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BERNER
ANNUAL REPORT
2023



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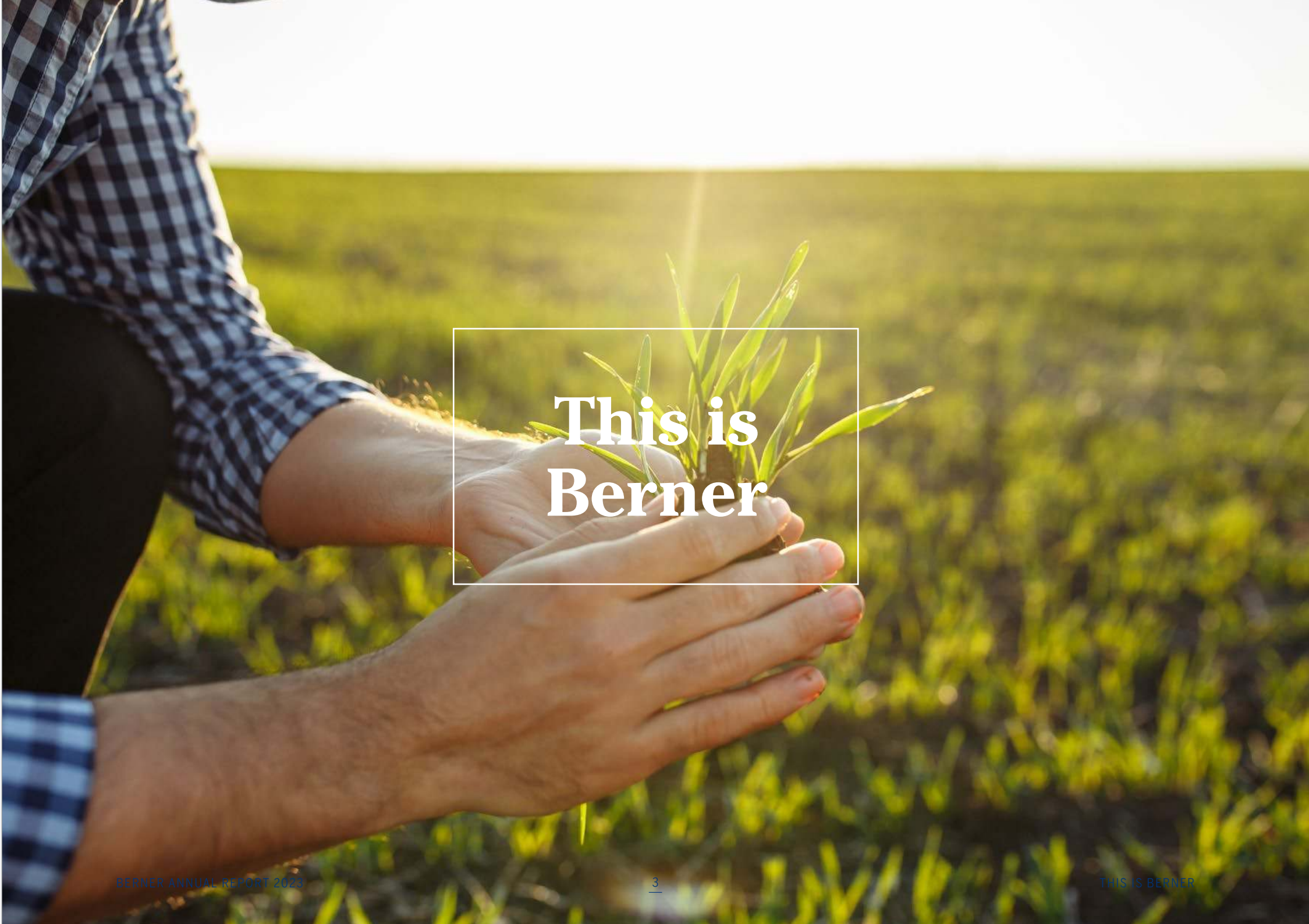
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BERNER, A FAMILY COMPANY

Berner Ltd is a growing and internationally expanding Finnish family company established in 1883, with four business areas covering its diverse range of products. In addition to Finland, we also operate in Sweden, Norway, Denmark and the Baltic countries.

Strong consumer and customer insight, close cooperation and local expertise are important aspects of all of our cooperation relationships. We operate in four business areas: consumer goods, healthcare and laboratories, agricultural trade as well as industry. Being a diversified company has been an important part of our operations for almost all of our history.

Domestic product development and production are among our key strengths. The Berner Group has production in eight

different municipalities in Finland. Berner has a long track record of advancing responsible operations, and sustainability is at the heart of everything we do. We want to build a better tomorrow and work to ensure well-being and good living for all of us – also 100 years from now. Our sustainability programme, titled “Our shared responsibilities”, and the targets set out in that programme, guide our sustainability efforts.

Founded in

1883

4 business areas

Consumer goods • Agricultural trade
• Industry • Healthcare and laboratories

Production in

8 municipalities
in Finland

Operates in

7 countries





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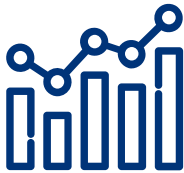
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GROUP KEY FIGURES 2023



Turnover, meur

705.0

(717.5)



Operating profit, meur

29.5

(40.6)



Operating profit, %

4.2

(5.6)



Equity ratio, %

44.9

(41.4)



Investments, meur

7.5

(17.5)



Personnel (31.12.2023)

883

(858)



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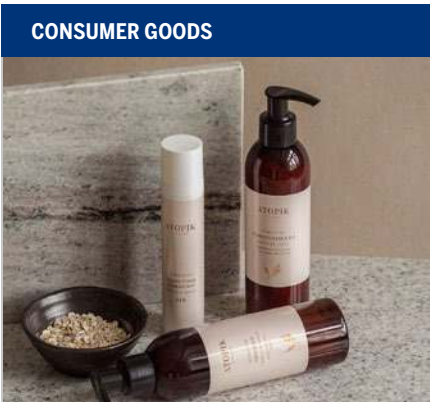
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OUR BUSINESS AREAS



Turnover, meur
95.4

We manufacture, import and market a wide range of branded products to consumers. We also export our products.

Our well-known brands compete in a leading position in many categories: hygiene, beauty, food, home cleaning, wellness, childcare, car care, gardening, footwear and daily accessories.

While we invest in Finnish product development and production, we also operate in close cooperation with our international partner network. In addition to our brands and professionals, our strengths include local consumer insight, marketing expertise and close customer cooperation. In addition to Finland, we operate in the Baltics.

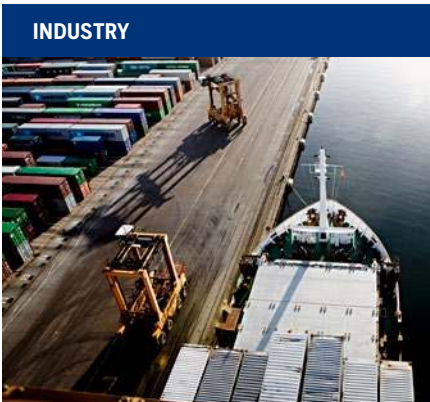


Turnover, meur
89.9

We are a reliable partner for healthcare and laboratory professionals. In addition to our own domestic production, our selection includes high-quality products from our international principals who are on the leading edge of their respective industries.

We constantly strive to develop our product range according to the changing needs of our customers. We improve the quality of life by providing solutions for maintaining people's wellbeing and functional capacity.

We offer comprehensive equipment and service solutions for the needs of laboratories. We help in selection and provide training and servicing. In addition to Finland, we also operate in Sweden, Norway, Denmark and Estonia.



Turnover, meur
210.1

Berner Industries acquires products globally for its market area and serves its customers in the Nordic and Baltic countries and rest of Europe with its solid expertise. We supply raw materials and additives for the needs of the manufacturing industry and the infrastructure sector. We have sales in more than ten countries.

Our subsidiary Berner Chemicals manufactures magnesium chemicals in Kokemäki. Our other subsidiary Chemigate's production facilities in Lapua and Kaipiainen produce starch-based binders and adhesives as well as specialty chemicals in Mietoinen. Lapua and Kokemäki also produce native potato starch.



Turnover, meur
306.7

We are a reliable partner for farmers in Finland and Sweden. We offer plant protection products, fertilizers, seeds, farming supplies and related solutions and advisory services directly to our farmer customers. In Finland, farmers can also trade grains and oilseeds easily and smoothly with us.

In Estonia, Latvia and Lithuania, we operate through local distributors. Our operations in all of our markets are built on strong partnerships with our customers and suppliers.

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CEO'S REVIEW

We celebrated Berner's 140th anniversary. The challenging business climate continued to affect our turnover and operating profit. We continued our systematic efforts to further develop our sustainability.

Berner 140 years

Last year, our company had a real year of anniversaries. Berner celebrated its 140th anniversary together with our employees and stakeholders at the memorable festivities in the historic Kattilahalli facility in Helsinki. We had a lot more to celebrate last year when our agricultural trade business celebrated its 90th anniversary and the Korrek car care range its 60th anniversary. The footwear category also celebrated no less than three anniversaries, with Nokian Footwear turning 125, Kontio 60 and Hai 55.

Our founder, the Norwegian Sören Berner, probably did not dare or was even able to think in 1883 how far his business that started with selling herring would go. We are very proud and happy of our 140-year history, and I would like to thank everyone who has been involved in the long and interesting history of our company over the years.

Business climate impacted turnover development

The challenging business climate also strongly reflects last year, and it had a significant impact on the development of our turnover. Last year, our turnover decreased to EUR 705 million (EUR 717.7 million) and we generated an operating profit of EUR 29.5 million (EUR 40.6 million).

In agricultural trade, our biggest business area in terms of turnover, the decline in market prices for grain and fertilisers from the record level of 2022 affected the development of turnover despite volume growth. Our industrial business was challenged by sharp fluctuations in market prices during the year and the decline in demand in various industries, such as forestry and construction. High prices and interest rates slowed down consumers' appetite for consumption and investment, among other factors. Despite the challenges, we managed to increase our turnover in both industry and consumer goods business areas.





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We updated our strategy

Multisectorality has been part of Berner’s basic philosophy since the very beginning, and it has protected our business from cyclical fluctuations for 140 years. Our multisectoral strategy aims for growth and internationalisation in all four of our business areas.

Last year, we updated our strategic priorities and in the strategy period 2023–2025 our focus is on growth management, increasing customer value, strengthening competitiveness and a strong brand and employer image.

During the year, we have worked hard to find new growth initiatives, identify synergies within the Group and refine our processes. Understanding our customers’ needs and wishes is crucial to our success and we are committed to continuously improving our customer-centric operations. Our strong employer image is based on the well-being of our employees, and we have therefore continued our systematic development work by e.g. investigating the current status of diversity and inclusion. Last year, we also invested in a Berner-level marketing communication campaign to increase our awareness.

Science Based Targets initiative climate work

At the heart of our sustainability work last year was the work to set emission reduction targets in the Science Based Targets climate initiative. We worked with a wide range of people across the Group to build a carbon roadmap until 2030 and submitted our target to the SBTi for approval in January 2024. Achieving the emission reduction targets will require significant investments and cooperation across the entire value chain, to which we are strongly committed.

ted. We also took another major step forward in our sustainability work when we launched a biodiversity pilot project at the end of the year in line with our sustainability programme.

Last year, we participated in the EcoVadis sustainability assessment for the third time. We increased our score and maintained the best Platinum rating, meaning that we are in the top 1% of the companies assessed. However, there is still room for development and improvement, and we are working uncompromisingly and in the long term to promote our sustainability in line with the meaning of our existence, i.e. protecting tomorrow – we want to ensure well-being and good living for all of us, also 100 years from now.

