total amount of repurposed waste. This was because several more of our sites have increased the amount of waste that is reused since some sites started to reuse packing material such as drums and Intermediate Bulk Containers.



CHAIN-UP

Driving sustainability through our supply chain

82% (78% in 2019)
of our total raw material purchase with suppliers assessed by EcoVadis

75% (68% in 2019)
of our total raw material purchase with suppliers approved for their CSR approach



Watch the ChainUp! video

At Beckers we take a holistic value chain approach to sustainability.

GRI 102-9

Our suppliers have a significant impact on our own performance, so it is important that we monitor and evaluate them too. Our goal is that, by 2030, 100% of our supply chain partners globally are aligned with our responsible sourcing strategy. We use a three-step process to monitor the social and environmental sustainability of all our suppliers and empower them to improve their performance.

Three-step process for responsible sourcing

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 our over 3,000 accredited suppliers that support us at different locations around the world. To do this, we use a new collaborative tool which helps our sites manage the process locally and monitor the status of every single supplier.



“More than 80% of Beckers’ global spend is in direct materials, meaning raw materials and packaging. Coating formulas are quite complex, typically using 10–15 components and all the raw materials come from the global chemical industry, mainly fine chemicals...”

Dr. Thomas Lüder | Global Director Procurement & Supply Chain Management

In 2020, 89% of our external global spend was covered by suppliers that have declared their adherence to our Supplier Code of Conduct. This code is now a fundamental part of how we communicate and collaborate with our suppliers.

Step 2: Conduct third-party assessments

We ask all our key suppliers to conduct EcoVadis assessments. EcoVadis is a global provider of sustainability ratings. Its ratings cover a broad range of non-financial management systems including environmental, labor and human rights, ethics, and sustainability procurement impacts. These are rated via in-depth assessments that require suppliers to provide proof for each of their claims. A supplier must score a minimum of 40 points in each of the four segments of the assessment to achieve the Beckers 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 2020, our EcoVadis-assessed raw material suppliers covered 82% of our total raw material purchase value (up from 78% in 2019). Our approved suppliers’ purchase value was 75% (up from 68% in 2019). This is already a substantial improvement: we originally targeted 75% for 2024.

Together with EcoVadis, Beckers published a case study to demonstrate how medium-sized companies can lead sustainable procurement. More details about the case study can be found on the EcoVadis website.

Step 3: Conduct in-house audits

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



Read more about Beckers' EcoVadis case study

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 quality control and sustainability performance.

We share proposals for improvement and request action plans within a specific time period. This approach has brought about remarkable improvements.

[🔗 Recognizing sustainability improvements in our supply chain](#)

Unfortunately, due to the pandemic, we had to postpone the two audits scheduled for 2020 – and the situation is still difficult. Audits could not be carried out virtually as they involve onsite visits to inspect the supplier's process controls, including quality, sustainability, and continuous improvement.

In 2019, for the first time we have nominated a supplier that made major progress for the Beckers Supplier Award. In this article we introduce the winners for 2019 and 2020. [🔗 Recognizing sustainability improvements in our supply chain](#)

...We have quite a large number of suppliers, and the volume procured from each of them is sometimes small – this makes the process of implementing sustainability practices in the supply chain rather complex. Nonetheless we are making great progress.”

Dr. Thomas Lüder | Global Director Procurement & Supply Chain Management

BECKERS SUPPLIER AWARD

Recognizing sustainability improvements in our supply chain

The Beckers Supplier Award honors suppliers for their efforts and commitment to improve the sustainability of their operations.

Beckers relies on raw materials developed, manufactured and delivered by our suppliers. Our upstream supply chain is a big part of our success and our environmental footprint. We want to inspire all our supply chain partners to work with us to create a positive impact on our industry globally. This is the inspiration for our annual Beckers Supplier Award.

Our procurement team has worked closely with our suppliers to track and improve the sustainability of all the raw materials we use. We believe firmly this is the most effective way to achieve our sustainability goals. The process begins with an assessment followed by the creation of a road map of actions for improvement.



Close collaboration with suppliers is key to reaching our sustainability goals.

This is now an integral part of our supplier management process. We call it Chain Up!'. [Driving sustainability through our supply chain](#)

Together with EcoVadis, we have invited critical suppliers to carry out an online assessment of their sustainability management. The minimum standard we are looking for is 40 points in each of the four subcategories – environment, labor and human rights, ethics, and sustainable procurement. We have adopted the EcoVadis online assessment as a standard tool to evaluate our raw material suppliers and believe it could become a standard solution to improve sustainability across our industry. Indeed, many of our key partners are already using EcoVadis and have now reached the sustainability threshold that we have set.

We recognize how much work is required to reach this threshold. To acknowledge these efforts, we have established the Beckers Supplier Award. It is intended to show our appreciation to the supplier that has made the most progress.

We work with outstanding partners at Beckers and appreciate their efforts and commitment. We hope that more of our suppliers will join us in this journey in the coming year. The Beckers Supplier Award will be made on an annual basis and the winner announced in the Beckers Sustainability Report. The award underlines our belief that through collaboration and communication we can push sustainability standards across the industry.

Crest Resin – Beckers Supplier Award winner 2020



This year's winner is Crest Resin from India. Crest Resin is the leading supplier of resins to the coatings and related industries in India and the leading supplier of polyesters to Beckers in India. The company also plays an important role for the business in the Gulf region and in Bangladesh.

The winner was chosen in a poll of our purchasing managers at our annual global procurement meeting. The candidates included all suppliers who had succeeded in improving their EcoVadis score during the year and reached the minimum threshold required.

Crest Resin was selected by our team because it had proved itself in sustainability management and showed willingness to expand its business with Beckers through long-term thinking. It is the first local resin supplier to be approved through Ecovadis, making a significant step toward corporate social responsibility for India's chemical industry.

Yuanli – Beckers Supplier Award winner 2019



The 2019 winner was Yuanli Chemical Group, a China-based company with two production plants located in Weifang and Chongqing. They are market leader in the production and sales of chemicals. The main product is dibasic ester (MDBE) which accounts for 30% of the supplier's total production output, fatty alcohol (1,6 hexandiol–HDO) and plasticizers. Beckers has intensively worked with Yuanli on a regular basis over the past years for its global supply of dibasic ester and has observed many positive developments in risk management and sustainability. The supplier has constantly worked to achieve a Silver EcoVadis status.

