



Beckers Sustainability Report 2017

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Welcome

Dear Stakeholders,

Welcome to Beckers' Sustainability Report for 2017. If you have followed our previous reports, you notice that we have extended and further improved the format this year. I am very pleased to present the new digital report and the highlights of Beckers' sustainability efforts from 2017.

Our overall strategy: bringing sustainability to the market

It is Beckers' vision to become the most sustainable industrial coatings company in the world. As a chemical company our actions have a significant impact on the environment and we are aware of our responsibility towards future generations. Sustainability is a central element of Beckers' identity and therefore we are not only looking at improving our own performance, but we are also inviting all partners along the value chain, including suppliers and customers, to join us.

Our achievements and challenges

2017 was a mixed year: increasing raw material costs put us under a lot of pressure in most of the markets. However, we have made great progress with promoting sustainability along our value chain, for example with the introduction of our Supplier Code of Conduct. For the first time we have received the Gold Standard in our yearly Corporate Social Responsibility rating and we are especially proud of the many

We are inviting all partners along the value chain, including suppliers and customers to join us in bringing sustainability to the market!

”

projects we have done together with our employees and partners. Of course there are also challenges ahead of us. We still can – and have to – improve our lost-time injury rate and we are working on a strategic approach to improve social sustainability in- and outside of Beckers.

Digitalisation and sustainability

In order to reach true sustainability we have to keep creating value for our customers while helping them find new ways to become more sustainable. This cannot only mean that we create more sustainable coatings. That is important of course, but we need to think outside the box. One way of doing this, is exploring how digitalisation helps customers

to make the sustainable choice. Two examples are the Beckers Sustainability Index and the Beckry®Therm app. The Beckers Sustainability Index app that we developed in 2017 compares the sustainability of our products. The Beckry®Therm app calculates energy savings of a building when the coating is applied.

We have an exciting journey ahead of us. We are committed to making sustainability our business and as CEO of the Beckers Group I am proud of all employees and partners contributing. I hope you enjoy reading this report as much as I did. Please feel free to share!



Best regards,

A handwritten signature in black ink that reads "Boris Gorella". The signature is written in a cursive, flowing style.

Dr. Boris Gorella
CEO, Beckers Group
Berlin, Germany

Highlights from 2017

Every year, we share a few of our proudest moments from our sustainability work. 2017 was a busy year, and we are pleased to have so much to celebrate.

Launching our Supplier Code of Conduct

Responsible sourcing is critical to our sustainability vision so we have created a Supplier Code of Conduct. All our regular suppliers must adhere to the Code and commit to a minimum standard of environmental and social sustainability. The Code is concise, and clearly communicates our expectations. Because it is so user-friendly, our suppliers can easily engage with it and take on its positive purpose. We have a process in place to embed the Code and monitor its use, which we explain on page 27.

Going for gold!

We were thrilled to receive our first Gold recognition level following our EcoVadis assessment in December 2017. We have been continuously improving in our sustainability performance, and this progress is recognised in our EcoVadis scores over the years. See how we did on page 26.



Sharing the rewards of sustainability



In 2017, our Sustainability Committee launched the Beckers Sustainability Awards. These are designed to reward colleagues who are actively working towards sustainable development. The award has two categories: the Social Sustainability Award, and the Economic & Environment Award. Go to page 32 to see the winners!

Going digital

This year, we are using even more digital content in our sustainability report, which represents a wider shift to digital communications across Beckers. Our sustainability story is important, and we want to share it with our stakeholders in the best way possible – internally and externally. See more on page 14.

Our first solar panel project goes live

On the 7th August 2017, Beckers' first renewable energy project went live. Beckers Malaysia installed 300 solar panels on the roof of its manufacturing building, with a total capacity of 100 kWp. A few months in and the project is a huge success, generating more clean energy than we were expecting and cutting our electricity bill by almost 10%. To find out more, including an interview with JD Bu and Shashi Veera at our Malaysia site, go to page 25.

A warm reception for our sustainable products

We are receiving more and more recognition for our sustainable products.

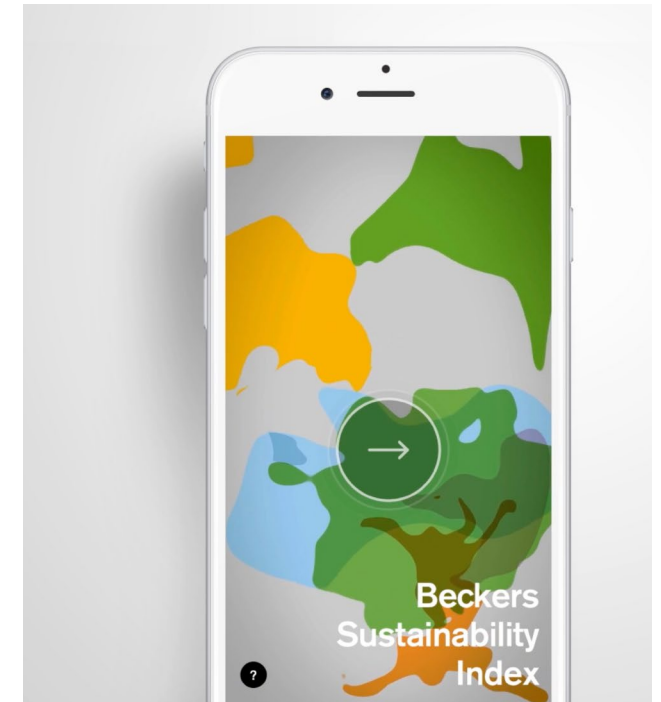
Beckers is the first coil coatings company to receive a GreenPro Certificate. This product certification is given by the Indian Green Building Council under the Confederation of Indian Industry, and recognises our Beckry®Therm paint systems as sustainable throughout their lifecycle.

Beckry®Therm systems will be featured in the 2018 Green Pages Malaysia booklet. The Malaysia Green Building Council creates this resource, which is given to building professionals and provides an at-a-glance list of Green Building Products and Services.



We are taking sustainability to market

In 2017, we developed a strategic and structured marketing approach for our sustainability offer. The three phases of our value proposition strategy are: creating a metric, sharing our understanding and creating more value. On page 13, we explain how these phases are helping us make our business, our value chain and our entire industry more sustainable.



1.0

The big picture: Sustainability at Beckers

Welcome to the Beckers Sustainability Report for 2017. In this chapter, you will find articles about our vision and strategy, and our overall progress.

1.1

Our sustainability journey

This is our sustainability story: read about where it all started, how we are implementing our strategy and progressing towards our vision, and our exciting plans for the years to come.

2011

2012

2013

2014

2015

2016

2017

2018

1.2

Uniting our vision with the United Nations

In 2017, we aligned our strategy with the UN's Sustainable Development Goals. Find out why.



1.3

Working as one for sustainability

Find out how we are sharing expertise and experience across Lindéngruppen.



1.1

Our sustainability journey

Beckers is a leading worldwide supplier of industrial coatings and the global market leader of coil coatings. Our vision is to become the most sustainable industrial coatings company in the world. This vision addresses economic, social and environmental sustainability and is underpinned by three pillars – our products, our company and sustainable solutions.



From past to future



1.2

Uniting our vision with the United Nations

At Beckers, we are constantly updating and improving our sustainability strategy.

In 2017, we aligned our strategy and our material topics with the UN's Sustainable Development Goals (SDGs). Here is why.

SUSTAINABLE DEVELOPMENT GOALS



The SDGs were established in 2015, when 193 countries adopted a set of 17 goals to end poverty, protect the planet, and ensure prosperity for all. By aligning with the UN's SDGs, we become part of a global movement to work together for change.

In practice, this means we are now using both the globally recognised SDGs and the Global Reporting Initiative (GRI) standards to report on our material topics, while substituting our six focus areas for sustainability. The six focus areas are now mapped to

the SDGs and material topics to create a more unified approach to our sustainability efforts.

In 2017, we reviewed all the SDGs and prioritised a list of eight for Beckers to focus on going forwards. While we recognise that our business impacts all 17 SDGs, these eight prioritised goals represent sectors influenced by our business and areas of our vision for sustainability where we judge we can make the greatest contribution.

Integrating the SDGs: our contribution to a sustainable future



SDG 4: Quality education Creating opportunities for all

Education is fundamental to the development of individuals and communities. We want to help people improve their own lives by increasing their access to quality education, particularly in the underprivileged areas of the world in which we operate. We also want to enable our workforce to develop skills and knowledge at work. This connects to GRI material topics of Training and Education, and Local Communities.

Have a look at our approach to employee wellbeing on page 28, our operational excellence and training on page 21, and an example of our initiatives to help local communities on page 29.