The future is made together

A lot has happened at Berner and in our operating environment over the past year. For many of us, the 140th anniversary of Berner is probably the most memorable thing concerning last year. During it, we also had the opportunity to delve deeper into the diverse and interesting turns in Berner’s history. With regard to sustainability, Berner’s commitment to social responsibility has been strongly present in our history since the late 1940s. This is reflected in our long-term employment relationships and strong results from well-being surveys.

All Berner employees in our seven operating countries deserve the first thanks for last year. A big and warm thank you for your commitment and uncompromising work for the success of our company. The past few years have been demanding on all of us in the integration of acquisitions, amidst the challenges of the business environment.

We are very proud and happy of our 140-year history, and I would like to thank everyone who has been involved in the long and interesting history of our company over the years.

I would also like to thank our customers and consumers, as well as all of our partners, for the trust you have placed in us. At Berner, we confidently look forward to continuing our constructive and long-term cooperation with all of our stakeholders. The future is made together – as we had chosen as the theme of our stakeholder celebration seminar.

Antti Korpinen
CEO
Berner Ltd



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WE ARE PROTECTING TOMORROW

We have defined the purpose of our existence as protecting tomorrow. We work to ensure well-being and a good life for us all – now and in a hundred years. This is what protecting tomorrow means to us.

Values

The basis of all our operations

WORK Cooperation, partnership and innovation are the cornerstones of our family company. At Berner, everybody's work is valued and respected. Each Berner employee must have the opportunity to develop, succeed and enjoy their everyday life as part of our family. Each Berner employee takes responsibility of achieving our common goals.

INTEGRITY All of our operations must be based on honesty in relation to our clients, principals, other cooperation partners and personnel. Integrity at Berner means reliable, well-planned and transparent operations.

HUMANITY Berner succeeds when our employees succeed. In an equal working environment, we care for each other, cheer each other on and trust that by working together we will succeed.

Mission

What we do

With our work, we build a better tomorrow and promote well-being. Our responsible business and steady growth create sustainable benefits for our customers, consumers, employees, partners and stakeholders.

Vision

How we do it

Our family business is committed to being a forerunner of quality, innovation and responsibility today and in the future. We achieve this goal through seamless cooperation and the team spirit that Berner employees show every day.

What protecting tomorrow means to me as a Berner employee or how it is reflected in my work.



Tea Tulkki, Subcontracting Manager

In product development, we work to protect tomorrow by thinking about solutions to reduce the environmental burden of both raw materials and packaging materials.



Arttu Linnavirta, Category Manager

Together, we create long-term well-being. We are not looking for quick profits in the quarterly economy. We are creating a better tomorrow through sustainable growth for years to come. We leave behind positive changes by keeping our actions in line with our values. It is motivating to find a deeper meaning in your own work and to be able to act according to values that you can genuinely co-sign yourself.



Inka Ylipieti, Category Director

We all deal with health technology solutions throughout our lives. They can help make people's daily lives easier and improve their quality of life by supporting their health and well-being. That's protecting tomorrow.



Linda Berner-Strandman, E-Commerce Manager

Protecting tomorrow affects everything we do in daily life. Being part of the Berner family, it has a meaning that extends over generations, even if the focus is far away in the future. Tomorrow is not just tomorrow, it is long-term work to protect the future. It is a matter of honour for me to ensure, through my own contribution, that tomorrow is at least as good, if not better, than today.

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Our strategic focus areas 2023–2025

In 2023, the implementation of our strategy culminated in four priorities. In the strategy period 2023–2025 our focus is on growth management, increasing customer value, strengthening competitiveness and a strong brand and employer image. Each service and business area has more detailed projects in line with priorities, with more specific sub-projects that are followed up on in a consistent manner.

Growth management

In managing growth, we have focused on deepening cooperation in existing customer accounts. We have also worked on new areas for future growth. At the Group level, we focused on strengthening internal cooperation and identifying synergies between Group companies. We aim for growth in our factories' manufacturing volumes and we also offered our manufacturing capacity to contract manufacturing customers in 2023.

In order to support growth management and strategy implementation, we particularly focused on company-level internal communication by producing materials and strengthening the flow of information across different communication channels.

Berner Industries grew organically in bulk raw materials and chemicals important to Finnish industry, as well as by expanding sales in and outside Scandinavia. In consumer products, we launched the Bernershop.fi webshop for consumers on 1 January 2023.

The Farmer's Berner business unit pursued growth in the circular economy from new

STRATEGIC PRIORITIES– WHAT DO WE FOCUS ON?



GROWTH MANAGEMENT

- accelerating organic growth with high ambition
- M&A and successful integration
- internationalisation
- leadership development, capability development and building a culture of growth



INCREASING CUSTOMER VALUE

- customer insight
- customer-centric operations
- management



STRENGTHENING COMPETITIVENESS

- leveraging Group synergies
- efficient processes
- cost competitiveness
- increasing profitability
- efficient use of capital



STRONG BRAND AND EMPLOYER IMAGE

- building Berner's reputation and awareness
- developing the employee experience



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product areas, which is reflected in the range of feed products and fertilisers. In fertilisers, Farmer's Berner increased its side stream fertilisers, especially with regard to ammonium sulphate-based products. MedLab grew its principal portfolio and expanded it geographically.

In particular, we focused on further increasing our consumer and product understanding with regard to trending raw materials and concepts, for example. Berner is also running several pilot projects on the use of artificial intelligence.

Increasing customer value

Increasing customer value includes improving customer understanding, developing customer-centric operations and strong multi-dimensional account management across business and service functions.

For our customers, we want to be a more unified "OneBerner", which we promote through the development of a new customer relationship management system.

We also surveyed potential customer side streams and opportunities to commercialise them. In consumer products, we focused on increasing customer value through training and by strengthening business intelligence. The Farmer's Berner business unit focused especially on providing our customers with comprehensive service, for example by developing cultivation methods.

MedLab's biggest customer value-related aspect was the development of order-delivery processes to better serve customers. We launched an online shop for everyday assistive devices, which opened up the product range in a new way for the users.

Strengthening competitiveness

We strengthen our competitiveness in particular by refining internal and external processes and by being cost-conscious in general. At the Group level, we have streamlined and increased the efficiency of our operations through various development initiatives, enhanced cooperation and system development. We have increased our focus on the partner network and its efficient operation. We have also completed integrations.

In 2023, we made an investment decision to implement the Relex planning solution, which will help us to achieve a significant improvement in forecasting accuracy. With the launch of Relex in 2024, we will also achieve significant benefits by focusing our procurement activities and by deepening our cooperation with our most important suppliers, as we improve transparency in the supply chain.

During 2022–2023, we made significant changes to the Viinikkala logistics centre premises for MedLab's personal assistive device service operations and customer encounters. The products and operations of the Koivuhaka logistics centre were transferred to the Viinikkala logistics centre during 2023.

In Consumer goods, we revised the portfolio and launch management process: we defined the pricing process further and developed a new pricing tool. We also started to monitor consumer prices at the end of the year. Farmer's Berner integrated the grain trading operations purchased from Apetit Plc into Berner's systems and started factoring.

We have paid even more attention to a well-functioning raw material and packaging supplier network.

Strong brand and employer image

In our brand and employer image work, we focus on increasing job satisfaction and the external employer image, as well as developing the company's reputation. We strive to significantly increase our company's awareness. The employer image, on the other hand, is mainly based on job satisfaction. That people are happy, develop and feel good at Berner.

In our 140th anniversary, we launched a marketing communication campaign at the Berner level. We worked continuously to strengthen consumer brands.

We conducted a 360 assessment as part of Berner's leadership development and an Aisti Health survey to holistically survey the well-being of our employees. As part of our sustainability programme, we also conducted a survey on the current status of diversity and inclusion. We focused on improving the employee experience through a cognitive ergonomics improvement project that removes everyday barriers to make work smoother. The investigation was based on, among others, the Aisti Health survey and other surveys.

In the Agricultural trade business, the integration of grain trade was also completed for the brand and we began to operate under the Berner brand. Last year, we decided to divest the Belor Agro brand, and no fertilisers or raw materials are imported from Russia or Belarus. Last year, we actively participated in recruitment events in the agricultural sector and collaborated with educational institutions. Berner was the main sponsor of the Viikki Areena recruitment event.

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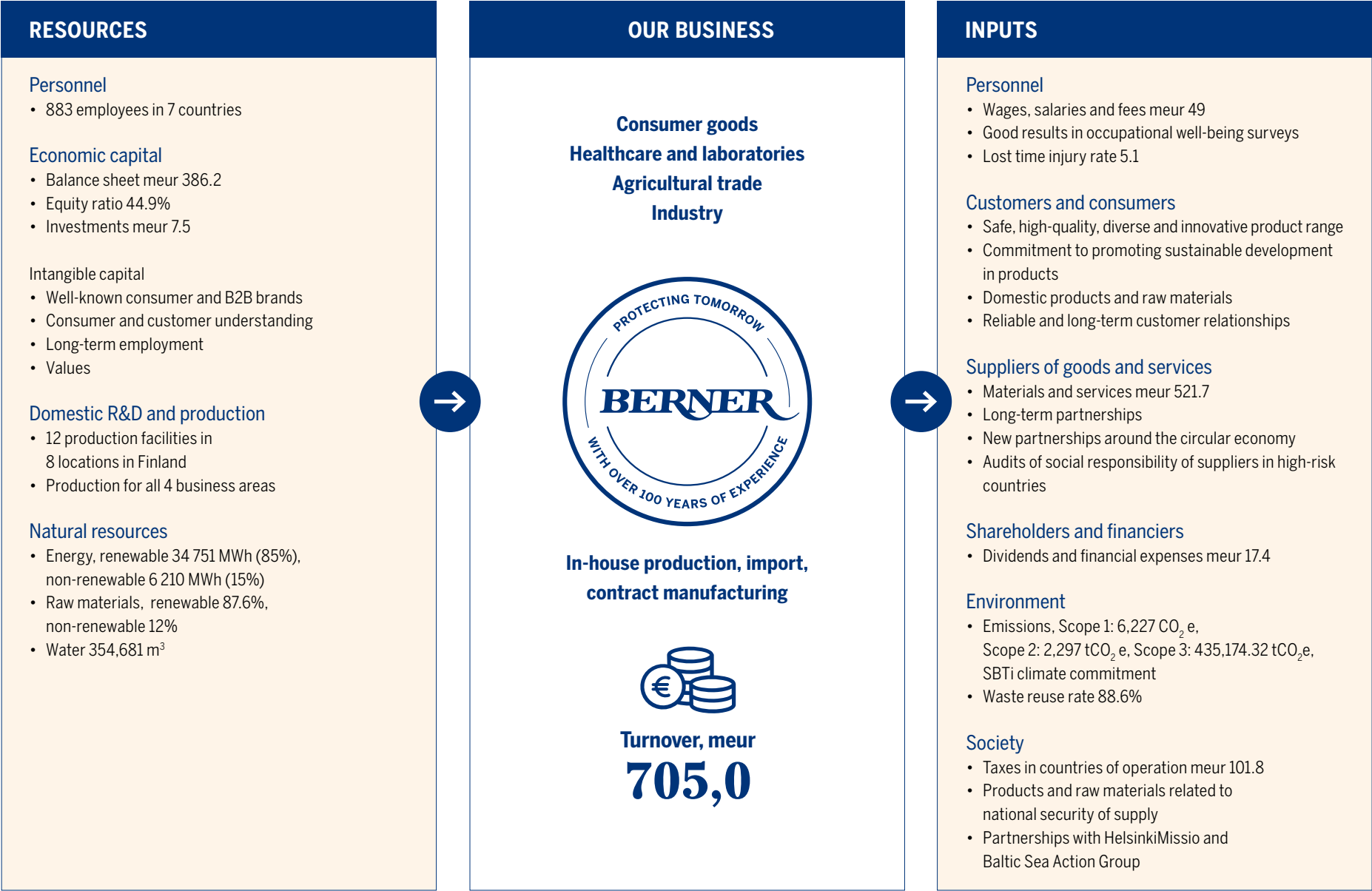
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Berner Group's Value Creation Model 2023



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140 years of Berner

**It all began in 1883**

The story of Berner Ltd began in 1883, when the Norwegian Søren Berner began importing herring from Stavanger, Norway, to Helsinki. In addition to herring, the company's imports early on included salt, various grains and special products, such as liquorice and coffee.