Yuanli was selected because they have a formalized process in place to assess and document environmental risks. They also have specific measures to reduce energy consumption, commitments on the management of their labor and human rights practices as well as sustainable procurement policies on both supplier environmental and social practice.

POSITIVE CONTRIBUTIONS

It's all about the small steps

It is our ambition to have positive contributions from our operations and supply chain by 2030 – that is the aim of our operations with impact stream.

At each of our sites, we aim for carbon neutral business activities and we endorse the principles of circular economy, which means resources are conserved and repurposed wherever possible. In addition, we aim for our supply chain partners globally to operate along the same corporate social responsibility standards as Beckers. [🌀 Our approach](#)

The way to achieve these ambitious aims is not through a single huge step, but through many small initiatives that work strategically towards our goals. In 2020, we had some key projects that positively impact our production and supply chain activities, from reducing transport emissions to investing in the circular economy.



“I want to have an impact on how we think, act and do business. We still have a lot to do, but I want to play an active role in how fast we get there.”

Monika Mazur | Environment, Quality and Management Systems Manager

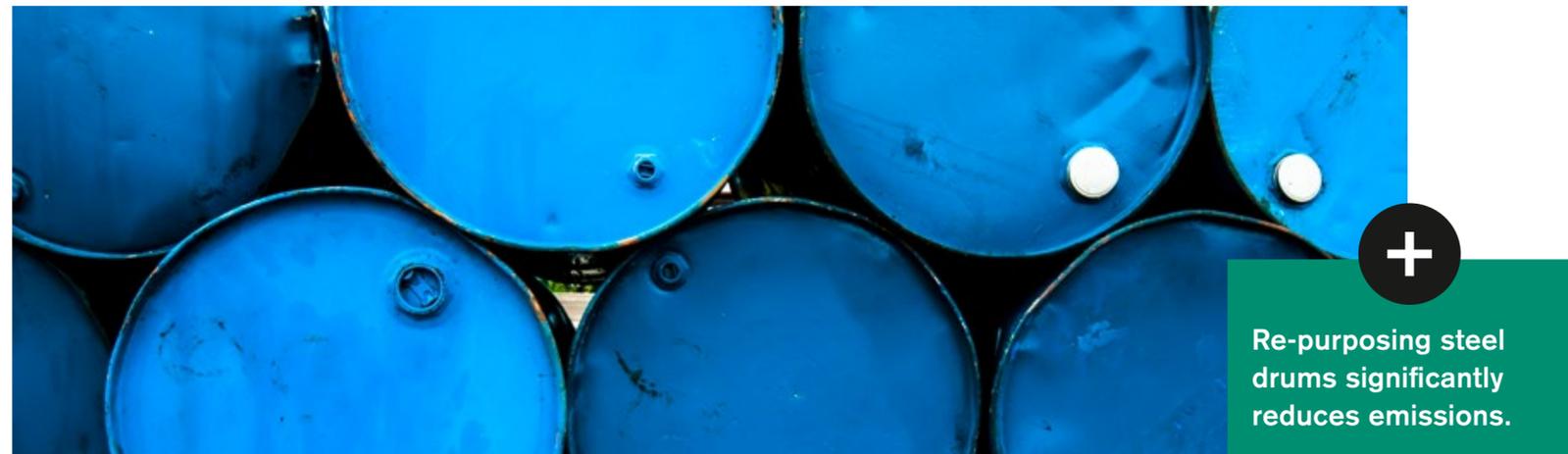
Driving circular economy

GRI 103/306

It is increasingly clear that, if we are to meet our climate goals, our economy must shift from a linear model of production, consumption and disposal to a more circular model of use and reuse. But although this is now widely accepted, shifting to these new models is not without challenges and examples of success are still rare. Nevertheless, we understand the imperative and, in 2020, we made several key steps in this direction.

Repurposing waste

A good example for circular economy is the winner of the 2020 Sustainability Award for Operations with impact: our waste management initiative at our site in Beckers UAE. The local team collaborated with suppliers, customers and third parties to reuse drums and reduce waste. Meanwhile, our team in Nghe An, Vietnam initiated a project to reduce waste in the factory, focusing on plastic. Many plastic items used in daily operations were replaced with more sustainable alternatives, for example, water bottles, handwash bottles, washing powder



Drumming up the circular economy!

Drumming up

Reducing the use of packaging is a major topic in the circular economy. Our paint is mainly sold in steel drums. Manufacturing a new drum creates around 30kg of CO₂ emissions. We use hundreds of thousands of steel drums every year, adding up to a big carbon footprint. In 2019 we therefore introduced our reconditioned drum initiative together with the supplier DRUMDRUM in Belgium, which is now being rolled out to our sites in France and Germany.

In addition, our Beckers India team in Goa and Nagpur devised an efficient and sustainable way to reuse 2,000 drums that contained imported crosslinking resin. In the past, crosslinking resin imported from Changchun in Taiwan was delivered in close-mouth 200-liter barrels, which were disposed to scrap dealers after the material was used. As part of the sustainability project, the team explored the possibility of importing the resin in open-mouth drums, which are suitable for reuse. After successful negotiations with the supplier, the resin is now provided in open-mouth drums sealed with a ring and clamp arrangement. Once we have used the contents, the drums are cleaned thoroughly inside and out before being refilled with finished goods. In 2020, Beckers India reused 2,217 drums in total.

Key to these successes is that in all of these projects we have collaborated with other companies to make a real impact. We cannot do this alone.



Accelerating our move to more green electricity from the beginning of 2021.

Toward carbon neutral sites

GRI 103/305

We've got the (green) power!

Our site in Germany moved to green electricity in 2020 and the sites in France, United States and Poland have all signed contracts to move to green electricity during 2021. Where renewable-based power from the grid is available, this is an

easy step to take. In countries where this is not so easy, we are looking into other solutions such as installing our own solar stations like the one we already have at our site in Malaysia.