SDG 5: Gender equality Empowering girls and women

Gender equality is a fundamental and inviolable human right. Women's empowerment is essential to expanding economic growth, promoting social development and enhancing business performance. Respecting human rights is one of the cornerstones of our Code of Conduct. We want to help improve equality for the people and communities where we do business. This connects to the GRI topics of Employment, Training and Education, and Local Communities.

Have a look at our Supplier Code of Conduct (see page 27) and our work in local communities around the world (see page 29).



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

Beckers employs people all over the planet and we want to ensure we have a positive impact on their lives, as well as their families. In part, this means working to evaluate and improve our supply chain and business, ensuring we help provide as much decent work as possible. Within Beckers this means, for example, improving our Environmental Health and Safety, and increasing our understanding through employee surveys to develop social sustainability action plans. This connects to the following GRI topics: Employees, Training and Education, and Operational Health and Safety.

Please look at the work we are doing to improve and mitigate LTI and accidents on page 19, as well as reduce VOC emissions in the workplace on page 24.



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

Respecting human rights is fundamental to Beckers, and one of the cornerstones of our Code of Conduct. This includes work on remuneration, diversity, equality and economic inclusion, for example by eliminating employee discrimination. We also want to create greater equality for the people and communities where we do business. This connects to the GRI material topics of Employees, Training and Education, and Local Communities.

Have a look at our Supplier Code of Conduct (see page 27) and our work in local communities around the world (see page 29).



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

Our products (and their creation) have an impact on the sustainability of our built environment and the infrastructure we all use. Beckers wants to be a part of the solution for a more sustainable world, which means we want to help build more sustainable cities. This connects to the GRI material topics of Product Stewardship and Emissions.

To see an example of our work towards this goal, please look at our story about fast-curing coatings on page 16.



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

As with our GRI material topic of Product Stewardship, this goal addresses sustainability along the length of our value chain – the partners we work with, the resources we use, the waste we create and how we can close the loop. This connects to the following GRI material topics: Product Stewardship, Energy, Waste, Emissions, Occupation Health & Safety, and Local Communities.

To see an example of our work towards this goal, please read our story about waste circularity on page 22.



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

This goal helps us understand the climate impact of our business and products, and plan to reduce and mitigate it along our value chain, including through the education and empowerment of our employees. This connects to the GRI material topics of Product Stewardship, Energy, and Emissions.

Our Malaysian Solar Panel project is a good example of this goal in action, see page 25.



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

The challenges our world faces will require collaboration to solve. By building partnerships and cooperating with other companies, associations, universities, NGOs, UN bodies and organisations, we are working together towards sustainable change.

We have a wide range of partnerships along our value chain, such as the SPECIFIC project with the active classroom in Swansea (page 17), our work with the ECCA and CEPE (page 14), and the use of the EcoVadis platform (page 26). We also made a short film with our stakeholders, which you can view on Beckers Group YouTube channel.

1.3

Working as one for sustainability

In October 2017, our parent company Lindéngruppen held its third global Sustainability Conference. The event was very inspiring and reminded us of the immense opportunity that comes from being owned by a business that is governed – above all – by its values.

At last year's Sustainability Conference, Jenny Lindén Urnes, Lindéngruppen's owner and Chair, put across her vision – to create real positive impact through all Lindéngruppen's businesses. These include Colart, the largest global supplier of artist materials, Höganäs AB, the world's leading manufacturer of metal powders, and Alex Begg, specialising in woven textile premium products. Beckers' Executive Group attended, as did our Global Sustainability team.

Beckers is proud to be part of the Lindéngruppen story, and to share in its purposeful and proactive vision. The conference demonstrated the depth and breadth of sustainability knowledge and experience within the Lindéngruppen sphere. By coming together to share ideas and learnings, we create networks across traditional borders. In turn, we can all help each other to deliver on our purpose, while driving the transition towards a sustainable world.

The conference took place at Färgfabriken, an independent organisation that is known for bringing together different interests and ideas, and testing different methods to discuss issues facing our society. Interestingly, Beckers moved production to this building in 1902, staying there until the 1970s!

Thanks to Färgfabriken's facilitation, we challenged ourselves to think creatively about how to prepare for an uncertain future and to develop a roadmap to lead the transition to a truly sustainable world.

Governments may set regulations, but we cannot limit ourselves to just following the rules. As companies it is our responsibility to push for more and drive the change this world needs.

– Dr. Boris Gorella,
CEO Beckers Group



Building networks is very important. It is really by working together and in partnerships within our group - and also externally – that we will be able to reach our purpose.

– Jenny Lindén Urnes,
Lindéngruppen's owner and Chair



2.0

Making sustainability our business

We are on a mission to make sustainability irresistible to our customers.

2.1

From mind to market

We believe our value proposition strategy has the potential to change our industry for the better. Here, we share our approach to connecting and inspiring with the stakeholders who are essential to bringing this strategy to life.

2.2

What do our stakeholders think of us?

2.3

Creative solutions fuel sustainable development

Innovation is a central part of our value proposition strategy. Last year, we advanced several exciting projects that have the potential to solve some significant sustainability challenges for our customers.

2.4

An award-winning partnership project

We are proud to support this innovative energy-positive project, which was also shortlisted for “Sustainable Project of the Year” at the UK’s Building Awards 2017.



2.1

From mind to market

We believe the value we offer our customers is the key to making sustainability our business.

But creating this offer means more than developing innovative products (although that is vital – see page 16!). A successful value proposition depends on strong supplier partnerships and market activity.

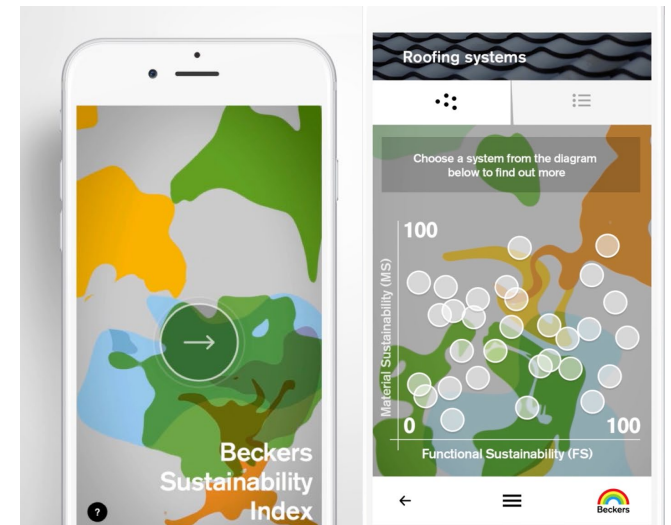
It also calls for leadership. Our strategy has the potential to change our industry, but only if we can inspire our stakeholders to join this journey. That means building trusted and transparent relationships and looking towards the challenges and opportunities ahead.

How we are making our value chain more sustainable

Phase 1: Creating a metric

To make the sustainability of our products valuable, we had to find a way to improve, measure and catalogue our offer. That is why we developed the Beckers Sustainability Index (BSI). By creating a metric that evaluates and quantifies the sustainability performance of our products, we provided our team with a way to measure their progress (and keep developing better products), and our customers with a way to factor sustainability into their choices.

Last year, we launched the BSI app, an interactive tool that can rank and compare the material and functional sustainability of our products. The app allows our stakeholders to choose the most sustainable and suitable solutions to meet their needs, and we are working hard to keep making it as user-friendly as possible. For example, we are currently developing a platform that makes it easier to add more of our products to the tool.



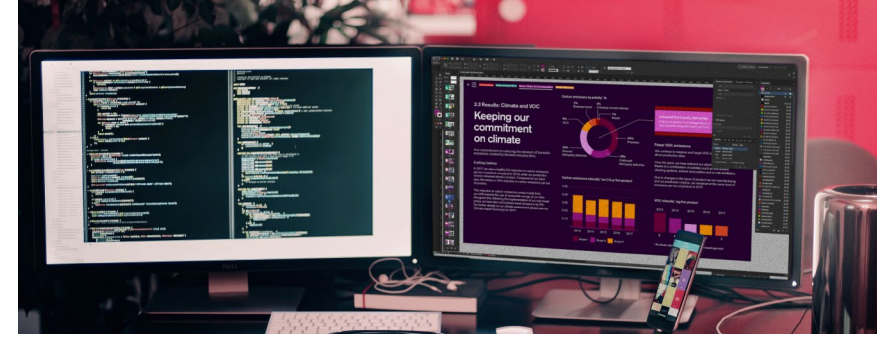
Phase 2: Sharing our understanding

Promoting the sustainability of a coating is a relatively new offer in our market. We found it difficult to evaluate the sustainability impact of our products and struggled to fit it into the sustainable system conditions in a practical way. This is why we developed our index tool, and later our app, to apply our method for product comparison and choice.

We started this journey close to home. Through a combination of webinars and face-to-face training, we used the BSI tool as a vehicle to raise awareness around sustainability within our sales function. We knew if our sales team understood and valued our offer, our customers would too.