First in Finland in plant-protecting agents in the 1930s

Berner expanded its operations into products that support agricultural trade, such as fertilisers. Berner was the first company to start selling plant-protecting agents for agriculture in Finland. The year 2023 is also a jubilee for Berner's agricultural business as it celebrates its 90th anniversary.

Pioneers of social responsibility in the 1940s

Berner started systematically developing employee well-being in the 1940s, when it began – progressively for the time – to distribute profit-sharing to its employees and launched occupational healthcare and dental care services.

First factory in 1952

In 1952, Berner started its own production in Herttoniemi, Helsinki. Berner's first in-house product was the XZ hair oil treatment, which is still in the product range. Imports of cosmetics began.

1960s–1970s: Car care products and hospital equipment

Korrek car care products were launched as a result of the company's in-house product development in 1963. The business was expanded into the trade of hospital equipment and materials.

**1980s–1990s: first acquisitions and establishment in the Baltics**

Berner celebrated its first centennial in 1983. The business started in the large-scale cleaning industry. Technochemical operations are acquired from Alko and Berner grows into the country's leading plant protection company following the acquisition. A subsidiary is established in Estonia; it will later operate also in Lithuania and Latvia.

Early 21st century: Acquisitions and a factory in Heinävesi

Berner acquired well-known brands such as Nokian Footwear, LV, Herbina, Rajamäki vinegar business and Grow How, which was later renamed GreenCare. We acquired Gullviks, a plant protection wholesaler, in Sweden. The production of water-based hygiene products was transferred to Heinävesi in 2001.

New factories in Heinävesi in 2014

The H2 factory for ethanol-based products and the H3 vinegar factory completed in Heinävesi. A transaction made Berner one of the leading cosmetics importers and distributors in the Baltic countries.

COVID-19 and growth in the 2020s

In response to the COVID-19 pandemic, we produced 10 times more disinfectant products at the Heinävesi factory in spring 2020. We also sought growth in line with our strategy through 10 acquisitions, strengthening our position in all 4 business areas. In turn, we divested our machinery business. Berner acquired approximately 8% of Apetit Plc, a listed company. In 2023, we celebrated our 140th anniversary.





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CONSUMER GOODS

The Consumer Goods business area performed well in 2023 despite the challenging business climate. Strategic development of customer relationships was at the heart of our activities. In our sustainability work, we took a significant step forward with the launch of our life cycle-assessed and carbon neutral LV Vahvistava facial care product range.

Sales increased, market share remained strong

Sales of consumer goods increased significantly last year and our market share remained strong despite the challenging business climate. We have focused strategically on developing customer relationships and continuously improving our operations, and this is also reflected in our success. Through close cooperation with our customers, we have been able to better meet the changing needs of consumers. We have also invested in the development of our employees' skills by training our sales staff in increasing customer value.

2023 was a year of strong growth in personal hygiene, colour cosmetics, childcare and well-being. The allergy-certified fragrance-free LV once again set a sales record. The cooperation with Omron was expanded further. In colour cosmetics, GOSH significantly increased sales and By Raili, created in cooperation with make-up artist Raili Hulkkonen, grew strongly. In colour cosmetics, our cooperation with Swedish Isadora ended at the end of the year.

The food category also performed well, with our biggest brands Rajamäki and Kikkoman

growing above expectations. To support the growth of Rajamäki, we are investing in our Finnish Heinävesi production by renewing our vinegar factory's production line. We expanded our food range with potato starch products.

The market share in home gardening increased, especially in fertiliser and growth media products. The car care category saw significant progress both domestically and internationally last year. Growth was driven by the successful sales of Lasol glass cleaners and the expansion of the Korrek Pro Center chain. Cooperation with the Finnish Defence Forces and online sales through our own and retailers' channels are driving growth in footwear.

In a challenging inflationary environment, turnover in Berner Baltics increased.

Household consumption decreased

During the year, the consumer market was challenged by factors such as high prices and interest rates, which affected households' ability to consume and invest. In seasonal product categories, the extraordinary weather conditions of spring resulted in certain



Turnover, meur

95.4

Customers

- Retail, wholesale
- Cosmetologists
- Food industry

Main product groups

- Hygiene
- Beauty
- Food
- Home cleaning
- Wellness
- Childcare products
- Car care
- Gardening
- Footwear
- Daily accessories



Operating countries

- Finland
- Estonia
- Latvia
- Lithuania

Production units

- Helsinki
- Heinävesi



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challenges. Although inflation slightly increased nominal consumption, real consumption remained lower than in previous years.

LV Vahvistava: a lifecycle-assessed and carbon-neutral skin care range

Last year, we took a significant step in the sustainability of our products with the launch of the LV Vahvistava skin care range. The product range is the first life cycle-assessed product range developed by a Finnish cosmetics company. The range is carbon neutral, and its remaining emissions have been cancelled by purchasing climate credits. The development of the product range was the result of two years of intensive work and close cooperation with various partners. Read more about LV Vahvistava in our sustainability report on page 50.

Herbina’s Cosmos Natural-certified skincare range, which uses the circular economy innovation FAZER XYLITOL® made from the side streams of oat production, also showcased the circular economy.

Wide range of brands creates growth opportunities

We expect the market environment to continue to be challenging and uncertain in 2024 due to weakened purchasing power and consumer confidence, as well as tight price competition. At the same time, consumers still value strong brands, Finnish origin and sustainability. Berner’s wide range of brands in different categories and price points creates growth opportunities even in challenging market conditions. Through continuous and close cooperation with our customers, we lay the foundation for joint success.

60 YEARS OF KORREK CAR CARE RANGE

The story of the KORREK car care range began in 1963 with the launch of KORREK rust inhibitors. Since the beginning, the development of car care products has adapted to the needs of consumers, and today KORREK focuses on easy and high-quality car care, whether it’s self-made or purchased as a service, in Finland and on the international market.

The product name KORREK was formed from the Finnish words “KORroosion- ja RuosteenEstoKemikaalit”, meaning anti-corrosion and anti-rust chemicals. In 1965, the first KORREK car wax was launched. Domestic product development produced immediate results: KORREK Autovaha car wax won the first Finnish car wax test published in the Finnish motoring magazine Tekniikan Maaailma in 1967. Since then, there have been dozens of first places in tests over the years.

In the 1970s, the use of plastic and vinyl in cars increased. KORREK Sisäpesu interior cleaner was launched in 1973, and the retailer network was also expanded to supermarkets alongside service stations and spare part shops.

In the 1980s, people generally serviced and repaired their cars themselves. This was also reflected in the KORREK range: in addition to waxes and cleaners, it included several DIY products. In the 1990s, the KORREK range expanded into car wash machine cleaners, and in the next decade, the range expanded even further.



In the 2010s, there was a change in car care and time spent on car care decreased. It was therefore time to respond to the needs of consumers by developing products that are even easier to use. The result was the state-of-the-art TFC coating and, with it, a completely new product line called KORREK Pro. The thin film coating technology of the KORREK Pro series also opened up opportunities for export trade. Today, KORREK products are also sold in Central Europe, the Nordic countries and Japan, among other countries.

In 2022, the KORREK brand expanded to include the comprehensive car care franchise chain KORREK Pro Center. KORREK Pro Center car washes offer a wide range of services, from washing and coating to windscreen replacement. The aim is to create a nationwide KORREK Pro Center chain for everyone in Finland.



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Our key consumer brands





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years of experience

HEALTHCARE AND LABORATORIES

We performed exceptionally well in public healthcare tenders and made the largest single deal in our history in laboratory equipment.

We strengthened our role as a healthcare partner for wellbeing services counties

The integration of Haltija into our Healthcare and Laboratories business area was our biggest single effort during the year, which we worked on almost throughout the year. As the final stage of the integration, we combined the logistics functions of with Berner's logistics centre in Viinikkala, Vantaa.

The year was a year of numerous public tenders in the healthcare sector. We performed exceptionally well in all product areas and strengthened our role as a partner for wellbeing services counties in Finland. Wellbeing services counties have increased the number and scope of customer tenders. This has also contributed to the expansion of both Berner's and our subsidiary Suomen MediTuote Oy's product range with a number of suppliers that meet quality and sustainability requirements. One of the major product categories is wound care products, for example, where we can offer several new innovative solutions in addition to basic products that bring significant savings through impact.

Last year we successfully launched a surgical instrument care service, which will be an integral part of our total offering. In surgery, KLS Martin's patient-specific hand surgery implants and electrosurgery also grew strongly. The catheters of the market leader in specialty catheters, Manfred Sauer, have proven to be a superior quality leader among both users and healthcare professionals.

During the year, we strengthened our rental business for assistive devices. At the same time, our service business grew and now increasingly includes customer-specific solutions in both wellbeing services counties and the private sector.

Our webshop now also features assistive devices. We also launched initiatives with our partners to improve access to high-quality consumer alternatives for assistive devices.



Turnover, meur

89.9

Customers

- Public and private social and healthcare – primary healthcare, specialised health care and assistive device services, nursing homes and rehabilitation facilities
- Environmental, food and research laboratories, industry, municipalities and cities
- Professional cleaning customers, retail chains and wholesalers

Main product groups

- Disinfectant and cleanliness products
- Ward and basic assistive devices, custom assistive devices
- Surgical equipment, instruments and implants
- Specialised medical care supplies, such as urinary catheters and wound care products
- Compression and orthosis products
- Laboratory equipment and consumables, microbiological products
- Medical and laboratory equipment maintenance and training services



Operating countries

- Finland
- Sweden
- Norway
- Denmark
- Estonia

Production units

- Heinävesi
- Ylöjärvi



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**PROTECTING
TOMORROW**
With over 100
years of experience

**Largest single deal in
the history of laboratory
equipment**

We achieved our sales target for laboratory equipment despite the challenging operating year. The largest single deal in our history of laboratory equipment was a Beckman Coulter liquid handling automation system that we successfully installed for a pharmaceutical customer.

Work on our Nordic integration and expanding principal portfolios to more geographical areas played a significant role during the year. We started cooperation in Finland, among others, with several new suppliers that have had good experiences of cooperation with us in other Nordic countries.

**We have adapted well to market
uncertainty in healthcare**

The launch of the wellbeing services counties in January in Finland had a significant impact on our operations during the first quarter. We did not reach the normal rate of tenders and procurement until late in the spring, after which the rest of the year was very busy in terms of tenders.

Resource scarcity in healthcare and the welfare reform have brought a lot of uncertainty to the market. However, we have adapted well to the circumstances and have maintained and strengthened our position, especially in specialised healthcare and private healthcare. The social welfare and healthcare reform and resource challenges will continue to be visible in the market in the coming years, as many of the challenges facing healthcare are still waiting to be solved. With the help of health technology, it is possible to alleviate staff shortages by



SENSORY ROOM NOW ALSO AT BERNER'S HEAD OFFICE

A sensory room is a physically and cognitively accessible space where the amount of sensory stimuli can be adapted to the user's needs. A sensory room can be used to create an environment that is comfortable for the user and provides the optimum framework for the success of rehabilitation, therapy and learning. A sensory room is suitable for users of all ages and levels.

Sensory rooms are part of a broader family of technology solutions sold by Berner Medical's housing services and basic healthcare sales group. The main applications include hospitals, nursing homes, welfare centres, schools and day care centres, but also other companies and organisations that recognise the challenges of everyday working life. A sensory room was also introduced at our head office in Helsinki.

The benefits of an interactive sensory room range from stress management and calming the mind to stimulating creative thinking. It can improve concentration, relieve tension and support the well-being of employees and customers. This innovative space is an investment in people's well-being and productivity and contributes to a positive working environment.