Optimization of workshop heating

In France, our colleagues at our site in Feignies set out to reduce their gas consumption by 15%. The project was so successful that, as a result of the innovative measures they introduced, they were able to reduce consumption at their site by nearly 20%. They arranged for pipes to be insulated, put in a variable flow pump, and installed time controllers and programmable thermostatic valves so that office and locker areas can be heated separately and the workshop is no longer heated round the clock.

New VOC abatement system in China

Reducing volatile organic compounds (VOC) is key to achieving our aim of carbon neutrality for our sites. To do this, we use abatement systems – this means that wherever possible VOCs are combusted, recovered and refined, and air released to the atmosphere is purified. In line with the increasing standards of environmental protection in China, Beckers China installed a new VOC abatement system on the site in Guangzhou. The new system is based on RCO (regenerative catalytic oxidizer) technology. A molecular sieve is used instead of activated carbon absorption technology. This reduces the generation of hazardous waste by an estimated 106 tons per year. VOC capture on the shop floor was also optimized. Environmental regulations are getting stricter in China, but as a result of these efforts, we are ahead of the game.

EMPLOYEE ENGAGEMENT

Sustainability Award

The Beckers Sustainability Award in the category **Operations with impact** was assigned to Linto Varghese, Santosh Paudel, Najeeb Pareethu,

Jagathish Gnanaprakasam, Jen Joy and Alagu Karthik for their strategic initiative to eliminate, reduce and repurpose waste.

Beckers UAE formed a strategic waste management team in 2019 to eliminate, reduce and repurpose waste at our site in Ras Al Khaimah. Among the activities carried out in 2020 was the disposal of hazardous waste through Gulf Cement; the repurposing and reuse of drums; the reduction of tissue paper waste; the reuse of cleaning solvents for washing; and the reuse, recycling and reduction of pallet usage. The jury liked the



Linto Varghese, Santosh Paudel, Najeeb Pareethu, Jagathish Gnanaprakasam, Jen Joy and Alagu Karthik



“We are immensely thankful for winning this award. We are very pleased and it is hard to convey that through words. This gives us more self-belief and even increases the dedication towards our work.”

Najeeb Pareethu | Operations Manager – Middle East

approach taken by the local team in RAK because they addressed waste management strategically and included local partners in different ways to repurpose waste that cannot be eliminated.

Reasoning of the jury

The team was awarded for their well-planned initiative to eliminate, reduce and repurpose waste. The team at Beckers UAE addressed waste management strategically, forged alliances with local partners to move towards circular processes and thus contributed to our goal of having 75% repurposed waste by 2030. Their team work, the close examination of every waste source and the process were exemplary.

ABOUT THE REPORT

GRI Report 2020

Beckers 9th annual sustainability report covers the sustainability performance of the Beckers Group for 2020.

GRI 102-46

The material topics have been identified based on their relevance to the business in terms of impacts and in relation to the stakeholders. Stakeholders are those identified in the stakeholder dialogue conducted in 2015. Starting in 2016, reporting practices were adapted to enable a transition to GRI Standards. This was followed by a review of the material topics. Beckers conducted a further extensive stakeholder dialogue in 2019. Based on this process, we developed our 2030 Sustainability Strategy.

+ Introducing our leadership

p. 74

+ GRI general disclosures

p. 77

+ GRI material topics disclosures

p. 83

+ Glossary

p. 100

+ Contact

p. 103

GRI Standards

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 and serve as our Communication on Progress (COP) to the UN Global Compact. 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.

GRI 102-47

Beckers' material topics correspond to the following topic-specific GRI Standards and own disclosures:

Material topic	GRI Standard or Own Disclosure
Products	
Provide materially sustainable coatings	Own disclosure: Product stewardship GRI 301: Materials 2016
Provide functionally sustainable coatings	
Create breakthrough innovations	
People	
Focus on diverse, motivated and empowered employees	GRI 401: Employment 2016 GRI 405: Diversity and Equal Opportunity 2016
Focus on safety and well-being	GRI 403: Occupational Health & Safety 2018 GRI 404: Training & Education 2016 GRI 408: Child Labor 2016 GRI 409: Forced or Compulsory Labor 2016
Promote social engagements	Own disclosure: Local Communities
Operations	
Promote carbon neutral activities	GRI 302: Energy 2016 GRI 305: Emissions 2016
Drive the circular economy	GRI 306: Effluents and Waste 2016
Strengthen supply chain sustainability	Own disclosure: Product stewardship GRI 408: Child Labor 2016 GRI 409: Forced or Compulsory Labor 2016



UN Global Compact and SDGs

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 respective sections we link our material topics to the relevant UNGC principles as well as to the SDGs.



BASED ON FAMILY VALUES

Introducing our leadership

Beckers Group is owned by Lindéngruppen, a Swedish family business with a focus on the long-term development of industrial companies.