After a successful internal launch, we started raising awareness about sustainability and the BSI in our market through a series of roadshows (see below), presentations and workshops. Our message was warmly received wherever it was shared, and soon started attracting more and more attention.

For example, we were honoured to be contacted by the European Coil Coatings Association (ECCA) who asked us to present the BSI at their yearly summit in Brussels in November. The ECCA is one of the world's most important associations in our industry, so this was a significant moment. Similarly, we were invited to present to the Indian Green Building Council in Jaipur in September.



Phase 3: Creating more value

We want to keep creating more value for our customers, helping them find new ways to become more sustainable and effective. To do this, we have to think outside the box: the solution is not just to keep creating new sustainable coatings – although of course that is important!

One of the main drivers of value creation comes from our company's shift towards digital. Being able to present our offer in a digitalised format also creates more opportunities for customers to access our products. It also creates the exchange of 'rich information', which allows us to pick up on and respond to needs more quickly and effectively. This is a methodology we can apply along our value chain, reaching and connecting with actors both 'upstream' and 'downstream'. For us, it is all about being able to talk the same language, cooperate better and identify challenges that our sustainability offer can help to solve. We are currently investigating how we can work with collaborative tools within the construction industry.

In line with the digital shift, we continue to develop our sustainability report. This year, as you can see, we are using a semi-digital format including animation and short films. We believe this shift towards digital allows us to tell a richer, more authentic sustainability story, and share it much more widely – internally and externally. It will pave the way to a more interactive stakeholder engagement, giving us the means to be more transparent and to more easily share our sustainability performance and developments.

Taking our offer on the road

We wanted to raise awareness in our markets in India and China about the sustainable and commercial benefits of our sustainable coatings. So we went on the road, travelling between events and meeting customers and other stakeholders.

These roadshows were designed to show how our products, when expertly chosen and applied, can help customers enhance the sustainable value of their end-products. The BSI and the app was invaluable in communicating our offer in a clear and persuasive way.



2.2

What do our stakeholders think of us?

To gather external opinions about our company and sustainability offer, we regularly engage with our customers, suppliers and other stakeholders.

In this year's report, we have produced a video with inputs from ArcelorMittal, DSM, Indian Green Building Council, and AECOM. In the video, these contributors talk about key sustainable products and partnerships with Beckers. They also share insights on market requirements and challenges, how sustainability can be measured and what they think about Beckers Sustainability Index and our app.

Check out the BSI app



Learn more about the app here:



Download the app here:



In the digital version of this report (read it on: beckers.link/SR17) you can see the short film where our key external partners share their opinion of Beckers and our sustainability offer. They give examples of how working up and down our supply chain leads to better results. Watch the video at beckers.link/stakeholders-video

An exciting nomination

We were thrilled to be nominated and shortlisted for a British Coatings Federation (BCF) award for the Beckers Sustainability Index. The BCF Sustainable Innovation Award recognises, rewards, and promotes outstanding innovations within the coatings industry that have the greatest impact on the sustainability of the supply chains in which our industry's products, processes and services play a role.



2.3

Creative solutions fuel sustainable development

Innovation is a central part of our value proposition strategy. And, because more than 90% of our innovative breakthroughs increase the sustainability of our coatings in some way, we are always finding new ways to offer new value to our customers.

New sustainable industrial coatings close to market:

New Waterborne Basecoat for Automotive Plastics Exteriors Beckqua®Color

Before a new car – or any vehicle – leaves the factory, all body parts are coated with multi-layered paint systems. The layer that provides the colour and other characteristic effects is the basecoat. Because solvent-borne basecoats typically release high levels of solvent emissions, alternative waterborne technologies are considered more sustainable.

With the ongoing growth of the automotive industry, we need a solution that gives customers both sustainability and performance. Our Long-Term Research (LTR) laboratory team is currently pioneering new waterborne basecoat technology in a project that is due to complete in late 2018. They have already seen promising advances in terms of higher solids content, superior applicability and improved regulatory compliance.

We are excited about breaking into the Automotive Plastics Exteriors market with this new technology. The research team is now focusing on fine-tuning work based on successfully conducted line trials. In parallel, we have conducted upscaling work in production and are forging new partnerships to make sure our new waterborne basecoat becomes a big hit.

New fast curing non-isocyanate coatings

Another project initiated by the Long-Term Research (LTR) laboratory in 2017 was Fast Curing Technology (FCT), targeting the Agriculture, Construction and Earth-moving (ACE) industry.

The purpose of this project was to create new technology that could meet or exceed the coating performance of the current market leading technology. The FCT project is an innovative room-temperature curing concept that yields sophisticated, next-generation coatings.

Through the course of the project the LTR team investigated and reimagined fundamental outlooks on structure-property-function relationships. This approach allowed them to design and develop custom-made primers and modified topcoat resins. These have since been formulated and tested to adhere to the existing wet-on-wet application conditions of the Original Equipment Manufacturer (OEM) production lines.

This new technology has several advantages, including:

- A fast curing capability, which yields quicker turnaround and components that are ready-to-handle sooner.
- Greater durability, impact and chemical resistance.
- A curing temperature that reduces both cost and solvent emission.
- The non-isocyanate solutions allow the avoidance of an organo-tin catalyst, thus eliminating the Hazardous to Environment labelling.
- A patented blocked catalyst which yields longer paint shelf-lives.

These advantages add up to create a solvent-borne coating with better sustainability performance and greater energy efficiency than the current system. The team has therefore developed the product into a fully functioning two-layered coating system, with a line trial arranged at a customer site in early 2018.

2.4

An award-winning partnership project

Beckers is proud to be one of the key supply partners involved in the SPECIFIC Active Classroom which won the Innovation Award at Constructing Excellence in Wales 2017 and was shortlisted for “Sustainable Project of the Year” at the UK’s Building Awards 2017.



Image courtesy of SPECIFIC and Tata Steel

This unique building, located on Swansea University’s Bay Campus, contains two classrooms and functions both as a teaching centre and a power station. It has been specifically designed to be energy positive and utilises a number of sustainable technologies such as building integrated photovoltaic (BIPV) panels, aqueous hybrid ion batteries and resistive floor heating to generate, store and supply all the energy needs for the building. Smart metering systems constantly monitor energy generation, storage and use and also enable the building energy management to be matched to its changing occupancy.

Pre-finished steel is principally used for the cladding of the envelope but one façade also includes a living wall made up of native plant species. The PV modules are integrated onto the roof using Colorcoat Prisma® in Anthracite. The south facing walls are clad with transpired solar collectors made using Colorcoat Prisma® Seren Black which collect sufficient thermal energy to heat part of the building at peak hours. The other walls are also clad with the revolutionary 3 layer Colorcoat Prisma® by Tata Steel in colours – Seren

Gold and Seren Copper applied over chromate free primers. Beckers have been actively involved in the development of these coil coatings and the choice of colours gives a very distinctive finish to what is a truly unique building.

Architect Joanna Clarke says: “For us this project wasn’t just about showing that it works technically: it was also about working closely with our construction industry partners on a real project, developing skills and helping to bring low carbon buildings like this closer to market.”¹

SPECIFIC Innovation and Knowledge Centre is led by Swansea University and funded by the European Regional Development Fund through the Welsh Government, the Engineering and Physical Sciences Research Council (EPSRC) and Innovate UK.

1. <http://www.specific.eu.com/news/view/60>. Accessed 13/01/2018

http://www.specific.eu.com/assets/downloads/casestudy/Active_Classroom_Web_Case_Study.pdf

3.0

Working on impact

To become truly sustainable – environmentally, socially and economically – we continue to work across all our functions, with partners along our value chain and with communities.

3.1

Tackling the challenge of environment, health & safety at Beckers

2017 was a challenging year for occupational health and safety at Beckers. Find out how we are tackling it.



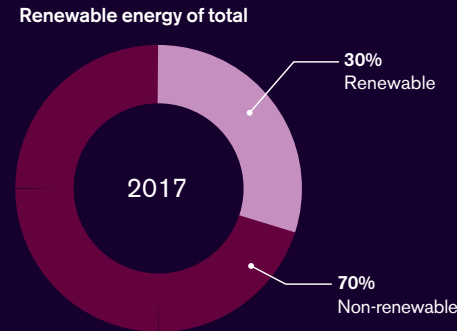
3.2

Joining forces to make our operations more sustainable

3.3

Our results

See how we are measuring up on our commitments around waste, energy, VOCs and climate emissions.



3.4

How solar is lighting the way ahead



3.5

Greater insight for faster progress

Find out how EcoVadis is helping us monitor our impact and improve our performance and that of our suppliers.

3.6

We are proud of our people

At Beckers, we believe social sustainability is as important to our future as environmental sustainability – it is impossible to have one without the other.

3.7

The Beckers sustainability awards

Meet the first winners of our new sustainability awards.