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implementing solutions for handling and lifting, for example.

In laboratory equipment, customers' investment decisions were slower last year than before and project timelines were extended compared to previous years. We overcame the delivery time challenges last year. The increase in costs stabilised and the increases in factory prices were more moderate than in 2022.

Private sector customers' sustainability demands are growing

The growing importance of sustainability is particularly evident among private healthcare providers. They have begun to require sustainability programmes and approved social responsibility audits from their suppliers. In the public sector, on the other hand, there are still no requirements in Finland for sustainability audits or certifications in relation to labour and human rights from "high-risk countries". In Sweden, however, these requirements are stricter in the public sector. Berner is a member of the amfori BSCI organisation that seeks to ensure and develop sustainability in global supply chains. In accordance with our own sustainable sourcing principles, we require, for example, Chinese suppliers to provide an approved social responsibility audit or certification.

In healthcare, climate targets are reflected in customers' strategies, but they have not yet been adopted concretely. Requests for tenders for laboratory equipment, on the other hand, have begun to include requests to calculate the carbon footprint of products, and it has been possible to gain additional points from the use of recycled raw materials in a product or packaging.

ClaraLab is integrated into Berner

In 2024, we will complete the integration of another acquisition, when ClaraLab in Sweden, Denmark and Norway, acquired in 2022, will be integrated into Berner in late spring 2024. Our goal is to be an even stronger reliable partner in laboratory equipment to our principals and customers, both in equipment selection and service, with a more extensive geographical coverage.





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INDUSTRY

Declining demand in several industries challenged the Industry business in 2023. However, turnover increased and new principal contracts were signed. The foundations of business were strengthened and sustainability work focused on life cycle assessments.

Turnover increased

Despite the challenges in the business climate, the turnover of the Industry business area increased year-on-year.

Berner Industries' reputation as a reliable, active and long-term company led to several new principal contracts during the year. One of the most significant of these is our cooperation agreement with Meitmeal's new Baltic herring and sprat processing plant in Kaskinen, Finland. We are fully responsible for the sales and marketing of fish meal and oil produced by the plant.

In turn, our food industry sales increased significantly when Berner Group company Finnamy's native potato starch sales and marketing to industrial customers was transferred to Berner Industries. Lye deliveries from the Pori Tahkoluoto terminal exceeded our volume targets and we achieved significant delivery volumes to the battery chemical industry and new forest industry locations, among others. Our investments in our own tank infrastructure has proven to be the right solution, and we are looking into opportunities to expand the tank network.

During the past year, Chemigate significantly strengthened the foundations of its business

after expanding its operations to further processing of polysaccharides. The further processing line for glucan at our Lapua plant started up at the beginning of the year and an investment in the production of dry glucan at the Finnamy plant in Kokemäki was announced late in the year. The Lapua plant, which is unique also internationally, produces a polysaccharide-based product that, being a bio-based raw material, is a more environmentally sustainable alternative to synthetic chemicals and sources of microplastics in detergents, for example. Towards the end of the year, we also announced a multi-million euro investment in Finnamy's Kokemäki plant. The investment is part of the cooperation with the U.S.-based International Flavours and Fragrances for production and process development, and thus forms a clear continuation of the investment in the production plant in Lapua. Read more in the case study.

The use of Berner Chemicals products became established in key customer sectors. The world's most efficient pulp mills use our pure magnesium sulphate and our exports of safe flame retardants became established.



Turnover, meur

210.1

Customers

- Bioproduct and forest industry
- Animal feed industry
- Food industry
- Chemical industry
- Metal industry
- Forest industry
- Fertiliser industry
- Energy industry
- Building materials industry
- Infrastructure, construction and road maintenance
- Water treatment
- Cities and municipalities

Main product groups

- Modified and native starches
- Feed materials and additives
- Food raw materials and additives
- Basic and specialty chemicals



Operating countries

- Finland
- Sweden

Production units

- Lapua
- Kokemäki
- Kaipainen
- Mietoinen



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Declining demand was a challenge

The declining demand in various industries, such as the forest industry and construction, challenged our Berner Industries business last year. However, at Berner Industries, the significant share of the feed and food business and road maintenance balanced the situation in addition to new partnerships and organic growth. However, the significant increase in market prices for several products early in the year as a result of the general increase in costs and then the corresponding rapid price plunge in the spring after the slowdown in demand brought an additional challenge to operations. The situation in the Middle East also affected logistics from Asia to Europe as costs increased in the last months of the year.

Chemigate’s core business, modified starches, was challenged by a significant decline in demand from the forest industry while the record-low starch potato harvest reduced raw material availability. However, long-term work with alternative raw materials made it possible to patch up the raw material shortage.

The weak market situation in the pulp industry and mill shutdowns posed challenges for Berner Chemicals. Construction also experienced a sharp decline, which was reflected in the demand for our products sold to the building materials industry. Despite the difficult market situation, our turnover grew by around a quarter and improved towards the end of the year. Success in acquiring new customers and in test runs tackled the otherwise declining overall market.

FINNAMYL BECOMES A FULL-SCALE BIOREFINERY FOLLOWING NEW INVESTMENT

At the end of 2023, cooperation between Finnamyl Oy, Kemira Oyj and International Flavours and Fragrances (IFF) was announced, under which Chemigate’s subsidiary Finnamyl Oy will make a multi-million euro investment in its Kokemäki production facility.

The new Kokemäki technology will replace fossil-based, i.e. in practice oil-refined raw materials, in many markets and applications, such as home care and personal hygiene products. In addition, the new capacity will facilitate paper and board industry applications on which IFF is working in cooperation with Kemira. The technology for tailoring biomaterial using enzymes has been developed by the US-based IFF.

Production with the new technology is scheduled to start in the second half of 2024. The investment is part of the cooperation with IFF for production and process development and thus forms a clear continuation with Chemigate’s production plant investment in Lapua, which was completed in 2022.

The new investment will use the existing infrastructure in the Kokemäki plant area. The solution enables the deployment of new technology on a very fast schedule as well as an investment with a very low carbon footprint. Through the new investment and as the use of the existing potato protein line grows, Finnamyl will become a full-scale biorefinery. Following the investment, Finnamyl will also be able to hire more staff in addition to the current 24 employees.





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Circular economy and life cycle calculations at the heart of sustainability work

Both circular economy and life cycle calculations were emphasised in sustainability work. Berner Industries expanded its cooperation with the Finnfeeds Naantali plant, which is part of IFF, when sales of the separation mixture, protein molasses, which is a by-product of betaine production, was transferred to the unit at the beginning of the year. We have cooperated with IFF's Naantali plant with regard to side streams since 2014, when sales of another side stream, glycerol mixture, were transferred to Berner. The products can be used in the feed and energy industries as well as in wastewater treatment.

In 2023, Chemigate invested heavily in product life cycle calculations. Additional resources were acquired for sustainability work and a project for sustainability work-related communications was launched. At Berner Chemicals, the focus of sustainability work is above all on promoting the circular economy. In the future, our goal is to source a significant proportion of our raw materials from the circular economy; the metal and mining industry's side streams in particular are potential sources. In 2023, we successfully piloted side streams with our partners to recover metals that would otherwise end up in sediment pools.

Investments in green energy forthcoming

In accordance with Berner's strategy, Berner Industries will continue to look for new acquisition opportunities to accelerate growth in Scandinavia and explore opportunities to invest in warehouse infrastructure in our market area. We will promote the circular economy projects already underway and actively seek new opportunities in industrial side streams.

In order to achieve the Science Based Targets of the Berner Group and the set emission reduction targets, we will be investing in green energy at our Chemigate production sites.





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AGRICULTURAL TRADE

2023 was also an anniversary for the agricultural trade business – 90 years of work for the best harvest. The year was characterised by continued uncertainty caused by the war in Ukraine, which affected both raw material prices and availability, and was particularly reflected in the fertiliser and grain markets.

Anniversary of reforms

The decrease in market prices for grains and fertilizers from the record levels of 2022 affected the revenue development of the agricultural trade business area despite the growth in volume.

Berner’s agricultural trade business began in 1933 when we launched the first crop protection substance, the pickling agent Ceresan, on the Finnish market. Over the decades, new products and solutions have been sought for the needs of Finnish farming. At the same time, our business has expanded to serve not only farming and grain trade, but also professional garden care supplies and inputs, such as seeds, fertilisers and crop protection substances. With the current model and product range, customers can be served even more comprehensively. Farms with different types of production are served with slightly different ranges, but the most important common denominator is the same: expertise, which is fostered by the continuous training of staff. In Sweden, the main product categories of our agricultural business Gullviks are crop protection substances, fertilisers and seeds.

At the beginning of 2023, we completed the integration of our grain trade in Finland in 2022

also visually by aligning the look of business with Berner’s other businesses. Our agricultural trade business in Finland now entirely uses Berner’s blue and white look, under the Berner logo and the name Viljelijän Berner.

In the aftermath of the rebranding of the business, the brand of the fertiliser business acquired in 2021 was also integrated more closely into Viljelijän Berner: Belor Agro’s Premium fertilisers were built into a product family of Viljelijän fertilisers in Finland during 2023, meeting the needs of the cultivation of both farm crops and horticultural crops.

In-principle decision behind the new fertiliser operating model

Underlying the fertiliser reform were the major changes we had already made in the fertiliser business during the year due to the global situation. The raw materials and suppliers of the fertilisers sold by Berner were replaced immediately after Russia started its war of aggression. In accordance with the in-principle decision, Viljelijän fertilisers do not use any fertilisers of Russian origin or their raw materials. It was challenging to find reliable alternative suppliers, but our new partners have been



Turnover, meur
306.7

Customers

- Farmers; customers with different types of production
- Industrial partners; grain trade, oil crops and parties related to circular products
- Pest control professionals
- Professional lawn care; golf, sports turfs, green areas

Main product groups

- Grain and oilseed trade
- Seeds, fertilisers and soil improvement
- Crop protection substances
- Professional gardening seeds and cultivation supplies
- Solutions for livestock farms, such as Viljelijän Tuoreleike as a feed component for cattle farms
- Measuring instruments
- Liquid fuels
- Pest control
- Professional lawn care solutions



Operating countries

- Finland
- Sweden
- Estonia
- Latvia
- Lithuania

Production plants

- Hamina



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selected based on our experience with reliable suppliers known for their high-quality products. In connection with the change of raw material suppliers, the logistics model for fertilisers also changed from rail to sea transport, and today the actual production takes place at port logistics in Hamina, while Kouvola acts as a distribution centre. Despite the change in the operating model and the challenges in the market, we have developed the product range in a diverse manner to cost-efficiently serve our customers.

Summer drought and autumn rains curbed the grain and potato harvest

The 2023 harvest season was very challenging in Finland and there was a lot of regional variation. Many areas were affected by the early summer drought, and for grains in particular, it reduced the highest harvest expectations. Late in the summer and autumn, harvesting was hindered by the exceptionally rainy weather that increased costs for almost all crops and weakened both the yield and quality of the harvest. The harvesting of potatoes and sugar beet was also particularly difficult due to the rainy autumn. Starch potato production suffered the worst and eventually a significant part of the starch potato harvest was left fully unharvested due to the circumstances. Finland's total grain yield ended up at less than 3 billion kilogrammes, which is slightly under one-fifth lower than the previous year. The quality of the harvest varied greatly from region to region, and mould toxins in grains, for example, were a major problem in some areas.

The conditions in Sweden were even weaker than in Finland in terms of grain crop production; grain yield and quality were very poor and lower than expected. The cold winter,

postponed sowing, slower growth and the dry early summer further reduced the yield potential. The drought also caused a shortage of fodder in early summer, but the situation got better as a result of rainfall later in the summer. On the other hand, rain caused weeds to grow wild in the sparse crops due to drought, which caused problems during harvesting.

In addition to the weather conditions and the uncertain global situation, the agricultural industry has also been affected by the rise in interest rates and the weak Swedish krona.