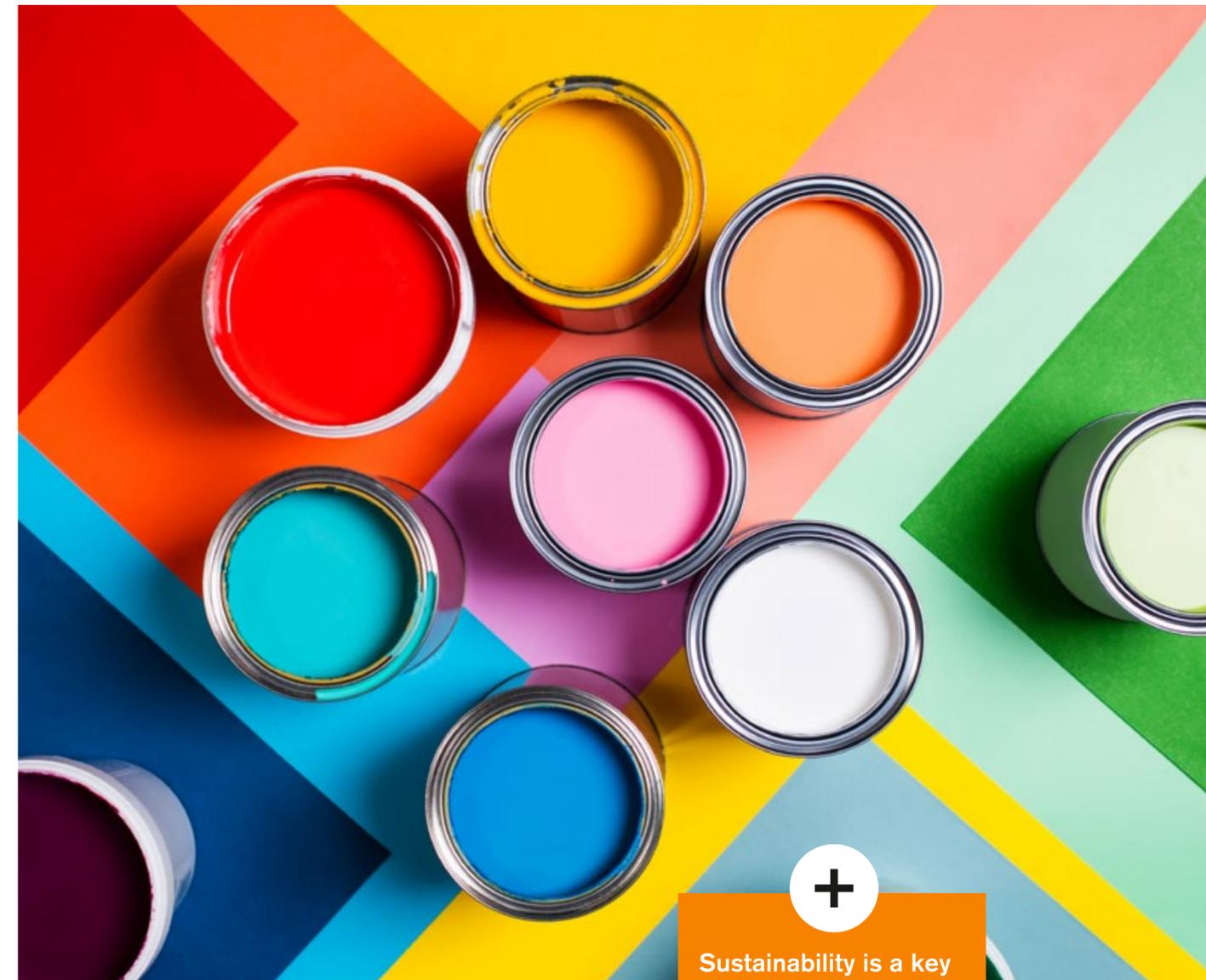
GRI 102-18

Our corporate head office is located in Berlin, Germany.

Beckers Group is governed by its Board of Directors, which meets four times a year. Our CEO and selected Executive Group members participate in these meetings. Due to the Covid-19 crisis, no physical meeting took place during 2020.

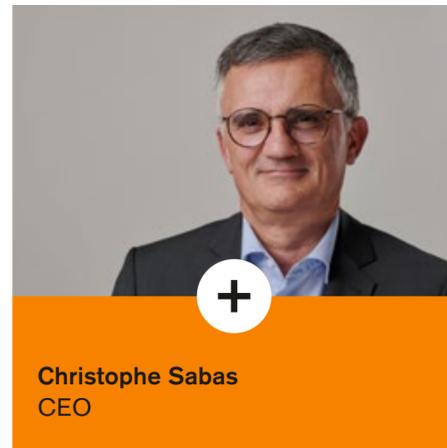
The current Executive Committee consists of the CEO, COO, CFO, CHRO and Presidents of all business units. It holds monthly calls and physical meetings four times a year. The physical meetings are held at Beckers' sites, the location changes for each meeting. In 2020 there were no physical meetings due to the Covid-19 crisis.

Beckers recruited a CTO in 2020 who joined the company in April 2021. His role will be to focus on innovation and sustainability. The new CTO joins the Beckers Executive Committee.



+
Sustainability is a key part of the Executive Committee's agenda

EXECUTIVE COMMITTEE MEMBERS 2020 *



Christophe Sabas
CEO



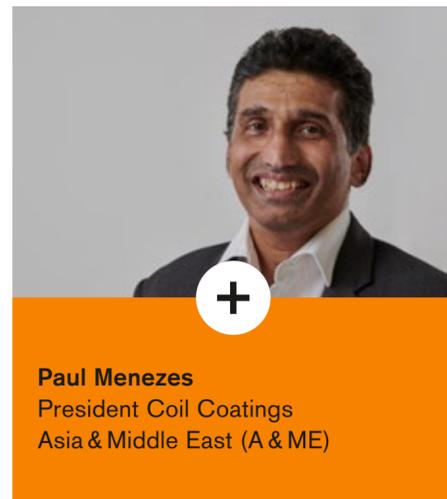
Dr. Karsten Eller
COO



Olivier Laune
Chief Financial Officer



Judith Jungmann
Chief Human Resources Officer



Paul Menezes
President Coil Coatings
Asia & Middle East (A & ME)