3.1

Tackling the challenge of environment, health & safety at Beckers

2017 was a challenging year for Environmental Health and Safety (EHS) at Beckers. Safety is the top priority for our business. Here we share what happened and our plan going forward, because transparency is important to us!

For us, employee wellbeing is one of the most important aspects of social sustainability, and occupational health and safety is a major part of that. In the words of our CEO, "Having worked in the chemical industry for over twenty years and seen what could happen, I am well aware how important Safety is for all of our employees and therefore it is so important that we all strive to achieve our vision of zero accidents."

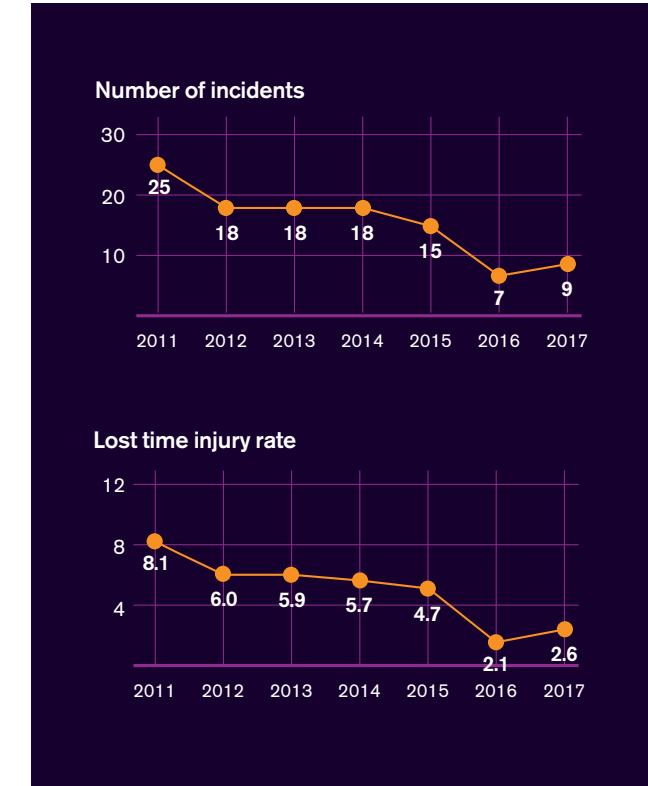
Our 2016 Sustainability Report featured an in-depth article on occupational health and safety at Beckers, including stories from our inaugural Global Safety Day. We also reported on an encouraging downwards trend in the number of accidents and Loss Time Injury rate (LTI). LTI refers to the number of work related injuries that result in absence the next day or shift, per million work hours.

Unfortunately, in 2017, both indicators moved in the opposite direction. This is largely because of an increase in LTI at one specific site; all other Beckers' sites have maintained or improved their LTI numbers since 2015. Nonetheless, we have responded to this year's performance with a set of mitigating actions and a long-term plan to continue towards our ultimate goal of zero injuries, no lost work days and no occupational diseases in Beckers Group.

Actions

We own EHS by:

- Running routines for Safety Observation and Near Miss Reporting
- Improving our communications with the launch of an EHS Monthly Bulletin, the Chemical Regulatory News Bulletin and the EHS 360 Newsletter



- Releasing Safety Alerts for all significant incidents, with learnings and preventive actions
- Conducting EHS observation audits at all levels
- Creating and conforming to Personal Protective Equipment rules
- Starting every meeting with a safety brief

Looking beyond these immediate actions, many of which are already in place, we have developed the following plan to improve our EHS performance.

- All Beckers sites to create their own EHS improvement plan.
- Structured education on the importance of EHS.
- Promote and enhance safety thinking.
- Review and update the Beckers Loss Prevention Standard (currently underway).
- Introduce a core EHS team to review best practice and further build on the policies and procedures.
- Continue the global roll out of the 5S plan.
- Publish results consistently to show the company's serious commitment.
- Global safety day in June 2018.

For our COO Karsten Eller, it comes down to every individual feeling part of the same team: "Each and every Beckers employee is expected to contribute towards a higher safety standard. Only if we all work together as a team towards reducing risks can we avoid having accidents and come to 'zero by choice'."

Our Global EHS Director Jayakumar Rajamoney says: "If all members of our entire staff act as EHS ambassadors in our organisation, this would provide us with a basis for EHS, ensuring that it stays on the priority list every day, both at work and at home."



In the digital version of this report (read it on: beckers.link/SR17) you can see the short film where Christophe Sabas talks about working towards a culture of zero accidents and the importance of communication in sharing knowledge and fostering best practice to achieve this. Watch the video at beckers.link/EHS-video

3.2

Joining forces to make our operations more sustainable

Across our business, we have a new commitment to Operational Excellence. This kind of organisational leadership helps us to fulfil customer expectations and needs in the most efficient and resource effective way.

Working together to drive change

By adopting the methods and approaches of Operational Excellence, we will find new ways to work with Operations and R&D. Through cross-functional, cross-unit and cross-site collaboration, we can efficiently and effectively become more sustainable.

Becoming more efficient as a business is not straightforward – there are old habits to break, and new techniques to learn: it is not something that ‘just happens’.

In the digital version of this report (read it on: beckers.link/SR17) you can see the short film where Kay Witte and Paul Davies discuss operational excellence, company dynamics, problem-solving and the process of instigating change. Watch the video at beckers.link/OE-video

That is why we were so pleased to be joined in 2017 by Kay Witte, our new Global Director of Operational Excellence, and by Paul Davies as our new Group Technical Director of Coil Coatings. Below, we have asked Kay and Paul about their roles and how our new commitment to Operational Excellence will help Beckers make sustainability our business.



3.3 Results: Waste and circularity

Quantifying our waste reuse

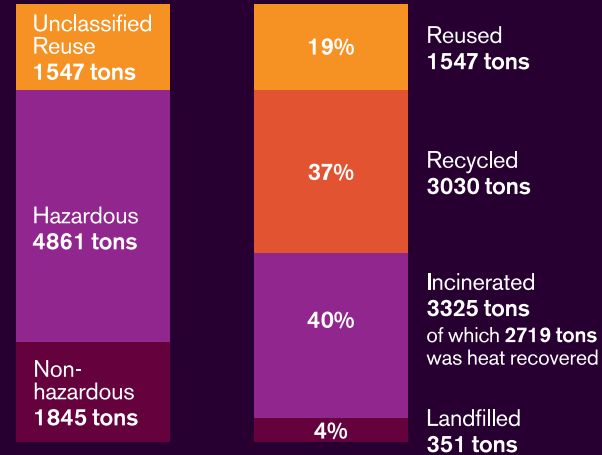
In 2017, we were able to quantify our reused waste for the first time. This new area of reporting is required as per the GRI guidelines. We plan to provide further transparency on non-hazardous and hazardous reused waste in future reporting periods!

By quantifying our waste in this way, we will be able to work towards the new EU Circular Economy Package. While we continue to work to reduce our total waste, we also keep working to increase the fraction of total waste reused.

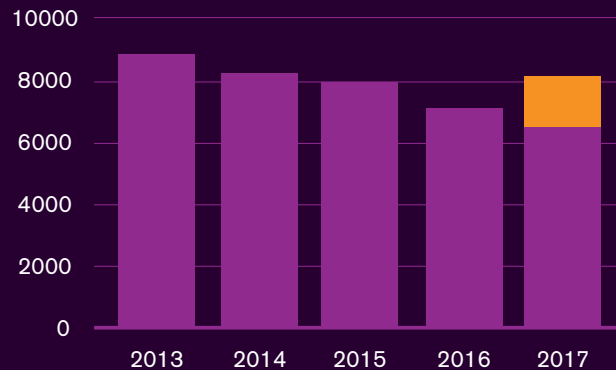
The graphs demonstrate a decrease in waste generated. Prior to 2017, we did not measure our reused waste stream. Reuse waste has now been added to our total waste output, which is illustrated by the yellow fraction in the graphs.

To find out more about our performance on waste, please see the GRI appendix.