Finland and Sweden are both major oat producers, so the poor Swedish harvest increased demand for Finnish food-grade oats on the international grain market. This has helped to keep the price of food-grade oats at a good level since the autumn. The poor situation in the 2023 harvest season will affect the demand and price of oats until the start of the new harvest season. Uncertainty about the quality of warehoused grain will create uncertainty in the 2024 market.

The decisions regarding Finnish horticulture were significantly influenced by the high energy price in winter 2022–23, due to which many greenhouse entrepreneurs decided to leave some of the greenhouses empty. Overall, this reduced the greenhouse production area and also reduced the demand for production inputs. Strawberry farming underwent structural changes as production increasingly shifted from open-field production to tunnel and greenhouse production.

In the Baltic countries, we have expanded our operations to include new product areas besides crop protection, such as measuring equipment and sports turf products. We have also received registration for a new plant protection substance for horticulture.

TOWARDS NEW WAYS OF CULTIVATION THROUGH PILOTING

After Berner's subsidiary Chemigate acquired a majority interest in the Finnamyyl Group, Viljelijän Berner has engaged in even closer cooperation in the development of starch potato cultivation. In summer 2023, together with Finnamyyl and contract farmers of Lapuan Peruna, we started the Helmi project, which aims to increase the starch and total yields of potato and improve the profitability of cultivation.

To date, the project has already provided many new insights into the variations in the amount and quality of starch potato tuber yields and the factors that affect them. Closer cooperation with contract farmers in the pilot farms has also highlighted training needs and the importance of mutual information exchange and support between farmers.

Going forward, our goal is to expand the pilot farm network to better cover different farming areas and cultivation methods. In addition, there are plans to develop mentoring activities to support new starch potato farmers, with the aim of making it as easy as possible to start cultivating starch potatoes by sharing the knowledge of skilled and experienced farmers.

While the Helmi project increases expertise and provides precise information for starch potato farmers, it also acts as a pilot for the introduction of regenerative farming methods in the Group's contract farming.



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- Sustainability at Berner
- We act ethically and communicate in an open manner
- We take care of our personnel's well-being
- Product quality and safety
- We reduce climate and environmental impacts
- We create value for stakeholders

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Highlights and development areas in sustainability

HIGHLIGHTS

We set emission reduction targets and submitted them for approval in the Science Based Targets climate initiative. The targets also include FLAG* emissions.

We investigated our impacts and dependencies on biodiversity in a pilot project.

We verified sustainability data on employees, energy, emissions, and materials.

*forest, land and agriculture.



We launched the LV Vahvistava facial care series, which is the first lifecycle-assessed product series developed by a domestic cosmetics player. Carbon dioxide emissions were offset by purchasing climate units. We conducted lifecycle analyses for a total of 10 products in the group.



We renewed our EcoVadis sustainability assessment at the highest Platinum level.

We assessed the current state of employee diversity and inclusion.

AREAS FOR DEVELOPMENT

We are developing systematic sustainability assessment of our suppliers through EcoVadis membership.



We will continue our work to promote biodiversity.

We will set goals for diversity and inclusion based on the results of the current state assessment.

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SHARED RESPONSIBILITIES

SUSTAINABILITY PROGRAMME 2023–2025



We take care of our personnel's well-being

- Occupational safety and well-being
- Competence development
- Well-managed work community
- Diversity, equality and inclusion



We ensure product responsibility

- Product quality and safety
- Responsible supply chain
- Sustainable packaging
- Responsible raw materials



We reduce climate and environmental impacts

- Energy efficiency and emissions
- Material efficiency
- Biodiversity
- Circular economy



We create value for stakeholders

- Domestic production
- Security of supply
- Local tax footprint

WE OPERATE ETHICALLY AND COMMUNICATE IN AN OPEN MANNER



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Sustainability main targets

Target 2023-2025	Achievements in 2023
We operate ethically and communicate in an open manner	
100% of our staff in all countries where we operate undergo, every two years, the Code of Conduct online training.	86.5% of the employees of the Berner Group due to take the course completed the training.
From 2024, we will include a sustainability KPI in the remuneration of the Group management.	Sustainability metric to be included in management compensation starting from 2024.
We take care of our personnel's well-being	
Zero injuries and occupational diseases.	Within the group, there were 7 injuries leading to at least 1 day of absence (-1 compared to 2022). No occupational disease cases were identified.
We achieve the goals we set for occupational well-being surveys.	Workplace well-being surveys were conducted at Chemigate Ltd and its subsidiaries, as well as at Bröderna Berner Ab and its subsidiaries. The results of the surveys exceeded the set targets. At Berner Ltd, an Aisti well-being assessment was conducted, for which no performance target had been set.
We exceed national averages in management 360 assessments.	A 360 assessment was carried out at Berner Ltd., with results that exceeded the average of the Finnish leadership index.
We find out the current state of diversity and inclusion and prepare the goals of the programme.	A survey of the current situation was carried out as an employee survey in November 2023 (Berner Ltd).
We ensure the responsibility of products	
Zero recalls of products manufactured by Berner.	One recall of products manufactured by Berner Ltd. No recalls in other companies.
100% of suppliers in high-risk countries audited. We are developing the sustainability assessment of suppliers in non-risk countries.	Self-assessments are still ongoing for new suppliers in high-risk countries that have emerged following acquisitions. The decision to become an EcoVadis member from 2024, which means that we will be able to assess the sustainability of our suppliers with the EcoVadis assessment.
All of the plastic packaging in our own production in Heinävesi and Helsinki is recyclable.	86% of used packaging (kg) was recyclable.
We will continue to make life cycle analyses and carbon footprint calculations.	We completed lifecycle assessments for 10 products across the entire Group.
We reduce the use of peat by approximately 10% per year, with the aim of fully replacing peat in GreenCare growing media at the beginning of the 2030s.	We proceeded in accordance with the goal in reducing horticultural peat.
We reduce climate and environmental impacts	
Our Science Based Targets will be approved within the agreed timeframe. We will reduce our emissions in our own operations and in our value chain in line with our targets.	An emission calculation model pursuant to the Science Based Targets climate initiative has been developed and preliminary emissions have been calculated in the parent company and all subsidiaries since 2021. The calculation and emission reduction targets have been submitted to SBTi for review by the rule-based January 2024 deadline. The emission reduction targets also include FLAG emissions.
We reduce the environmental impact of production by increasing the efficiency of material use and separate collection of waste.	The 2023 goal of Berner Ltd's Heinävesi factories to collect at least 120 tons of waste for separate collection was exceeded thanks to the enhancement of plastic recycling.
We investigate our impact and dependence on biodiversity and set goals to reduce these impacts.	In a pilot project, we investigated our impact and dependence on biodiversity for our Heinävesi production plant, 2 contract production plants and 11 different raw material and product suppliers' production plants and production processes.
The amount of recycled side streams in the agricultural trade and industrial business areas totals 570,000 tons.	The amount of recycled side streams was 134,000 tons.



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Responsibility towards our stakeholders is an integral part of our company's values, operational methods, and strategy. Our purpose of existence, protecting tomorrow, strongly relates to sustainability, guiding us to act in a way that ensures we all have a good life, even 100 years from now.

Sustainability programme guides our development work

Our "Shared Responsibilities" sustainability programme 2023–2025 consolidates all aspects of our sustainability, along with their goals, under one program and guides us in our day-to-day sustainability development work.

As part of the update work for our sustainability programme 2023–2025, we asked our stakeholders in an online survey in 2022 for their views on the focus areas of our sustainability, where we have succeeded, and where we need to develop. Domestic production emerged as the most important sustainability topic among all Finnish stakeholders. Following domestic production, the most important topics included product quality and safety, responsible supply chain, occupational well-being and safety, responsible raw materials, and skills development. There were no significant differences in the main topics among different stakeholder groups. We also conducted an internal materiality analysis of sustainability topics, assessing their significance and likelihood.

Sustainability management

Our sustainability work development is guided by our sustainability steering group, which meets approximately once a month. Four of the nine members of the steering group are part of Berner's management team, and one member also belongs to Berner's board in addition to the management team. The group's activities are coordinated by the communications and sustainability manager. Sustainability issues are also regularly addressed in Berner's board meetings, and the board approves our sustainability programme.

Sustainability principles, policies, and certifications

Our sustainability work is based on various policies and principles, such as environmental policy, quality policy, and our principles related to personnel responsibility. The foundation of all our activities is our [ethical code of conduct](#) for our personnel and suppliers. Our code of conduct reflects Berner's values, work, honesty, and humanity, as well as generally accepted behavioral rules and guidance (UN Global Compact ten principles) and amfori BSCI's ethical code of conduct.

Berner Ltd's operations have the ISO 9001 quality certificate, ISO 14001 environmental certificate, ISO 22716 certificate for the manufacturing and storage of cosmetic and hygiene products (GMP, Good Manufacturing Practices), and a third-party verified quality system compliant with ISO 13485 standards for manufacturing medical devices. Our laboratories in Herttoniemi and Heinävesi have GLP approval granted by the Medicinal Safety and Development Center. Our domestic and international grain trade has a feed and food safety system certified according to EFISC-GTP. The certificates of our subsidiaries are collectively found in the product quality and safety section on page 43.

Since 2020, we have had the [WhistleB reporting channel](#) for our personnel and external stakeholders, where possible violations of operating principles and legislation can be anonymously reported.

Our commitments and memberships

We have been committed to the UN's Global Compact corporate responsibility initiative since 2018. We are also part of the international

WE SUPPORT



We are committed to the UN Global Compact corporate responsibility initiative.



We participate in Responsible Care, an international sustainability programme in the chemical industry.



We are a member of amfori BSCI, whose goal is to ensure and develop the fulfillment of labor and human rights in global supply chains.

We achieved the best Platinum-level from our third EcoVadis sustainability assessment.



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Responsible Care sustainability programme for the chemical industry, coordinated in Finland by the Chemical Industry Federation. Since 2020, we have been a member of the amfori BSCI organization, that aims to ensure and develop the social responsibility of global supply chains. At the end of 2021, we committed to the Science Based Targets climate initiative. We submitted our emission reduction targets to SBTi for approval according to schedule in January 2024.

UN Sustainable Development Goals (SDG) and Berner

In 2015, UN member states agreed on sustainable development goals and an action programme intended to guide global development efforts until 2030. The Agenda2030 for sustainable development aims to eliminate extreme poverty and promote sustainable development, taking the environment, economy, and people into equal consideration. Companies play a significant role globally in achieving these goals.

We have assessed our operations' impacts on the 17 sustainable development goals and their 169 sub-goals. Our operations impact all 17 goals, but five goals emerge as those we can most significantly influence through our actions.

Renewed to the highest Platinum level in EcoVadis sustainability assessment

In our third EcoVadis sustainability assessment, we renewed the highest Platinum level with an overall score of 79/100 (77/100 in the previous assessment). EcoVadis comprehensively evaluates a company's entire sustainability management system across up to 21 different areas depending on the industry, including environmental issues, labor and human rights, ethics, and sustainable procurement. The assessment is based on policies and principles, practical actions, and results. Since its founding in 2007, EcoVadis has grown to become the world's largest provider of business sustainability ratings, creating a global network of more than 130,000+ rated companies.

Our operations have most effect on the below 5 UN Sustainable Development Goals out of the total 17 goals.





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SUSTAINABILITY

Sustainability at Berner

We act ethically and communicate in an open manner

We take care of our personnel's well-being

Product quality and safety

We reduce climate and environmental impacts

We create value for stakeholders

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SUSTAINABILITY GRI REPORTING



**PROTECTING
TOMORROW**
With over 100
years of experience

WE ACT ETHICALLY AND COMMUNICATE IN AN OPEN MANNER

At Berner, maintaining a high level of business ethics is the starting point for all our operations. We want to do the right thing and act responsibly to earn people's confidence. We communicate in an open manner and listen to our stakeholders.