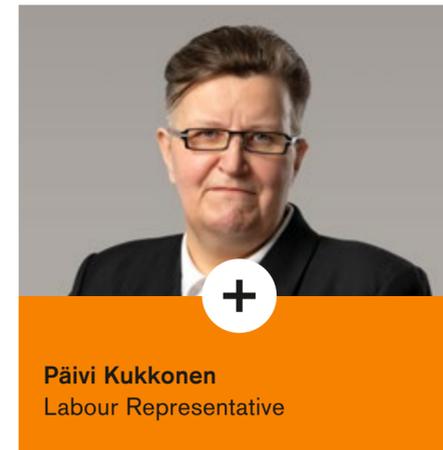
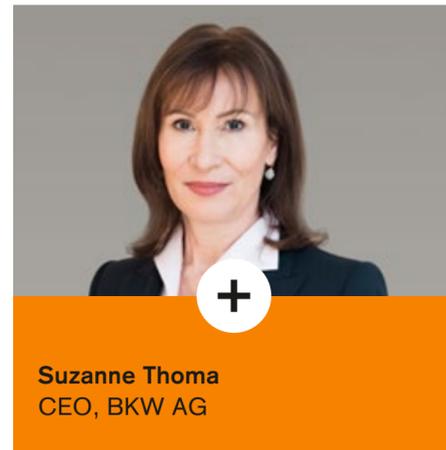
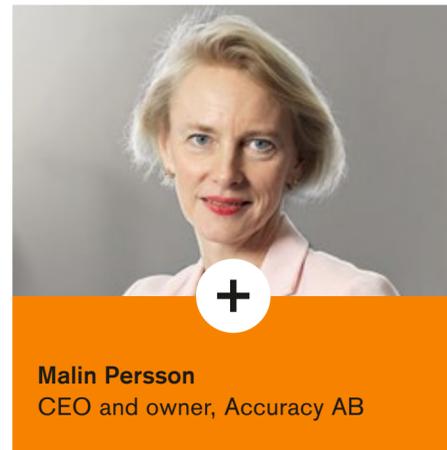
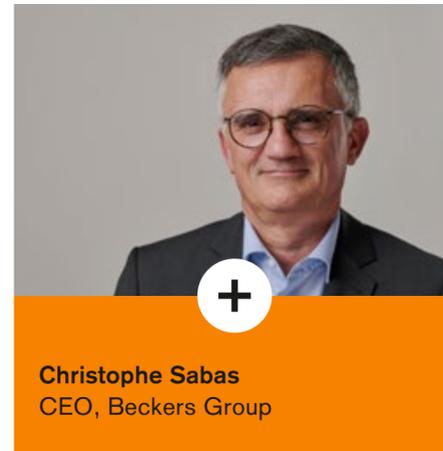
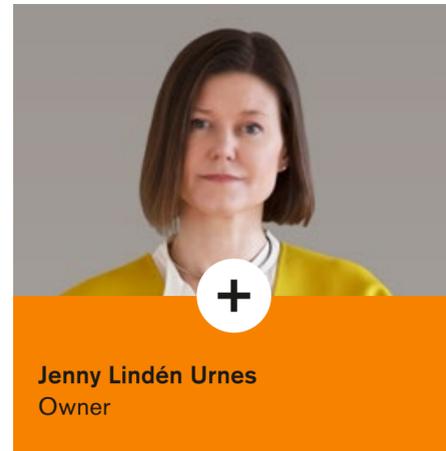
Christian Vogel
President Industrial Coatings

Sustainability is a key part of the Executive Committee's agenda, with final responsibility of the CEO, Christophe Sabas. Beckers' 2030 Sustainability Strategy is divided into three work streams, each of which falls under the responsibility of an Executive Committee member.

The sustainability agenda is given further drive and support by a dedicated sustainability team led by the Global Sustainability Director, Nicklas Augustsson. The Sustainability Committee, which is chaired by the Global Sustainability Director, is responsible for strategy development, stakeholder engagement and alignment. It consists of representatives from all key functions and regions.

* Christophe Sabas was appointed Interim CEO on 20.06.2020 and CEO on 12.11.2020.
CEO until 20.06.2020: Dr. Boris Gorella

BOARD OF DIRECTORS 2020



“At Lindéngruppen, when we talk about value creation we think of total value. It is not just the financial value but also the value that we create for people, the planet and the society. We want our companies to become leaders in the transition to a sustainable society and this comes through so well in Beckers’ Sustainability Strategy.”

Paul Schrotti | Chairman

ACHIEVING TRANSPARENCY

GRI 102-55

GRI general disclosures

Topic and Disclosure	2020 Input	Comments/Link
Organisational profile		
102-1 Name of the organisation	Beckers Group	
102-2 Activities, brands, products and services	Who is Beckers Group? Beckers Sustainability Report 2020	Beckers does not sell any products that are banned in a specific market.
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 2020 24 production sites in 18 countries Our global network
102-5 Ownership and legal form	Introducing our leadership Beckers Sustainability Report 2020	

Topic and Disclosure	2020 Input	Comments/Link
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		
Total number of employees	1,741 (2019: 1,843)	Number of employees as headcount by 31 December 2020
Total number of operations	24 (2019: 24)	Number of production sites by 31 of December 2020
Net sales	MSEK 5,853 (2019: 6,488)	
Total capitalization	Equity: MSEK 881 (2019: 853) Equity ratio: 22% (2019: 22%) Net interest bearing debt: MSEK 645 (2019: 891)	
Quantity of products provided	158,000 tons produced (2019: 170,000 tons produced)	
102–8 Information on employees and other workers		

Topic and Disclosure	2020 Input	Comments/Link
a. Total number of employees by employment contract (permanent and temporary), by gender	Total number of employees: 1,741 (2019: 1,843) Permanent: 1,566 in total; 1,168 men, 398 women (2019: 1,667 in total; 1,262 men, 405 women) Temporary: 175 in total; 127 men, 48 women (2019: 176 in total; 120 men, 56 women)	
b. Total number of employees by employment contract (permanent and temporary), by region	EA&A: Permanent: 1,139 (2019: 1,228), Temporary: 41 (2019: 45) A&ME: Permanent: 427 (2019: 439), Temporary: 134 (2019: 131)	
c. Total number of employees by employment type (full-time and part-time), by gender	Full time: 1,693 total; 1,280 men, 413 women (2019: 1,803 total; 1,376 men, 427 women) Part time: 48 total; 15 men, 33 women (2019: 40 total; 6 men, 34 women)	
d. Whether a significant portion of the organization's activities are performed by workers who are not employees	N/A	
e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c	None	
f. An explanation of how the data have been compiled, including any assumptions made	We use an in-house HR information system. This is maintained and updated by our HR representatives at each site. There are no exclusions.	

Topic and Disclosure	2020 Input	Comments/Link
102–9 Supply Chain	Chain up! CSR assessment in supply chain  Driving sustainability through our supply chain  Recognizing sustainability improvements in our supply chain Beckers Sustainability Report 2020	
102–10 Significant changes to the organization and its supply chain	None	
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, Swedish and French Institutes of Corrosion.	
Strategy		
102–14 Statement from senior decisionmaker	 Dear Stakeholders Beckers Sustainability Report 2020	
Ethics and integrity		
102–16 Values, principles, standards and norms of behavior	Beckers Group Code of conduct, Our core values	 https://www.beckers-group.com/about-us/our-values/code-of-conduct/