2017 total weight of waste by type and disposal method

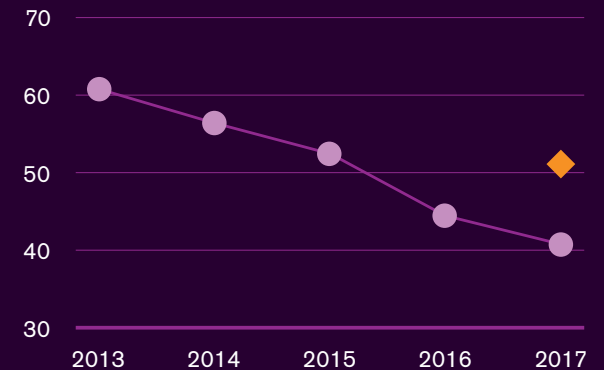


Total waste, ton



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

Waste intensity, kg/ton product



● Total waste* ◆ Reused *Excludes reused waste

3.3 Results: Energy

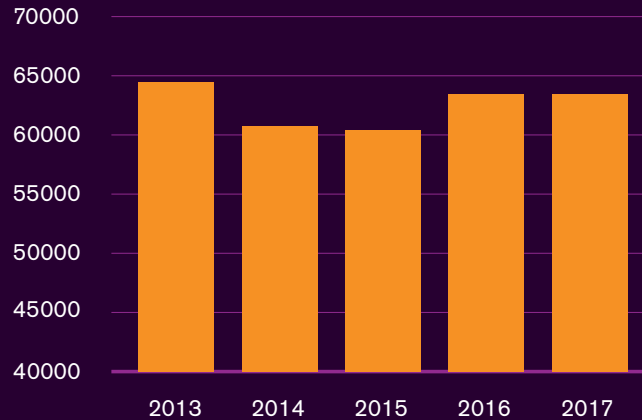
Finding new ways to reduce our energy use

In 2017, our total energy consumption remained nearly constant and we saw a levelling off in our energy consumption per ton of product. We see these results as indication that we need to take our energy management efforts to the next level.

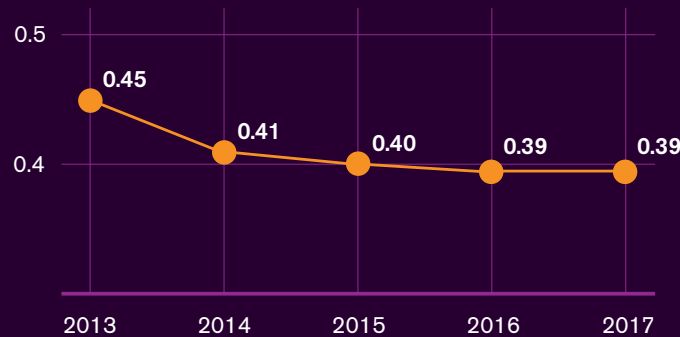
Looking ahead, we are motivated to move towards a new project to ensure that we keep improving our energy management. Our next steps will lead us beyond the implementation of traditional energy management to address our use of sustainable energy and techniques to become more energy efficient at our production sites.

Since we started measuring our energy use, we have shown a consistent increase in the fraction of renewable energy consumption from the total energy we use. We aim to further this trend in the coming years, continuing the transition to renewable energy across our business.

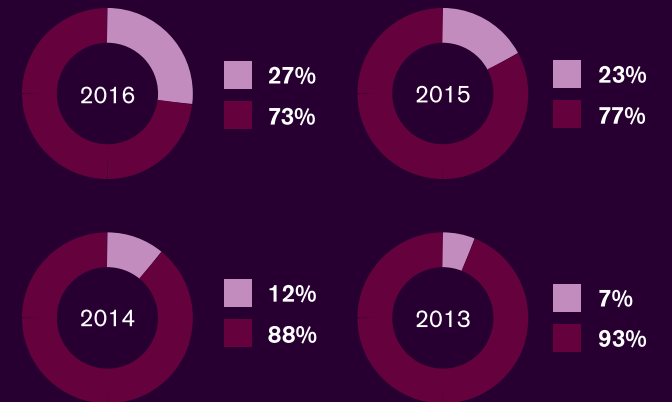
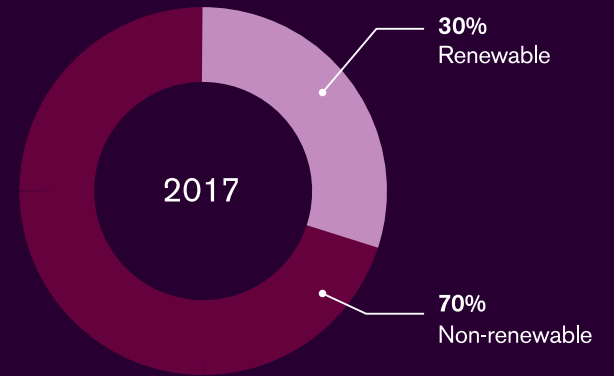
Total energy consumption, MWh



Energy intensity, MWh/ton product



Renewable energy of total



3.3 Results: Climate and VOC

Keeping our commitment on climate

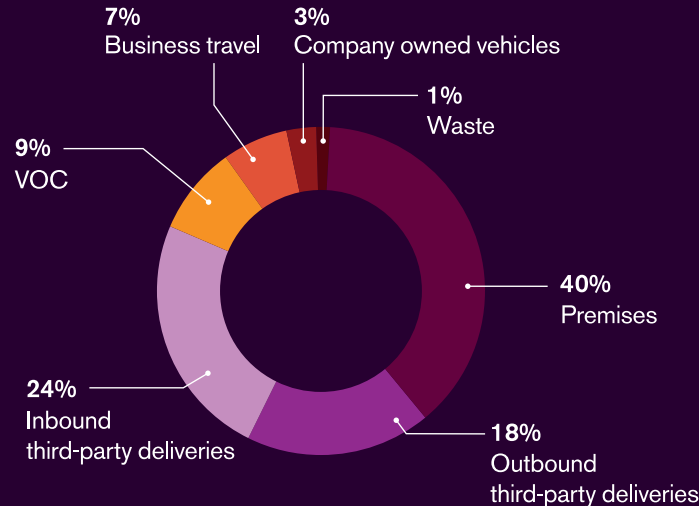
Our commitment to reducing the amount of harmful emissions created by Beckers remains firm.

Cutting Carbon

In 2017, we saw a healthy 3% reduction in carbon emissions per ton of product compared to 2016, while our production volume remained almost constant. Compared to our base year, this means a 13% reduction in carbon emissions per ton of product.

This reduction in carbon emissions comes mainly from our shift towards the use of renewable energy at our sites. Alongside this, following the implementation of our new travel policy, we have also cut business travel emissions by 5%. For further details on our climate assessment please see our Climate Impact Summary for 2017.

Carbon emissions by activity*, %

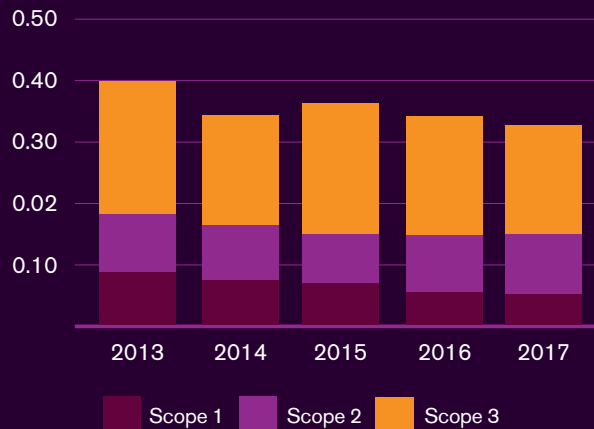


Fewer VOC emissions

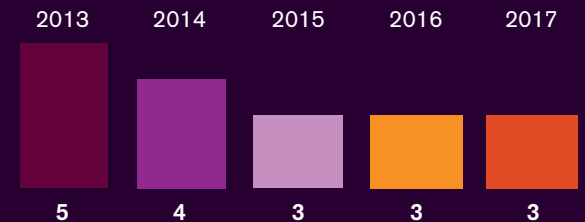
We continue to measure and target VOC emission from all our production sites.

Over the years, we have reduced our absolute emissions thanks to a combination of activities such as low-solvent cleaning systems, solvent recirculation and on-site distillation.

Due to changes in the types of product we are manufacturing and our production volume, we remained at the same level of emissions per ton of product in 2017.



VOC intensity, kg/ton product



* All climate data reported is as per Location-based approach

3.4

How solar is lighting the way ahead

The ongoing success of our first solar panel project is inspiring us to find more opportunities to install clean energy resources.



In the digital version of this report (read it on: beckers.link/SR17) you can see the short film where JD Bu and Shashi Veera discuss the motivation behind Beckers' Malaysian solar panel initiative, the results it is generating and their hopes that it will inspire others to start a similar journey. Watch the video at beckers.link/solar-panel-video

In August 2017, we completed the installation of 300 solar panels on the roof of our manufacturing building at our Malaysia site. The full capacity of the solar panel system is 100 kWp, and all is working well. In fact, the installation is providing even more energy than expected and – as a bonus – is helping shade the warehouse from the sun's heat.

According to a report from the local electricity board (and based on our measurement for four months of 2017), the solar panels are saving about 10% from the

total cost of our electricity. This saving includes the income we generate from the sale of excess weekend electricity back to the local grid.

The success of this project is a good example of how Beckers is making sustainability our business. This is a pilot project, and we are exploring opportunities to install more clean energy resources across our business – including adding more solar panels at this site.

3.5

Greater insight for faster progress

EcoVadis, an external, well-established organisation, helped us to evaluate both our own performance, and our supply chain's.