The key UN Sustainable Development Goals that we promote





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WE ACT ETHICALLY AND COMMUNICATE IN AN OPEN MANNER

Target 2023-2025	Achievements in 2023
100% of our staff in all operating countries undergoes online training on ethical business guidelines biennially.	86.5% of the employees due for the course completed it.
From 2024, we will include a sustainability KPI in the remuneration of the Group management.	Sustainability metric to be included in management compensation starting from 2024.

Good governance and ethical operating principles

At Berner, maintaining a high level of business ethics is the starting point for our operations. We want to act responsibly and do the right thing so that we maintain the trust of our employees and other stakeholders.

All of our operations are based on our [Code of Conduct](#) for employees and suppliers. Our Code of Conduct represents Berner's values — work, integrity and humanity — as well as the generally accepted guidelines of conduct as documented in the UN Global Compact's ten principles.

All employees of the Berner Group are required to complete a mandatory course on ethical operating principles biennially. In 2023, 86,5% of employees due to take the test completed it, with some deferring to 2024. New employees are also required to take the course at the start of their employment.

All our employees are obligated to act in accordance with ethical principles and to immediately report any suspicions or observed inconsistencies and violations of these principles. We encourage our employees to report their concerns directly. If an employee wishes to report anonymously, this can be done through our [WhistleB reporting channel](#). Our subsidiaries that are less than 100% owned, as well as our subsidiary in Sweden, have their own WhistleB reporting channels.

External stakeholders can also report any suspicions of activities contrary to legislation and our ethical guidelines through the channel. In 2023, Berner Oy received three internal reports through the channel, all of which were processed in accordance with our operating guidelines.





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Communication and celebration of the 140th anniversary year

Our goal is to communicate about our activities openly, timely, and in a stakeholder-oriented manner. Our communication principles are reliability, openness, comprehensibility, and interaction.

Throughout the year, we received publicity in various media in line with our corporate communication goals. In our 140th anniversary year, we also launched a Berner-level marketing communication campaign. In November, we organized 140th-anniversary events for our staff and stakeholders in Finland.

We share information about our activities and news on our website, berner.fi, and on our social media channels on Facebook, Instagram, and X. Our business units and brands have their own websites and social media channels. Throughout the year, we participated in various events discussing topics such as data-driven management and our marketing efforts.

We monitor the development of our reputation and recognition

We monitor the development of our reputation and the recognition of the Berner brand among the general public through the annual T-Media Trust and Reputation survey and the Dentsu Brand Tracking survey, conducted four times a year. Our goal is to improve both our reputation and recognition.

We also traditionally assessed employee satisfaction with internal communication channels and topics. Last year, we focused primarily on strategy communication in internal communication. Service business units also surveyed employee satisfaction with the

services used and the assistance received.

Our main stakeholders are employees, owners, B2B customers, consumers, principals, goods and service suppliers, media, authorities, and NGOs. Naturally, the wishes, expectations, and issues raised by different stakeholder groups vary considerably, but responsibility and related expectations and demands are increasingly playing a significant role for all our stakeholders year by year.

In addition to daily interactions, meetings, and events, we also hear about the wishes and expectations of our stakeholders through separate customer satisfaction surveys, conducted or participated in by two of our business units last year.

Berner employees also hold several chairmanships and memberships, including:

- Chairmanship of the Finnish Work Safety Council
- Vice Chairmanship of the Chemical Industry Federation
- Chairmanship of the Board of Sailab -MedTech Finland
- Membership of the Nordic Swan Ecolabel environmental labeling board as a representative of the Commerce Federation
- Membership of the Chemical Industry Federation's communication committee
- Membership of the Commerce Federation's communication committee

Stakeholder group	Interaction topics 2023
Employees	Updated strategy, result, news from business areas, sustainability development, Berner's anniversary year, cognitive ergonomics
B2B customers	Effects of operational environment challenges on business, sustainability in general, responsible supply chain, Berner's anniversary year
Consumers	Sustainability development, domestic production, Berner's history and anniversary year, new products
Principals	Responsible supply chain, Berner's anniversary year
Goods and Service Suppliers	Responsible supply chain, strengthening and tightening supplier cooperation with selected partners
Media	Berner's anniversary year, domestic production, restructuring of Apetit Oyj's governance structure (Berner Oy is a significant owner of Apetit)
Authorities, NGOs	Ensuring environmental responsibility regarding labor and human rights in so-called risk countries
Owners	Sustainability, values, strategy



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WE TAKE CARE OF OUR PERSONNEL'S WELL-BEING

To us, the well-being of our employees is a matter of pride. That is why we invest in safety, diversity and equality, good leadership and personal possibilities for development.

The key UN Sustainable Development Goals that we promote





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WE TAKE CARE OF OUR PERSONNEL'S WELL-BEING

Responsibility for employees is based on our values

Berner's values of work, integrity and humanity have been the foundation of taking care of our personnel for decades. Social responsibility and being a good employer are a central part of Berner's history and future. The Berner Group's Code of Conduct reflects our values and guides us in all our day-to-day activities in all countries where we operate. The Code covers our key responsibilities and the principles we are committed to observing as an organisation and as individual employees.

Berner's leadership principles

Our common goal is to make our management practices more consistent so that we can ensure a consistent management experience for every Berner employee. This goal is based on Berner's management principles, which have so far been implemented at Berner Ltd in Finland. The principles are designed to support our strategic goals and values and to stand the test of time. The leadership principles support managers in their daily work and long-term goals related to the management of human resources and business.

The target of zero accidents was not reached

Our goal within the Berner Group is to have 0 injuries and occupational disease cases. We did not achieve our target regarding injuries, as in

2023 there were 7 injuries leading to at least 1 day of absence, with 5 occurring at Berner Ltd in Finland and 2 at Chemigate Ltd. The types of injuries were slipping, injuries to the fingers, burns and sprains. There were no cases of occupational disease during the year.

In 2023, we developed reporting of occupational safety-related data at Berner Ltd. All functions report incidents and records related to occupational safety on a monthly basis to a common system, and we communicate the results in production. We have updated the guidelines regarding the classification of entries – the main focus is on proactive entries, i.e. safety observations and identification of near misses. From our proactive records, we identified areas for improvement, including shelf safety, for which we organized a joint shelf safety training for our locations. In 2024, we will continue to provide training and develop a culture of everyday safety at all our sites.

Last year, Berner Chemicals Ltd began conducting regular risk surveys to prevent accidents in the future. At Chemigate Ltd, production-related accidents are reviewed at all three plant locations, regardless of where the accident occurred. The goal is to improve the practices at each plant.

Integrations caused stress

Absences due to mental health challenges increased at Berner Ltd in 2023 compared to the previous year. In many units, integrations

Occupational safety and well-being at work

Target 2023–2025	Achievements in 2023
Zero accidents and occupational illnesses	Within the group, there were 7 accidents leading to at least 1 day of absence (-1 compared to 2022). Of these accidents, 5 occurred at Berner Ltd and 2 at Chemigate Ltd. No occupational disease cases were identified.
We achieve the goals we have set for well-being at work surveys.	Employee surveys to assess the atmosphere and well-being of the workplace community work were conducted at Chemigate Ltd (4.2/5) and its subsidiaries (3.75 and 4.55/5) and at Bröderna Berner AB and its subsidiaries (3.52/4). The results of the surveys exceeded the targets set for them. An Aisti well-being assessment (71/100) was conducted at Berner Ltd. No target had been set for it.
The sickness absence rate remains below 3% at company level. Sickness absence rate in logistics and production below 5%.	The target was not achieved in all companies. Berner Ltd's sickness absence rate was 3.7%; 4.9% for production and 4.2% for logistics.
Absences due to mental health are decreasing (Berner Ltd, Finland)	Absences due to mental health increased year-on-year (Berner Ltd).



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resulted in stress, which was monitored weekly with a survey, among other measures. Aava's occupational health psychologist also supported the teams during the year. Our goal in the coming years is to invest in the systematic management of mental health, ensuring that mental health support is taken into account in different situations in life and everyday work practices.

In terms of sickness absences, we did not reach our target of less than 3% in all of our companies. In addition, there was an increase in absences in several companies. Berner Ltd's sickness absence rate was 3.7%; 4.9% for production and 4.2% for logistics.

The results of well-being surveys exceeded the targets

Berner Ltd's Aisti well-being survey was organised in the spring for all employees. The response rate was 68% and the overall average score was 71/100. The Aisti survey is built around three different well-being modules: energetic person, motivating work and inspiring culture. Our strengths included experience of good quality of life and mental well-being, perceived work capacity and job satisfaction, experience of own skills and experience of work as meaningful, interesting and appropriately varied. Targets for development included taking care of recovery, cognitive ergonomics and feedback culture.

Last year, Ilmarinen's work environment study was conducted at Chemigate Ltd and its subsidiaries in FinnamyI and Lapuan Peruna. The Group's target set for the results of Ilmarinen's working community survey is 3.5 for all areas of the survey, and this was achieved. Chemigate had a response rate of 74% and

an average score of 4.2/5, FinnamyI 87% and 3.75/5, and Lapuan Peruna 86% and 4.55/5, respectively. The survey identified Chemigate's strengths as the company's distinctive skills, ability to act in line with the company's values and culture, and experience of own health. Identified targets for development included the ability to plan the workday in advance, receiving feedback and encouraging creativity.

The result of Bröderna Berner AB's annual well-being at work survey was 3.52/4, (3.49 in 2022), exceeding the average target of 3.5 for the survey. 69% of employees at Bröderna Berner and its subsidiary ClaraLab responded to the survey. Strengths in the results included experience of respectful treatment of both managers and colleagues, as well as the zero tolerance for and absence of harassment and discrimination. The areas for development included regular feedback from the manager, sufficient working time and clarity on the content and scope of the tasks.

In accordance with our values, every Berner employee has the opportunity to thrive and develop in their work and contribute to the achievement of our common goals, regardless of their background or personal characteristics. Everyone has the right to be a member of our workplace community as they are, and we take into account the individual needs, perspectives and potential of our employees in the planning of HR practices.

Last year, Berner Ltd received 5 reports of harassment in the working community. Any case of harassment and discrimination that comes to our attention is resolved in accordance with our guidelines. Our employees have clear instructions on how to intervene in any harassment and discrimination situations. In

Diversity, equality and inclusion

Target 2023–2025	Achievements in 2023
Men and women receive the same pay for the same job categories.	Berner Ltd carries out a business unit-specific annual wage equality analysis. No unexplained pay gaps were identified in the salary comparison carried out in early 2023. In Sweden, the salary equality survey was carried out for the first time and the overall results were good.
No harassment or discrimination cases	Berner Ltd received 5 reports of harassment in the working community. The reports have been handled in accordance with our operating guidelines. No cases of discrimination were reported in any of the companies.
We investigate the current state of diversity and inclusion and set goals for the programme.	The survey of the current situation was carried out as an employee survey in November 2023 (Berner Ltd).

addition, supervisors have their own instructions for resolving harassment situations. Harassment can be reported anonymously via our WhistleB whistleblowing channel. We measured awareness of the guidelines in case of harassment in connection with the diversity and current situation survey. There were no cases of discrimination in any of the Group's companies.

We investigated the current state of diversity and inclusion

In order to understand the current state of diversity and inclusion, we conducted a comprehensive survey of employees at Berner Ltd in November 2023. The anonymous and voluntary survey surveyed both the diversity of our personnel and their experiences of equality and an inclusive atmosphere at our workplace. The survey consisted of four sections: background information, equal treatment, harassment and discrimination, intervention and inclusive

atmosphere. The survey was answered by 277 employees of Berner Ltd, which represents 50% of the permanent staff. The processing and analysis of the results will continue in early 2024.

Skilled and happy employees are the most important resource of the organisation. Competence development from the beginning of employment, from induction to continuous competence and learning development, forms the basis for the development of our employees' competences and thus growth from an individual and organisational perspective. At Berner Ltd., we developed the induction process and materials from the perspective of both new employees and new managers in order to make every orientation experience as successful as possible and to give the new employee the conditions for success at work. In 2024, we will continue to develop orientation materials further and introduce a revised induction feedback survey.