Topic and Disclosure	2020 Input	Comments/Link
Governance		
102–18 Governance structure	 Introducing our leadership Beckers Sustainability Report 2020	
Stakeholder engagement		
102–40 List of stakeholder groups	 Stakeholder engagement Beckers Sustainability Report 2020	
102–41 Collective bargaining agreements	53% (2019: 55%)	
102–42 Identifying and selecting stakeholders	 Stakeholder engagement Beckers Sustainability Report 2020	
102–43 Approach to stakeholder engagement	 Stakeholder communication Beckers Sustainability Report 2020	
102–44 Key topics and concerns raised	 Stakeholder communication Beckers Sustainability Report 2020	
Reporting practice		
102–45 Entities included in the consolidated financial statements	31 (2019: 31%)	In 21 countries (including operations sites and offices)
102–46 Defining report content and topic boundaries	 GRI Report 2020 Beckers Sustainability Report 2020	
102–47 List of material topics	 GRI Report 2020 Beckers Sustainability Report 2020	
102–48 Restatements of information	No restatements	

Topic and Disclosure	2020 Input	Comments/Link
102–49 Changes in reporting	No changes	There have been no changes regarding material topics and topic Boundaries. However, in this report we indicate the topic Occupational Health & Safety in accordance with the Standard “GRI 403: Occupational Health & Safety 2018”, since it is the Standard effective for reports published on or after 1 January 2021. Moreover, we include the Standard “GRI 405: Diversity and Equal Opportunity 2016” in this report, complementing our reporting on employment.
102–50 Reporting period	1 January 2020–31 December 2020	
102–51 Date of most recent report	6 July 2020	
102–52 Reporting cycle	Annual	
102–53 Contact point for questions regarding the report	 Contact Beckers Sustainability Report 2020	
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	

ACHIEVING TRANSPARENCY

GRI material topics disclosures

Product stewardship and materials

Product stewardship means taking responsibility for sustainability issues along the length of the product value chain – from raw materials suppliers to product applicators and end users. Note that customer health & safety is covered by this topic. Policies and grievance mechanisms for the product stream include the Beckers Sustainability Policy, Beckers Code of Conduct and Beckers Supplier Code of Conduct. Responsibilities and resources lie with Business unit managers and the COO (raw materials and suppliers). Incentive programs are linked to performance.

Topic and Disclosure	2020 Input	Comments/Link
Product stewardship		UN Sustainable Development Goals  UN Global Compact Principles 
103-1 – 103-3 Management approach 2016	See links in the comments section	Product stewardship and materials Our approach Our highlights and progress
Own disclosure: Raw materials evaluated as per standardized CSR guidelines		
Percentage of raw material purchase value evaluated as per standardized CSR guidelines against total raw material purchase turnover	82% (2019: 79%)	

Topic and Disclosure	2020 Input	Comments/Link
Percentage of raw material purchase approved as per standardized CSR guidelines against total raw material purchase turnover (>40)	75% (2019: 68%)	
Percentage of global supplier turnover that signed our Supplier CoC out of total supplier turnover	89% (2019: 84%)	The number of direct and indirect suppliers that signed the Supplier CoC
Materials		UN Sustainable Development Goals  UN Global Compact Principles 
GRI 301: Materials 2016		
103–1 – 103–3 Management approach 2016	See links in the comments section	Product stewardship and materials Our approach Our highlights and progress
GRI 301 – 1: Materials used by weight or volume	141,625 tons (2019: 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: 140,612 tons (2019: 151,115 tons)	
b. Total weight or volume of materials that are used to produce and package final products: renewable	Renewable bio-based content is 1,013 tons (2019: 1,106 tons)	Bio-based 0.72% of raw materials purchased

Employment, Occupational Health & Safety, Training & Education, Local Communities

The boundaries of the material topics “Employment”, “Occupation Health & Safety” as well as “Training & Education” are defined by Beckers’ impact on its own operations. The topic “Local Communities” also affects local communities in which Beckers’ employees get involved. Policies and grievance mechanisms for all material topics in the people stream are the Beckers Sustainability Policy and Beckers Code of Conduct. For “Employment”, Beckers’ Recruitment Policy, local HR Handbooks, Equal Employment and Anti-Harassment Policy provide further important policies. The EHS Policy

regulates the topic “Occupational Health & Safety” and Lindéngruppen guidelines provide guidance for the topic “Local communities”. Responsibilities for “Employment” and “Training & Education” lie with the CFO (for CoC training), the CHRO as well as with local and global HR employees. Responsible for “Occupational Health & Safety” are local and global EHS, according to regulation. Incentive programs are linked to performance for the topic “Occupational Health & Safety”. Regarding “Local Communities” responsibilities lie with the respective Local Managing Director.

Topic and Disclosure	2020 Input	Comments/Link
<p>Employment and Diversity</p>		<p>UN Sustainable Development Goals</p>  <p>UN Global Compact Principles</p> 
<p>GRI 401: Employment 2016</p> <p>103–1 – 103–3 Management approach 2016</p>	<p>See links in the comments section</p>	<p>Employment, Occupational Health & Safety, Training & Education, Local Communities</p> <p>Our approach</p> <p>Diverse teams drive innovation</p>

Topic and Disclosure	2020 Input	Comments/Link
GRI 401 – 1: New employee hires and employee turnover		
a. Total number and rate of new employee hires by age, gender and region	Total hires: 134 (2019: 239) Age: <30: 51 (38%) (2019: 103 (43%)), 30–50: 76 (57%) (2019: 116 (49%)), >50: 7 (5%) (2019: 20 (8%)) Gender: Female 53 (40%) (2019: 81 (33%), Male 80 (60%) (2019: 159 (67%)) Region: AME 61 (46%) (2019: 92 (38%)), EAA 73 (54%) (2019: 147 (62%))	
b. Total number and rate of employee turnover by age, gender and region	Total leavers: 196 (2019: 235) Age: <30: 43 (22%), 30–50: 88 (45%), >50: 65 (33%) Gender: Female 54 (28%) (2019: 65 (28%)), Male 142 (72%) (2019: 170 (72%)) Region: AME 59 (30%) (2019: 113 (48%)), EAA 137 (70%) (2019: 122 (52%))	
GRI 405: Diversity and Equal Opportunity		
103–1 – 103–3 Management approach 2016	See links in the comments section	📌 Employment, Occupational Health & Safety, Training & Education, Local Communities 📌 Our approach 📌 Diverse teams drive innovation
GRI 405 – 1: Diversity of governance bodies and employees		
a. Percentage of women in management positions (or in Beckers' governance bodies)		