As good as gold: Celebrating our latest EcoVadis score

EcoVadis operates a collaborative online platform that allows companies to monitor the environmental and social performance of themselves and their suppliers on a global basis.

The EcoVadis methodology assesses a company's performance in four sections: environmental, labour practices and human rights, fair business practices and sustainable procurement. The evaluation is based on a comprehensive questionnaire and the '360-degree watch', which is stakeholder information from NGOs and the media etc., collected by EcoVadis. A high score also requires supporting documentation, including policies, measures, reports, certificates and quality manuals.

At Beckers, we use the platform in two ways:

1. To get a third-party evaluation of our own performance and development over time. In 2017, we conducted our third EcoVadis assessment audit on our own business, completing the same questionnaire we request from our suppliers. Our EcoVadis results have continuously improved over the years and – in December 2017 – we were proud to receive our first Gold recognition level.
2. We also use the tool with our suppliers, asking them to join the platform and share their results. Two thirds of our global raw material demand is supplied by companies that have been assessed in this way.

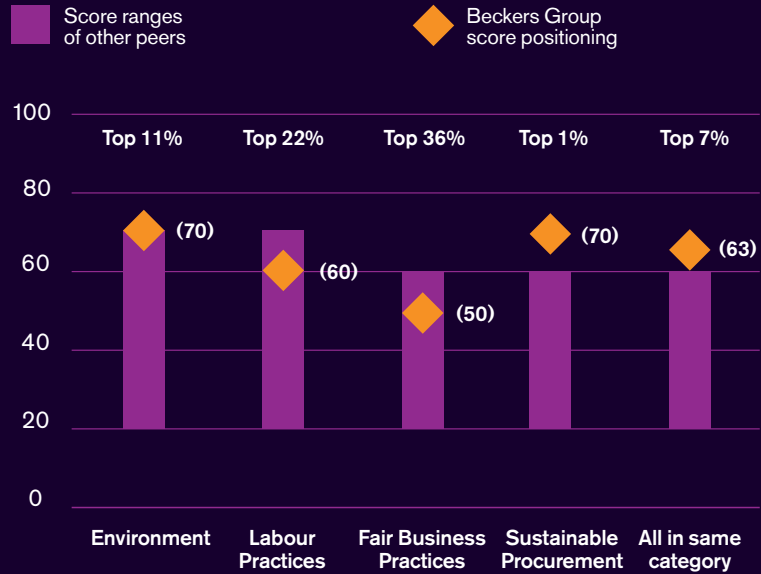
While our Gold result demonstrates our overall performance, it also gives us critical insight on where and how we can improve. For example, the EcoVadis assessment showed that our lowest scoring area, relative to other areas, is fair business practices. Beckers is still performing well in this area compared to other businesses.

The main focus going forwards is to achieve the same standard globally in the Beckers group.



EcoVadis scoring results for 2017

In the category: Manufacture of paints, varnishes and similar coatings, printing inks and mastics.



Empowering our suppliers to improve

The sustainable development of our suppliers has a significant impact on our own development. We monitor the social and environmental sustainability of those we choose to work with, and take them along on our development towards sustainability, through our newly designed three-step process.

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

First, we introduced a Supplier Code of Conduct in 2017. All our regular suppliers – both existing and new – must sign and adhere to the Code. When a supplier provides its own Code of Conduct we make sure it complies with our needs. As of 2017, 58% of our global supplier turnover is covered by suppliers that have signed the code, therefore committing to a minimum level of corporate social responsibility principles.

The Code is concise and clear, which helps suppliers engage quickly and positively with it. By removing administrative obstacles, we can all stay focused on making progress towards our shared sustainability goals.

Step 2: Conduct third party assessments

As a second and significantly more demanding step, we ask all our key suppliers to conduct EcoVadis assessments. These assessments are designed to be user-friendly, but they are not easy – suppliers must provide proof for all their claims. To be fully approved, a supplier must score a minimum of 40 points in each of the four segments of the assessment. Those who fail are asked to work through a transparent corrective action plan, which leads to a reassessment with expectedly satisfactory results. We use this process to take our suppliers with us as we help move our industry in the right direction. Our EcoVadis-assessed raw material suppliers cover 67% of our total raw material purchase value, and our EcoVadis-approved (suppliers that score four-times 40 or above) purchase value is 53%.

Step 3: Conduct inhouse audits

And third, we conduct our own inhouse audits on selected key suppliers – primarily operating in higher risk regions – to verify their compliance with our Corporate Social Responsibility and quality expectations. We decide which suppliers to audit based on a risk assessment, which includes factors such as geographic location, industry or sector, self-assessment results, length of relationship and previous performance. We work together with the audited supplier to improve, sharing improvement proposals and requesting action plans within a specific time period.

3.6

We are proud of our people

At Beckers, we believe social sustainability is as important to our future as environmental sustainability – it is impossible to have one without the other.

In 2016, we started to examine how social sustainability connects to Beckers; what it means to our business, and what actions we can take to improve our impact. In 2017, we continued this research and established that our efforts should focus on two categories.

- **Employee well-being:** We have a responsibility to enhance employee health and safety, and provide ongoing employee development and engagement.
- **Community engagement:** We must act responsibly in the communities where we operate, and support local development.

We explore these categories, including how they are linked, throughout this section.

Becoming an employer of choice

Our employees are the true value drivers of our company and it is our responsibility to offer an environment and work culture that benefit their development and well-being. Ultimately, we strive to be an employer of choice for talented individuals who help us realise our sustainability vision and succeed in business.

To achieve this, we need to connect and engage with our employees and a range of other stakeholders such as Beckers management and board, and employee and union representatives. By learning more about their experience of working at and for Beckers, we can find the right levers to, for example, improve employee well-being.

Establishing our baseline

To keep improving in this area, we need to understand where we are now and set a baseline from which to progress from. We have therefore started conducting employee surveys to build a fuller picture of how employees feel about working at Beckers.

We are conducting these surveys strategically across our company, and have so far polled our employees in France in 2016, and in Germany, Poland, the UK and Sweden in 2017. All surveys had a high engagement and high participation rate, which makes for valuable, actionable results.

Our priority now is to work together to carefully follow up on the results of our employee survey with action plans to further improve our performance.

– Veronica Hagborg,
Head of HR, Beckers Sweden

”

A broad representation gives us a good understanding of the whole workplace, so for coming surveys we need to consider carefully how to engage everyone.

– Jean-Pierre Genevay,
Managing Director, Beckers France

”

Survey participation rate

France – 71%

Germany – 72%

Sweden – 93%

Poland – 77%

UK – 56%

We are using these results in two ways. First, as a way to create locally tailored improvement plans; we have set up working groups to address specific issues and engage our employees. Second, as data for establishing a global baseline.

Looking ahead, we will continue to roll out our employee surveys to further inform this baseline and, ultimately, help define our long-term strategy.

Beckers engages globally with many different initiatives. Colleagues from all over the world give their best to bring value to the communities we operate in.

China

- Visited the Shuangyuan Primary School in August 2017, donating and assembling furniture, and connecting with students. ([See full story on page 31](#)).

France

- Supported several associations that help sick children with disabilities.
- Partnered with a social enterprise that employs disabled workers to deliver an archiving project that has long term positive environmental and economic impacts.

Germany

- Contributed to the local 'Dormagen Moves' project, working with children to paint electricity boxes with pictures of Erich-Kaestner stories.

India

- Donated to local community and clubs during Diwali and Ganesh festivals.
- Donated a library to Pilerne Village, Panchayat. The library was inaugurated by Nicklas Augustsson, Global Sustainability Director, on 13th May 2017.



Italy

- Donated to local football club and the social non-profit Fondazione Marcegaglia.

Poland

- Supported a project that provides eco-lessons in local kindergartens, raising awareness and understanding of issues such as waste reduction.
- Offered free cytological examinations for female employees and any female family members.

South Africa

- Ongoing support for the Tabitha and Doulos orphanages.
- Continued sponsorship for the Star for Life program, which aims to support young people's self-esteem.
- Supported four Analytical Chemistry students at Tswane University of Technology in Pretoria. In 2018, we will support six students. This project won the Beckers Sustainability Award in the Social category.



Sweden

- Scholarship for two students at the Arlanda high school.

USA

- Donated to the Red Cross' Hurricane Harvey Relief Fund and the National Kidney Foundation.

UK

- Arranged a gift-giving 'Secret Santa' for the children at a local Women's Refuge.

Vietnam

- Supported a local charity to build a much-needed bridge for the local Mekong Delta community.

Supporting children in South Africa

In 2017, we were pleased to continue our financial support of two orphanages in South Africa. Both the Tabitha and Doulos ministries provide care, shelter and a place to call home for young children whose lives have been affected by AIDS.