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Our goal is for every employee of the Berner Group to participate in a discussion where career and development plans as well as goals achieved at work are discussed. The discussions were used last year in all companies except Estonia, where the aim is to implement the discussions in a more systematic and structured way in 2024. According to the data stored in the HR system, 78.5% of our permanent employees underwent a performance review and development discussion at Berner Ltd in 2023.

Our remuneration policy at Berner Ltd is also based on the objectives set for the work and their achievement. We also refined our remuneration as a whole in 2023.

Personnel training has been organised within the Group in areas such as deepening marketing skills, ITC and first aid.

We achieved our goals in the 360 leadership assessment

A 360 leadership assessment was conducted in September 2023 at Berner Ltd. Managers from the MedLab business area in Sweden, Denmark and Estonia were also included in the same assessment. Our managers were evaluated on the basis of a total of 1077 feedbacks from the perspectives of employees, colleagues, own manager and self-assessment. Our leadership index was 82.5 compared to the Finnish supervisor index average of 80.5, which means that we achieved our set target. The Executive Board's leadership index score was 82. The quality of leadership has been perceived to have improved slightly, with a leadership index score of 82.1 in the previous measurement in 2021.

Our strength is, as in the previous measurements, the theme of being an example, including

statements about behaving appropriately regardless of the situation, as well as high ethical and moral standards of conduct. The most room for development was seen in the areas of coaching leadership and change management. Employees' feedback on the conduct of supervisors was the most positive of all, with supervisors themselves being the most critical respondent group.

At Berner Ltd, 4/27 exit interviews held indicated that supervisory work was a factor in the decision to leave the company. At Suomen MediTuote Ltd, the decision to leave was not influenced by supervisory work according to exit discussions. In other companies, the exit discussions themselves or the inclusion of the topic in the exit discussion have been implemented in late 2023.

We developed new manager orientation

At Berner Ltd., we developed the orientation of new managers by adding a personal orientation session with an HR specialist in addition to the mandatory online module. In 2023, we developed the six-part online orientation for managers further by increasing the number of instructions for managers in relation to recruitment, apprenticeships and long-term absences. The theme of Chemigate Ltd's Better Boss training programme in 2023 was early intervention.

Competence development

Target 2023–2025	Achievements in 2023
HR plans have been prepared for each business area, including a concrete plan for competence development.	HR plans were created for each business unit in 2023 (Berner Ltd).
100% of our employees are covered by annual performance reviews and development discussions.	With the exception of Estonia, the discussions were in use throughout the Group. The % of employees with discussions varied between 70–100% between the companies.

Leadership development

Target 2023–2025	Achievements in 2023
We exceed country averages in 360 measurements of leadership.	A 360 assessment was carried out at Berner Ltd, and its results exceeded the Finnish average. The leadership index was 82.5 and the Executive Board's leadership index score was 82.0. The Nordic managers of the MedLab business were also included in the assessment. No assessments were carried out in other companies.
All new supervisors have been provided with the necessary skills for managerial work.	In 2023, all new supervisors participated in orientation training for new supervisors online or in person (Berner Ltd).
Employee turnover is not attributable to the quality of supervisory work.	Of exit interviews, 4/27 indicated that the quality of supervisory work was a factor in the decision to leave the company (Berner Ltd).



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Berner Group employment figures 31.1.2023

Number of employees

	31.12.2023	31.12.2022
Finland, Berner Ltd	577	536
Finland, subsidiaries	155	168
Sweden, Norway, Denmark	91	91
Baltics	60	63
Total	883	858

Number of employees and employment

	Finland, Berner Ltd	Finland, subsidiaries	Sweden, Norway, Denmark	Baltics
Permanent				
Men	253	107	57	11
Women	272	36	34	49
Temporary				
Men	11	3	0	0
Women	16	5	0	0
Non-guaranteed hours employees				
Men	13	2	0	0
Women	12	2	0	0
Full-time				
Men	256	110	56	9
Women	275	39	33	45
Part-time				
Men	21	2	1	2
Women	25	4	1	4
Contractors*	47	8	2	4

*Contractors:
*Berner Ltd figure for contractors includes also Belor Agro Ltd

New employee hires:
gender and age groups by region

	Men	Women
Finland, Berner Ltd		
Under 30 years old	21	27
30-50 years old	24	29
Over 50 years old	9	13
Total	54	69

Finland, subsidiaries		
Under 30 years old	18	8
30-50 years old	11	6
Over 50 years old	8	1
Total	37	15

Sweden, Norway, Denmark		
Under 30 years old	0	2
30-50 years old	4	2
Over 50 years old	0	0
Total	4	4

Baltics		
Under 30 years old	1	3
30-50 years old	0	0
Over 50 years old	0	0
Total	1	3

Employee turnover:
gender and age groups by region

	Men	Women
Finland, Berner Ltd		
Under 30 years old	14	23
30-50 years old	17	20
Over 50 years old	8	14
Total	39	57

Finland, subsidiaries		
Under 30 years old	8	9
30-50 years old	2	6
Over 50 years old	5	9
Total	15	24

Sweden, Norway, Denmark		
Under 30 years old	0	0
30-50 years old	0	3
Over 50 years old	1	0
Total	1	3

Baltics		
Under 30 years old	0	1
30-50 years old	0	4
Over 50 years old	0	2
Total	0	7



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Gender and age structure, Berner Ltd Board and Management Team, 31.12.2023

Gender and age structure	Board	Management Team
Women	1 (20%)	2 (20%)
Men	4 (80%)	8 (80%)
Under 30 years old	0 (0%)	0 (0%)
30–50 years old	0 (0%)	4 (40%)
Over 50 years old	5 (100%)	6 (60%)

Gender and age structure by employment categories, 31.12.2023

	Berner Group, all	Berner Ltd	Chemigate Ltd
Clerical			
Under 30 years old	59 (10%)	48 (10%)	0 (0%)
30–50 years old	345 (55%)	255 (55%)	19 (50%)
Over 50 years old	219 (35%)	159 (35%)	19 (50%)
Women	353 (57%)	259 (56%)	19 (50%)
Men	270 (43%)	203 (44%)	19 (50%)
Total	623	462	38
Workers			
Under 30 years old	46 (18%)	21 (18%)	4 (11%)
30–50 years old	126 (48%)	60 (52%)	12 (32%)
Over 50 years old	88 (34%)	34 (30%)	21 (57%)
Women	73 (28%)	41 (36%)	2 (5%)
Men	187 (72%)	74 (64%)	35 (95%)
Total	260	115	37

The ratio of the highest annual compensation to average compensation

	2023	2022
Finland, Berner Ltd	19.8	12.6 (*5.2)
Sweden, Norway, Bröderna Berner Ltd	16.3	8.4
Sweden, Norway, Denmark, ClaraLab Ltd	21.1	15.4
Estonia	38.4	32.9
Lithuania, Latvia	40.7	31.4
Finland, Berner Chemicals Ltd	3.3	3.0
Finland, Chemigate Ltd	3.6	3.3
Finland, FinnamyI Ltd	2.7	3.6
Finland, Lapuan Peruna Ltd	3.0	1.9
Finland, Suomen MediTuote Ltd	3.0	2.8

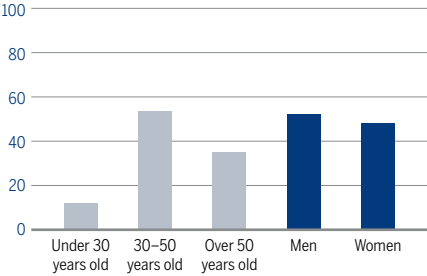
The ratio shows how many times the annual compensation of the CEO of Berner, including performance bonuses, is higher than the average annual salary (excluding the highest annual salary). In the case of Finnish subsidiaries, the annual compensation of the CEO of the subsidiary is used. In addition to salary, the total salary figure includes performance-based pay, incentive schemes, etc. The Swedish Bröderna Berner's 2022 ratio has been corrected; it did not include performance-based pay.

*Excluding performance pay and bonus

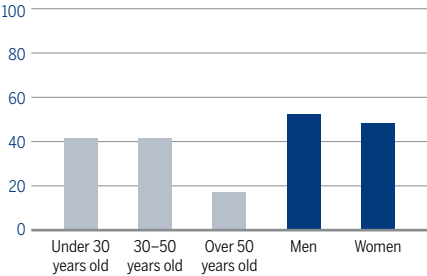
Average training hours / employee

	2023	2022
Finland, Berner Ltd	3.7	1.6
Finland, Berner Chemicals Ltd	2	5
Finland, Chemigate Ltd	2.5	6.2
Finland, FinnamyI Ltd	10.6	
Finland, Lapuan Peruna Ltd	6.8	
Finland, Suomen MediTuote Ltd	5.3	3
Sweden, Norway, Bröderna Berner Ltd	40	60
Sweden, Norway, Denmark, ClaraLab Ltd	17.6	24
Lithuania, Latvia	5.7	5.1
Estonia	15.4	3.5

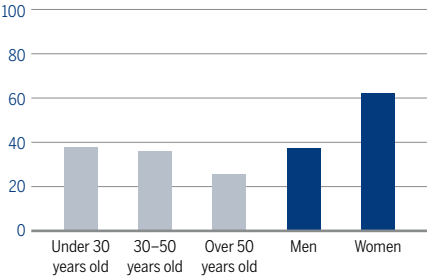
Gender and age division %, Berner Ltd



New employee hires %, Berner Group



Employee turnover %, Berner Group





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Share of employees covered by collective bargaining agreements

Finland	100%
Sweden, Norway (Bröderna Berner Ltd)	100%
Sweden, Norway, Denmark (ClaraLab Ltd)	0%
Baltics	0%

Target and performance evaluation discussions, % of personnel

	2023	2022
Finland, Berner Ltd	78,5	85
Finland, Berner Chemicals Ltd	85	30
Finland, Chemigate Ltdy	80	95
Finland, Finnামyl Ltd, Lapuan Peruna Ltd	100	100
Finland, Suomen MediTuote Ltd	70	100
Sweden, Norway, Denmark	96	95
Lithuania, Latvia	100	100
Estonia	0	0

Lost-time incident rate, minimum 1 day absences

	2023	2022
Berner Group	5.1	7.3
Finland, Berner Ltd	5.9	8.8
Finland, Berner Chemicals Ltd	0.0	0.0
Finland, Chemigate Ltd	15.2	7.4
Finland, Finnামyl Ltd, Lapuan Peruna Ltd	0.0	0.0
Finland, Suomen MediTuote Ltd	0.0	0.0
Sweden, Norway, Denmark	0.0	0.0
Baltics	0.0	0.0

(number /working hours x 1 000 000 hrs)
Incident rate for 2022 corrected for Chemigate Ltd and Group.

Lost time incidence severity rate: Berner Group: 0,09, Berner Ltd: 0,11, Chemigate Ltd: 0,18
(absence days due to injuries x 1 000 /total working hours)

Sick-leave absence rate, %

	2023	2022	2021
Finland, Berner Ltd	3.70	3.21	3.19
Finland, Berner Chemicals Ltd	1.62	1.85	13.00
Finland, Chemigate Ltd	2.29	1.86	1.28
Finland, Finnামyl Ltd	6.09	9.23	
Finland, Lapuan Peruna Ltd	1.19	2.20	
Finland, Suomen MediTuote Ltd	4.40	2.07	1.80
Sweden, Norway, Denmark	1.98	1.11	0.19
Lithuania, Latvia	3.40	3.98	2.90
Estonia	0.93	1.15	0.14

Number of work injuries, LTI1 i.e. minimum 1 day absence, own personnel

	2023	2022	2021
Finland, Berner Ltd	5	7	18
Finland, Berner Chemicals Ltd	0	0	0
Finland, Chemigate Ltd	2	1	1
Finland, Finnামyl Ltd, Lapuan Peruna Ltd	0	0	
Finland, Suomen MediTuote Ltd	0	0	1
Sweden, Norway, Denmark	0	0	0
Baltics	0	0	0

Number of injuries corrected for Chemigate Ltd 0 > 1 for 2022.