Topic and Disclosure	2020 Input	Comments/Link
b. Percentage of women working at Beckers		
Occupational Health & Safety		UN Sustainable Development Goals 
GRI 403: Occupational Health & Safety 2018		UN Global Compact Principles 
103–1 – 103–3 Management approach 2016	See links in the comments section	<ul style="list-style-type: none">  Employment, Occupational Health & Safety, Training & Education, Local Communities  Our approach  Fostering a behavior-based safety system  Taking care of our employees through the Covid-19 pandemic
GRI 403–1 to 403–7 and 403–9: Occupational Health & Safety (2018)		
403–1 Occupational Health & Safety management system	<ul style="list-style-type: none"> + EHS Policy which is defined with 9 Parameters + EHS Beckers Reports + Beckers safety database + Beckers Loss Prevention Standard (BLPS) + Risk assessment Policy + Hazard Identification, Risk Assessment and Risk Control (HIRARC) + Legal Requirements 	

Topic and Disclosure	2020 Input	Comments/Link
403–2 Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> + SOP of Safety Reporting + SOP of Incident Investigation & Analysis + Emergency Reponse Procedure + Risk Management Policy + PPE Rules + Hazard Identification SOP + Emergency Evacuation Plan 	
403–3 Occupational health services	<ul style="list-style-type: none"> + Training given to employees on First Aid + Medical Check-up done of employees + Medical Surveillance for employees + Other health care programs organized and safety talks 	
403–4 Worker participation, consultation, and communication on occupational health & safety	100% of all employees at a site are represented in health & safety committees	
403–5 Worker training on occupational health & safety	Training provided to employees e. g. EHS training schedule and tool box	
403–6 Promotion of worker health	<ul style="list-style-type: none"> + Access to health service + Country specific Legal Requirements for health care services to employees Health Promotion Insurance Policy 	
403–7 Prevention and mitigation of occupational health & safety impacts directly linked by business relationships	<ul style="list-style-type: none"> + Chemical Regulatory Management + Rotating equipment guarding + Installation of new Equipments with EHS checklist + New expansion and new processes need to go through EHS checklist and management of change + Hazardous Area Classification: Contractor Management 	

Topic and Disclosure	2020 Input	Comments/Link
403–9 Work-related injuries	<p>Total number of scheduled working hours: 5,124,865</p> <p>7 injuries/accidents in group (2019: 5):</p> <p>TRI (per million hours worked)</p> <p>a) 2.22 for the group (2019: 1.50), b) 3.52 for EAA (2019: 1.44) and c) 0 for AME (2019: 1.61)</p> <p>LTI (injury rate per million hours worked):</p> <p>a) 1.27 for the group, b) 2.01 for EAA and c) 0 for AME</p> <p>Sick leave rate: 3% sick leave rate not measured at regional or gender level</p> <p>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>
Training & Education		<p>UN Sustainable Development Goals</p>  <p>UN Global Compact Principles</p> 
103–1 – 103–3 Management approach 2016	See links in the comments section	<p> Employment, Occupational Health & Safety, Training & Education, Local Communities</p> <p> Our approach</p> <p> Fostering a behavior-based safety system</p>

Topic and Disclosure	2020 Input	Comments/Link
<p>Own disclosure: E-learning completion</p>	<p>Number of training hours all employees: 18,888 Total number of hours training in anti-corruption policies: 377 Total number of hours training in human rights policies: 314 Code of Conduct and data privacy E-training was under review in 2020 and an enhanced and renewed tool launched in Q1 2021</p>	
<p>Child Labor</p>		<p>UN Sustainable Development Goals</p>  <p>UN Global Compact Principles</p> <p>5</p>
<p>GRI 408: Child Labor</p>		
<p>103–1 – 103–3 Management approach 2016</p>	<p>See links in the comments section</p>	<p>Our engagement with Global Child Forum</p>
<p>408–1 Operations and suppliers at significant risk for incidents of child labor</p>		<p>Our engagement with Global Child Forum</p>

Topic and Disclosure	2020 Input	Comments/Link
Forced or Compulsory Labor		UN Sustainable Development Goals 
GRI 409: Forced or Compulsory Labor		UN Global Compact Principles 
103–1 – 103–3 Management approach 2016	See links in the comments section	 Our engagement with Global Child Forum
409–1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		 Our engagement with Global Child Forum
Local Communities		UN Sustainable Development Goals 
UN Global Compact Principles		
103–1 – 103–3 Management approach 2016	See links in the comments section	 Employment, Occupational Health & Safety, Training & Education, Local Communities  Our approach  Engaging in communities around us  Our engagement with Global Child Forum
Own disclosure: Percentage of sites where Beckers' employees support local social initiatives	50% (2019: 78%)	

Energy, Emissions, Effluents & Waste

The impacts of the operations stream’s material topics occur at Beckers’ sites (own operations) as well as along the company’s value chain. More precisely, the boundary of “Energy” is defined by energy consumed at Beckers’ sites, i. e., impact in own operations, the boundary of “Emissions” is defined by impact in own operations and value chain, contributed by Beckers, and the boundary of “Effluents and Waste” is given by impact on own operations, caused by Beckers. Policies and grievance mechanisms for the operations stream include Beckers Sustainability Policy, Code of Conduct and EHS policy. Responsibility for the topics lies with the respective Local Managing Director. Incentive programs are linked to performance.

Topic and Disclosure	2020 Input	Comments/Link
Energy		UN Sustainable Development Goals  UN Global Compact Principles 
GRI 302: Energy 2016		
103–1 – 103–3 Management approach 2016	See links in the comments section	Energy, Emissions, Effluents & Waste Our approach Our environmental footprint in 2020
302–1 Energy consumption		
a. Total fuel consumption from non-renewable	17,867 MWh (2019: 19,180 MWh)	

Topic and Disclosure	2020 Input	Comments/Link
b. Total fuel consumption from renewable sources	0	
c. Total consumption of		
i. electricity	36,407 MWh (2019: 37,685 MWh)	Of which renewable: 16,161 MWh Self-generated solar energy: 119 MWh
ii. heating	6,883 MWh (2019: 7,071 MWh)	Of which renewable: 6,126 MWh
iii. cooling	0	
iv. steam	0	
d. Total sold		
i. electricity	19.3 MWh (2019: 13.72 MWh)	Self-generated solar energy not used at site and sold
ii. heating	0	
iii. cooling	0	
iv. steam	0	
e. Total energy consumption	61,157 MWh (2019: 63,936 MWh)	36% 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 Our Impacts . 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 Our Impacts and are updated and revised regularly. For GWP, IPCC 2007 values are used.	