Building a local library in India

About 8000 people live in Pilerne village in the North Goa district of India. The village has two primary schools, one middle school but – until last year – no library. Beckers has had a presence in this community since 2010, donating resources to everything from a medical centre to a fruit park; we want to help people live happier, healthier lives.

In 2017, after a consultation with local people, we funded and set up a library in the Village Panchayat Building. We provided all the furniture and – most importantly – enough books to create



sections for children and school, general knowledge, spirituality, autobiography, mythology, history, science and fiction.

The library was inaugurated by Nicklas Augustsson, Global Sustainability Director, on May 13th, 2017. Managing Director Rajesh Mehrotra and Vice President Operations Morisetty Srinivas also attended the inauguration, as did the local governing council and local people.

A generation ahead

In Tarnow, Poland, Beckers initiated a campaign aimed at the youngest part of society. This involved working with Branzowa Organizacja S.A., a local organisation that delivers eco-lessons in kindergartens. The project is ongoing, and we are confident it will continue to raise awareness of Beckers, add value to the local community, and – ultimately – help inspire "the next generation of sustainability superheroes!"



Thanks to your contribution, our teachers are dedicated to improving our standards and our students love their study even more.

–Schoolmaster, Xiatang Central Primary school.



Through this project, we can offer practical and emotional support, as well as financial – which is essential to helping children have a brighter future.

– Paul Hunt, Business Director for Industrial Coatings Asia, and volunteer.



In the digital version of this report (read it on: beckers.link/SR17) you can see the short film where Emily Wu shares her view of this project to support an elementary school in rural China, and the impact it is having on local students and Beckers' employees. Watch the video at beckers.link/social-video

Helping build children's futures in China

In August 2017, ten colleagues from Beckers China helped with a social project at a school a remote village about two hours ride on a fast train from Shanghai, China. The team organised to contribute money to classroom furniture, and to invest time and effort to assemble them and interact with the schoolchildren.

The team visited JiangXi Yushan Xiatang Central Primary School to set up 230 new sets of tables and chairs, followed by a visit to the school residence to learn first-hand the hardships faced by the underprivileged students.

3.7

Beckers Sustainability Award

In 2017, the Sustainability Committee founded the annual Beckers Sustainability Award. The two awards – one for social and one for environmental sustainability – are designed to recognise and reward colleagues who are actively working towards our vision of becoming the most sustainable coatings company in the world.

The award's two categories are the Social Sustainability Award, and the Economic & Environment Award. Twelve finalists were chosen from 29 amazing nominations, followed by two overall winners. The jury was impressed by the number of nominations and found it difficult to choose a winner. After much deliberation, the Social Sustainability Award went to Willem van Heerden and Charmaine Jansen of Beckers South Africa for their work on the Eketsang Student Program. The Economic & Environment Award went to Shashi Veera and JD Bu of Beckers Malaysia who managed the solar panel project at our site there.

Congratulations go to all the nominations, finalists and winners, and we are excited to see which initiatives will be brought forward and which initiatives and individuals will shine in 2018.

Charmaine and I are proud to win this award - it means a lot. It does take effort and time to ensure this initiative bears fruit and the students benefit. Being recognised in this way makes it worthwhile.

– Willem van Heerden, award winner



This award is a testament to the efforts and team work of all our colleagues. It has strengthened our resolve to push further for a sustainable world.

– JD Bu, award winner



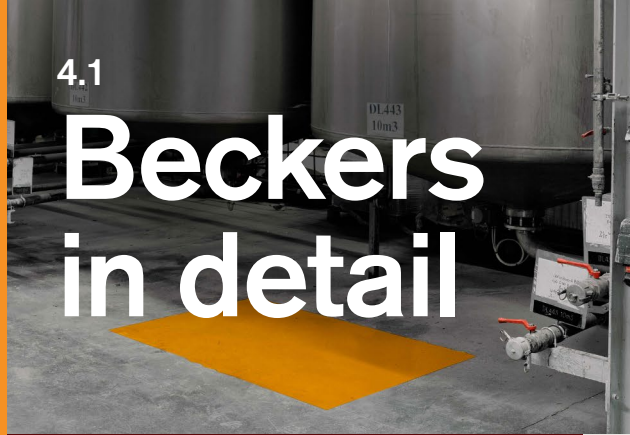
4.0

Meet Beckers Group

Beckers offers sustainable coating solutions to customers around the world. Find out how our business works, and how we keep our sustainability efforts on track as we move towards fulfilling our vision.

4.1

Beckers in detail



4.2

Our global network

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



4.3

Introducing our Board of Directors and Executive Group



4.4

GRI topics and governance

We are continuously improving how we manage sustainability at Beckers. We value reporting because it structures and focuses our work, and guides the review of our progress.

Beckers in detail

Beckers is a global coatings company that develops high-quality environmentally compatible paint systems. Our expertise is based on our long history dating back over 150 years. In 2017, 1,800 people worked at 23 production sites in 18 countries, providing products and custom-made solutions to customers in close to 60 countries around the world.

The company is structured into two business segments: 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 Group is owned by Lindégruppen, a Swedish family business with a focus on the long-term development of industrial companies. Our corporate headquarters are located in Berlin, Germany.

Financial performance

Net sales 2017: MSEK 5,640

Capitalisation

Equity: MSEK 1,307

Equity ratio: 34%

Net interest bearing debt of MSEK 373

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

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

Striving for outstanding financial results ensures that we strengthen our owners' trust and the opportunity to extend our operations in new locations while creating fruitful customer relationships. The global reach and local presence is key for our future success, including our sustainability work. We set financial performance targets, which are followed up in our financial reporting system.

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

Our Business segments

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.

Our Core Values



Customer focus

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



Team spirit

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



Ability to shape and adapt

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



Trust and integrity

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

4.2

Our global network

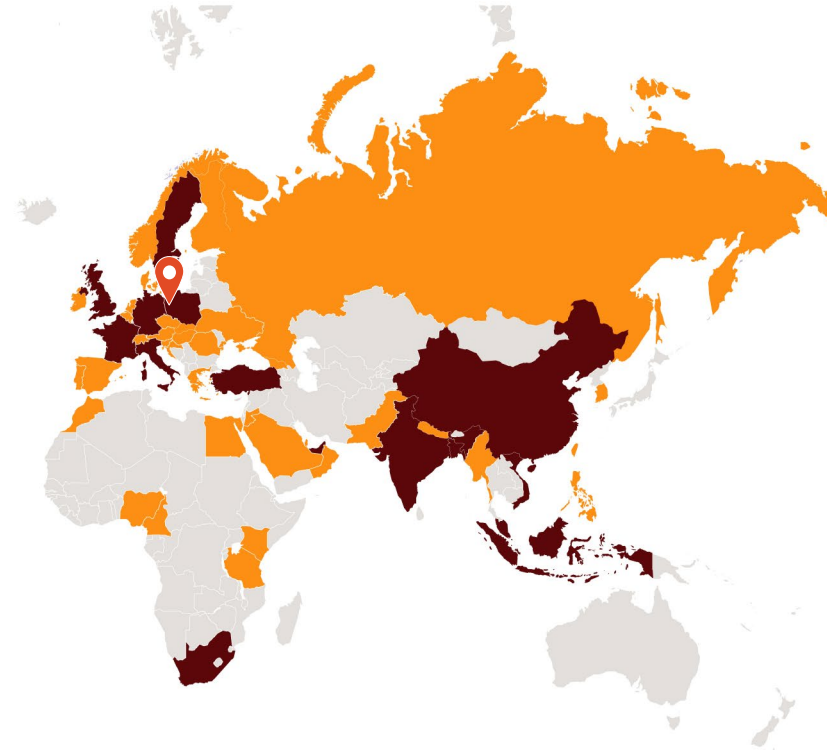
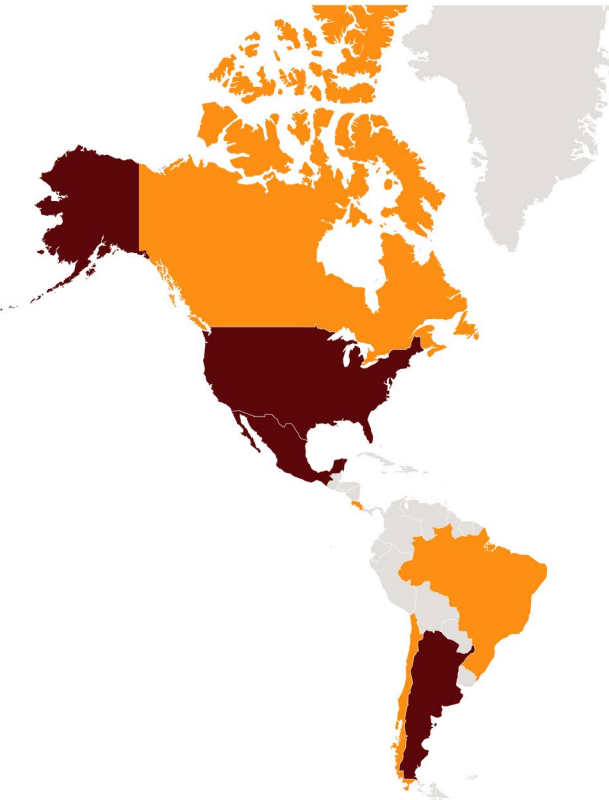
We operate a global network of manufacturing sites to follow customer demands and stay as geographically close to them as possible.




For our manufacturing we buy all ingredients from business partners around the globe, mainly resins, pigments, solvents, and additives. All this supply is sourced from the chemical

industry in Europe, Asia, Americas and Africa. Most of the components are sourced within the continent of our point of demand. Packaging is typically sourced on the local market close to our manufacturing site. As we are manufacturing today in 23 sites in 18 Countries on five continents, the inbound supply chain can be complex.

While we typically ask our suppliers to organise transport operationally, we monitor the CO₂ footprint of logistics and encourage suppliers to use rail, ship or multi modal transport in order to reduce road transport to the necessary minimum. We review these data annually.

Handling and transport of our raw materials is strongly regulated in all regions. We make sure, that transport, handling and use of all our raw materials comply with local legal requirements. This is taken care of by our local EHS groups in all sites together with local procurement and supply chain organisations. We follow published objectives and procedures in order to increase this number and improve the CSR performance of our supply base in all global regions.



-  Corporate headquarters: Berlin, Germany
-  Manufacturing sites
-  Additional markets served

4.3

Introducing our Board of Directors and the Executive Group



Executive Group members 2017

The group has undergone some changes in the beginning of the year and this is the constitution at the end of the 2017.

Dr. Boris Gorella
CEO

Dr. Karsten Eller
Chief Operating Officer

Olivier Laune
Chief Financial Officer

Paul Menezes
President Coil Coatings
Asia & Middle East

Christophe Sabas
President Coil Coatings Europe,
Africa & Americas

Dr. Bernd Vogel
Chief Technology Officer

Christian Vogel
President Industrial Coatings

Board of Directors 2017

Erik Urnes
Chairman

Jenny Lindén Urnes
Owner and acting Chairman

Dr. Boris Gorella
CEO, Beckers Group

Georg Brunstam
CEO, Hexpol AB

Mark Hamlin
Chair, OR Group

Ursula Jakobson
Labour Representative

Malin Persson
CEO and owner Accuracy AB

Suzanne Thoma
CEO, BKW AG

Daniel Wall
Labour Representative

Beckers Executive Group members together with Paul Schrotti (CEO of Lindéngruppen since January 2018 and new Chairman of the Beckers Board) and our new CHRO (Chief Human Resources Officer) Judith Jungmann, who joined in March 2018.

From left to right: Olivier Laune, Bernd Vogel, Christophe Sabas, Paul Schrotti, Judith Jungmann, Boris Gorella, Christian Vogel, Karsten Eller, Paul Menezes.

4.4

GRI topics and governance

We are continuously improving how we manage sustainability at Beckers. When it comes to reporting our sustainability performance we have used the Global Reporting Initiative (GRI) guidelines since 2012.

For 2016 we shifted to the new GRI Standards. We find that they support our work better, because they are more structured and topic oriented. We also reviewed our material topics to further accelerate our progress. This report has been prepared in accordance with the GRI Standards: Core option.

Refreshing our sustainability topics

During 2017, we continued to develop our sustainability strategy and reporting according to our business strategy and stakeholder expectations. We evaluate our impact in relation to a vision of a sustainable society, and the actions we must take to get there. At Beckers, we value reporting because it structures and focuses our work, and guides the review of our progress. Below, we have outlined our progression through these steps over the last few years:

Identifying material sustainability topics

Since we started reporting according to GRI guidelines, we have mapped out the sustainability topics most relevant to our business.

In 2016, Beckers decided to shift to the new GRI Standards. For that reason we reviewed the materiality of selected sustainability issues by checking them against external trends, the results of our 2015 stakeholder dialogue, other ongoing stakeholder dialogues and our internal development. This development road lead us to eight material topics, which are well established in sustainability principles and that we aligned with the UN's Sustainable Development Goals SDGs in 2017, as described below.

Aligning with the UN Sustainable Development Goals

We have aligned our sustainability strategy with the UN's SDGs (see more on page 8). While we recognise that our business impacts all 17 SDGs, we identified eight prioritised goals that represent sectors most influenced

by our business and areas of our vision for sustainability where we are most able to have a positive impact.

By aligning with the UN's SDGs, we become part of a global movement to work together for change. In practice, this means we are now using both the globally recognised SDGs and the GRI standards to report on our material topics to have a more unified approach to our sustainability practises.

Our material GRI topics

Product stewardship

We created 'Product stewardship' as one of our eight material topics. It means taking responsibility for sustainability issues along the length of our product value chain. Ultimately, this topic will help us to develop more products for our customers that meet their needs and fulfil our shared vision of sustainability. Please note, product stewardship is not a GRI topic. Our most vital areas to improve within product stewardship are:

- The choice of raw materials for our products.
- Which suppliers to work with.
- How our products perform at applicators (our main customers) and end user, including customer health and safety.

This topic is aligned with the following prioritised SDGs: SDG 11 Sustainable cities and communities, SDG 12 Responsible consumption and Production and SDG 13 Climate action.

Employment

Our employees are vital to our success. To understand how we can improve employee wellbeing in the whole group we conduct employee surveys. We are also measuring employee turnover to identify opportunities for improvement.

This topic is aligned with the following prioritised SDGs: SDG 5 Gender equality, SDG 8 Decent work and Economic growth and SDG 10 Reduced Inequalities.

Occupational health & safety

The health, safety and wellbeing of our employees, partners and customers is of ongoing, vital importance, and we continue to endeavour to reduce the number of accidents or incidents world-wide to zero.

This topic is aligned with the following prioritised SDGs: SDG 8 Decent work and Economic growth and SDG 12 Responsible consumption and Production.

Training and education

Beckers Group wants to positively contribute to the communities in which we operate by engaging in social initiatives for local education. We also care about and take responsibility for the professional development of our employees in the short and long-term. It is only through the know-how of our employees that we can accelerate our progress towards a more sustainable business.

This topic is aligned with the following prioritised SDGs: SDG 4 Quality Education, SDG 5 Gender equality, SDG 8 Decent work and Economic growth and SDG 10 Reduced Inequalities.

Local communities

Social engagement with local stakeholders is an important part

of sustainable development in the communities where we are active. Beckers Group wants to positively contribute to the communities in which we operate by both providing reliable employment and by giving back through charitable giving and social responsibility programmes.

This topic is aligned with the following prioritised SDGs: SDG 4 Quality Education, SDG 5 Gender equality, SDG 10 Reduced Inequalities, SDG 12 Responsible consumption and Production and SDG 17 Partnerships for the goals.

Energy

As an industry manufacturer, energy management is material, both in terms of efficiency and climate change, and is already measured and targeted. To support sustainable development globally, we use energy efficiently and from renewable sources, and we are increasing our internal generation of renewable energy with solar panels.

This topic is aligned with the following prioritised SDGs: SDG 12 Responsible consumption and Production and SDG 13 Climate action.

Emissions

Climate impact is material and we already measure and assess it. We conduct climate assessments of all our operation sites, and for inbound as well as outbound transportation. Referring to Product Stewardship above, we offer products to our customers that save energy and therefore emissions at end use. Our focus is on greenhouse gases and VOC emissions from our operations, and we have set targets on reduction.

This topic is aligned with the following prioritised SDGs: SDG 11 Sustainable cities and communities, SDG 12 Responsible consumption and Production and SDG 13 Climate action.

Waste

As a chemical manufacturer, resource management is material and is already measured and targeted. It is both about efficient utilisation of the raw materials we use and also minimising the waste generated from our operations. To support sustainable development globally we need to minimise wasted material and close packaging material loops.

This topic is aligned with the following prioritised SDG: SDG 12 Responsible consumption and production.

Legal compliance

During the review of our material topics, we realised we could respond to all compliance-related topics through our Disclosure of Management Approach (please refer to the GRI Reporting Appendix).

Compliance with laws and regulations including but not limited to human rights, children's rights, environment, health and safety, anti-corruption, anti-competitive behaviour, protection of personal data and privacy is clearly regulated by laws and our Code of Conduct (CoC).

Compliance to our CoC is continuously followed by the Management of the Group. The Chief Financial Officer is in charge of internal audits and compliance on a global level.

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. No incidents of corruption were reported or confirmed during 2017.

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 behavior, anti-trust or monopoly practices and their outcomes reported in 2017.

The online Code of Conduct training has been further rolled out and is now available in five languages and the coverage is now 41% of all employees.

Adding value beyond the surface

Sustainability Report 2017

Beckers Group

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