Topic and Disclosure	2020 Input	Comments/Link
302–3 Energy intensity		
a. Energy intensity ratio	0.39 MWh/ton product (2019: 0.37 MWh/ton product)	
b. Organization 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 organization or outside or both.	Energy consumption within the organization only	
Emissions		
UN Sustainable Development Goals 		
UN Global Compact Principles 		
GRI 305: Emissions 2016		
103–1–103–3 Management approach 2016	See links in the comments section	Energy, Emissions, Effluents & Waste Our approach Our environmental footprint in 2020
305–1 Direct (Scope 1) GHG emissions		
a. Gross direct emissions	9,860 tons CO ₂ e (2019: 10,646 tons CO ₂ e)	
b. Gases included	CO ₂ , CH ₄ , NO ₂ , HFCs, NF ₃ , SF ₆ and PFCs (when applicable)	
c. Biogenic emissions	None	
d. Base year	2013	

Topic and Disclosure	2020 Input	Comments/Link
e. Source of emission factors and GWP used	The emission factors are included in the tool Our Impacts 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 Our Impacts . 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	13,516 tons CO ₂ e (2019: 13,926 tons CO ₂ e)	
b. Gross market-based indirect emissions	11,516 tons CO ₂ e (2019: 13,795 tons CO ₂ e)	
c. Gases included	CO ₂ , CH ₄ , NO ₂ , 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 Our Impacts 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 Our Impacts . The calculations follow the GHG Protocol and are performed by experts.	

Topic and Disclosure	2020 Input	Comments/Link
305–3 Other indirect (Scope 3) GHG emissions		
a. Gross other indirect emissions	26,790 tons (2019: 28,152 tons)	
b. Gases included	CO ₂ , CH ₄ , NO ₂ , 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 Our Impacts 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 Our Impacts . The calculations follow the GHG Protocol and are performed by experts.	
305–4 GHG emission intensity		
a. GHG emission intensity ratio	0.31 CO ₂ e per ton product (2019: 0.31 CO ₂ e per ton product)	
b. Organization 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 , NO ₂ , HFCs, NF ₃ , SF ₆ and PFCs (when applicable)	

Topic and Disclosure	2020 Input	Comments/Link
305–7 NOx, SOx and other significant air emissions		
a. Significant air emissions for:	VOC 471 tons (2019: 503 tons) Other air emissions N/A Intensity 3 kg/ton (2019: 3 kg/ton)	
b. Source of emission factors used	The emission factors for the climate impact are included in the tool Our Impacts 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 Our Impacts	
d. Gases included		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.
Effluents and Waste		<p>UN Sustainable Development Goals</p>  <p>UN Global Compact Principles</p> 
GRI 306: Effluents and Waste 2016		
103–1 – 103–3 Management approach 2016	See links in the comments section	<ul style="list-style-type: none">  Energy, Emissions, Effluents & Waste  Our approach  Increased reuse and waste reduction on smaller sites  Driving circular economy

Topic and Disclosure	2020 Input	Comments/Link
306–2 Waste by type and disposal method		
a. Total weight of hazardous waste by disposal methods:		
i. Reuse	1,213 tons (2019: 949 tons)	
ii. Recycling	1,404 tons (2019: 1,337 tons)	
iii. Composting	N/A	
iv. Recovery, incl energy recovery	2,474 tons (2019: 2,622 tons)	
v. Incineration	742 tons (2019: 663 tons)	
vi. Deep well injection	None	
vii. Landfill	38 tons (2019: 46 tons)	
viii. On-site storage	None	
ix. Other	None	
b. total weight of non-hazardous waste by disposal method:		
i. Reuse	896 tons	
ii. Recycling	841 tons (2019: 1,080 tons)	
iii. Composting	N/A	
iv. Recovery, incl energy recovery	208 tons (2019: 224 tons)	
v. Incineration	35 tons (2019: 2 tons)	
vi. Deep well injection	None	

Topic and Disclosure	2020 Input	Comments/Link
vii. Landfill	263 tons (2019: 278 tons)	
viii. On-site storage	None	
ix. Other	None	
306–3 Significant spills		
a. Total number and total volume of recorded significant spills	1 significant spill; approx. 100 liters of acetone	
b. The following additional information for each spill that was reported in the organization’s financial statements		
i. Location of spill	Märsta, Sweden	
ii. Volume of spill	Approx. 100 liters	
iii. Material of spill, categorized by: spill of chemicals (acetone), oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization).	Spill of chemicals (acetone)	
c. Impacts of significant spills	Approx. 100 liters of acetone flowed out at the asphalt and into a storm-water well. This storm-water well is directly connected to the nearby creek. The spill was detected by a maintenance operator who immediately turned off the valve and called the EHS manager. He then shut the valve that leads into the creek to stop the spillage down stream. The fire department helped to block the river and extracted contaminated water to the road tanker.	

Glossary

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, minimizing 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 behavior that guide the decisions, procedures and systems of an organization 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 organizations 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 organization 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.

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.

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.

TRIR

TRIR is the Total Recordable Incident Rate and a key EHS metric. It is the total number of recordable incidents (TRI) per 100 full-time workers during a one-year period.

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 vapor pressure at room temperature. This high vapor pressure results from a low boiling point, which causes large numbers of molecules to evaporate into the surrounding air, a trait known as volatility.

Consulting, Concept & Design

Silvester Group

www.silvestergroup.com

Contact

GRI 102-53

Questions? Please don't hesitate to contact us:

Beckers Group

sustainability@beckers-group.com

www.beckers-group.com



Beckers Group

Berlin, Germany

Wilh. Becker Holding GmbH
Kurfürstendamm 57
10707 Berlin, Germany

Phone: +49 30 770190710
Mail: hq@beckers-group.com