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years of experience

PRODUCT QUALITY AND SAFETY

Ensuring the quality and safety of our products is of paramount importance to us. We take a systematic and long-term approach to ensuring and developing the responsibility of our supply chain, raw materials and packaging. Promoting the circular economy is one of our major objectives.

The key UN Sustainable Development Goals that we promote



Photo: Jaakko Kahilaniemi



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- Sustainability at Berner
- We act ethically and communicate in an open manner
- We take care of our personnel's well-being
- Product quality and safety
- We reduce climate and environmental impacts
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PRODUCT QUALITY AND SAFETY

The quality and safety of our products are of utmost importance to us, and our operations are strongly guided by the requirements of ISO certifications, among others.

Berner Ltd and its subsidiaries have several certifications, which are presented company-specifically in the table. ISO 9001 is a quality management standard, ISO 14001 is an environmental management standard, ISO 22716 is a standard applicable to the manufacturing and storage of cosmetic and hygiene products (GMP, Good Manufacturing Practices), and ISO 13485 is a standard related to the manufacturing and distribution of medical devices.

In 2023, we carried out certification expansions to include all operations acquired through company acquisitions that were integrated into Berner Ltd in 2022. Additionally, in Sweden, we expanded ISO 14001 certification to cover all operations.

Furthermore, our product development at the Helsinki head office and the laboratories at the Heinävesi factories have GLP approval granted by the Finnish Medicines Agency Fimea. The purpose of GLP (Good Laboratory Practice) defined by the OECD is to produce reliable and reproducible laboratory tests for, among other things, regulatory purposes. Our domestic and international grain trade has a feed and food safety system certified according to EFISC-GTP.

One recall and one product safety observation requiring investigation and decision by the authorities

Our subsidiaries achieved the zero-recall goal, but at Berner Ltd, we had to recall one batch of about 500 units from retail. The recall concerned incorrect packaging labeling of a cosmetic product, which did not jeopardize user safety. Additionally, we received two inquiries from the authorities when an official measurement by the Finnish Food Authority detected an elevated concentration of heavy metal in a fertilizer raw material. After the

investigation, the Finnish Food Authority decided that there was no need to proceed with a recall. In this regard, we are refining the operating model related to the reception of fertilizer raw materials.

Collaboration intensifies, and certification expansions continues

Due to company acquisitions in 2022 and 2023, we at Berner Ltd, Chemigate Ltd, and Bröderna Berner AB will be analyzing and standardizing management, environmental systems, and product safety processes.

Throughout 2023, we have already identified opportunities for collaboration and learning from each other, and we will continue to develop cooperation models, such as internal audits, during 2024. We have developed a management model for Science Based Targets initiative climate work with our subsidiaries, and we will continue this work in the coming years.

Our subsidiary ClaraLab's operations in Sweden, Denmark, and Norway will be integrated into our local companies, and in spring 2024, we will be expanding ISO 9001 and 14001 certifications to these operations.

Target 2023–2025	Achievements in 2023
Zero recalls of our own production products.	One own production recall at Berner Ltd. Zero recalls in other companies.

Berner Group's company certifications in 2023							
	ISO 9001	ISO 14001	ISO 22716	ISO 13485	Laboratories' GLP approval	Grain trade EFISC.GTP	FSSC 22000
Berner Ltd	✓	✓	✓	✓	✓	✓	
Bröderna Berner AB	✓	✓					
Berner Eesti	✓ (Ordior)						
Chemigate Ltd	✓						
Finnamyl Ltd							✓
Suomen Medituote Ltd	✓	✓		✓			



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SUSTAINABLE SUPPLY CHAIN

Our responsible procurement principles

Berner's commitment to maintaining and developing sustainable business practices extends throughout the supply chain. We have a duty and an obligation to ensure that our subcontracted products, the products we distribute on behalf of our principals, and the raw materials and packaging materials we purchase are manufactured in a socially and environmentally sustainable manner.

Ensuring sustainability throughout the global supply chain concerns both our existing suppliers and potential new suppliers. We are committed to the continuous development of our sustainable procurement and to increasing transparency. Last year, we decided to become an EcoVadis member from 2024. Through our group-wide EcoVadis membership, we are able to conduct comprehensive sustainability assessments of our suppliers and significantly improve the sustainability risk management of our supply chain.

We made 10 company acquisitions in 2021–2022. Last year, we continued to assess the current status of the sustainability of these "new" companies' suppliers in high-risk countries, and the work will continue next year.

Our key tools for ensuring and developing responsible procurement in 2023 were as follows:

- Supplier Code of Conduct
- Self-assessment form for suppliers from high-risk countries
- Audits of suppliers from high-risk countries by a third party

Supplier Code of Conduct as the foundation

Our responsible purchasing is based on our Supplier Code of Conduct. The Supplier Code of Conduct covers topics including human rights, non-discrimination, working hours and wages, freedom of association, and the prohibition of the use of child labour and forced labour. We require our suppliers to commit to compliance with our Code of Conduct by signing it.

Supplier risk assessment was based on the amfori BSCI list of high-risk countries

We are a member of amfori BSCI, which seeks to ensure and develop the social sustainability performance of global supply chains. In our supplier risk assessments, we used the amfori BSCI list of high-risk countries, which is based on the six Worldwide Governance indicators published by the World Bank.

We require our new and current suppliers from high-risk countries to pass a social responsibility audit or certification. In addition to amfori BSCI, we also accept other audits and certifications, such as Sedex and SA8000.

Target 2023–2025
100% of suppliers in high-risk countries have been audited. We are developing the sustainability assessment of suppliers in non-risk countries.

Achievements in 2023
Self-assessments are still ongoing for new suppliers in high-risk countries that have emerged following acquisitions. The decision to become an EcoVadis member from 2024, which means that we will be able to assess the sustainability of our suppliers with the EcoVadis assessment.

Sedex audits are common, especially for suppliers of the raw materials we import.

An amfori BSCI audit is valid for two years if the supplier has received an overall grade of A or B. If the audit result is worse, i.e. C or D, the reaudit must be carried out within one year for topics that have emerged as targets for development

Assessment of suppliers in high-risk countries by means of a self-assessment form and audits

Quantitatively, the largest number of suppliers in high-risk countries are located in China. We use our supplier self-assessment form to evaluate the current level of social and environmental responsibility among existing and potential new suppliers in high-risk countries and conduct amfori BSCI audits where necessary. The questions on the supplier self-assessment form are based on our Supplier Code of Conduct.

Due to acquisition integrations, the number of Berner Ltd's suppliers from high-risk countries increased towards the end of 2022. For these new suppliers, sustainability self-assessments are still ongoing.

Of our suppliers' factories in high-risk countries, 29 are covered by the amfori BSCI audit system. A total of 24 audits were carried out on our suppliers last year. Of the suppliers, 87.50% received the acceptable C overall rating. Most of the targets for improvement and shortcomings that emerged were related to the management system for social responsibility or compliance with working time regulations, as was the case the previous year.

We continued to investigate and ensure the responsibility of the primary production of raw materials from high-risk countries used in our own production.

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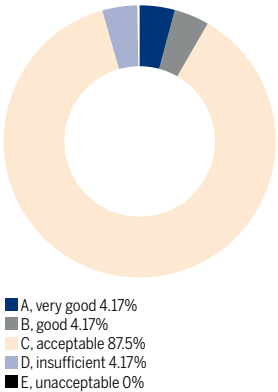
Becoming a member of
EcoVadis in 2024

Last year, we decided to join EcoVadis in 2024. The membership allows us to assess the sustainability of our suppliers through a comprehensive EcoVadis sustainability assessment. EcoVadis is the world's largest provider of corporate sustainability ratings.

EcoVadis' methodology is based on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact and ISO 26000, covering more than 220 procurement categories and more than 180 countries.

Berner Ltd. has participated in the EcoVadis assessment three times. We again achieved the best Platinum rating for our sustainability work, which means that we are in the top 1% of the companies assessed.

Overall audit ratings, 24 audits



Results of our suppliers' amfori BSCI audits by area, %, 24 audits

	A = Very good, %	B = Good, %	C = Acceptable, %	D = Insufficient %	E = Unacceptable, %
Social Management System	0	8	75	13	4
Workers Involvement and Protection	58	21	17	0	4
The Rights of Freedom of Association and Collective Bargaining	100	0	0	0	0
No Discrimination	96	0	4	0	0
Fair Remuneration	33	50	13	4	0
Decent Working Hours	13	0	0	83	4
Occupational Health and Safety (OHS)	67	21	0	8	4
No Child Labour	96	0	0	4	0
Special Protection for Young Workers	100	0	0	0	0
No Precarious Employment	96	0	4	0	0
No Bonded Labour	100	0	0	0	0
Protection of the Environments	92	0	8	0	0
Ethical Business Behaviour	96	0	0	0	4



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SUSTAINABLE PACKAGING

Sustainability is one of the most important factors in our packaging development strategy, and we are committed to developing our packaging in an increasingly environmentally friendly direction. To us, sustainable packaging is preferably recyclable, partly or fully made from recycled material, made from renewable raw materials and optimised to save materials – without compromising on quality.

In addition to EU and national legislation, our packaging development efforts are guided by our sustainability programme. We also develop the sustainability of packaging by actively participating in projects that promote the circular economy.

Our product range grew considerably in 2022 when Berner Ltd. acquired Naviter Ltd., a manufacturer of skin and hair care products, with 7 different product lines. In 2023, our goal was to integrate the packaging used by the Sahaajankatu plant in Helsinki into Berner's sustainability targets and create the basis for achieving the sustainable packaging targets. We also focused on optimising packaging materials and replacing fossil plastic with recycled plastic at the Heinävesi plant.

Involved in the 4everPack research project

In 2023, we participated in the 4everPack research project funded by Business Finland and started by VTT Technical Research Centre of Finland and the University of Vaasa. The project involved researchers from VTT and the

Target 2023–2025	Achievements in 2023
All of the plastic packaging in our own production will be recyclable by 2025.	86% of used packaging (kg) was recyclable.
50% of the packaging materials (kg) used in in-house production are made from recycled plastic.	The share of recycled plastic was 9%.
We will reduce the amount of plastic used in the packaging of our products manufactured in-house by 10% by 2025 compared to 2019.	In 2023, the amount of packaging plastic used in Heinävesi was at the same level as in 2019. This is due to the increased use of large packages, which increases the weight of the packages in relation to the number of units. Nevertheless, we have managed to make significant reductions, which will save us around 2,500 kg of plastic per year.
10% of the products we manufacture in-house will use packaging that reduces the use of fossil-based virgin plastic by 2025.	We introduced an ISCC Plus-certified bio-based plastic based on Mass Balance calculation in the LV Vahvistava facial care series. We are also investigating the use of Mass Balance plastic in our other packaging. On the whole, however, the use of materials that reduce the use of fossil plastic is still low, as we have not found suitable materials that meet the requirements earlier despite our research.

University of Vaasa, as well as 13 companies that actively financed and participated in the project, in addition to Berner Ltd.

The aim of the project was to research packaging reuse from a number of perspectives. The main focus of the study was to investigate packaging materials, topics related to packaging tracking and digitalisation, logistics, consumer opinions and applicable business models. In addition, the study provided information about the environmental impact of reusable packaging. Our ambition is to develop a functioning system for reusable packaging and to understand how it can support Berner's sustainable packaging development and provide value to both our customers and the environment.

88% of plastic packaging used in Heinävesi can be recycled

Our goal for 2025 is that all of the packaging materials used in our products manufactured in-house are recyclable, which means that new plastic products can be manufactured from them. In 2023, 88% (kg) of the plastic packaging used in Heinävesi was recyclable. The share of recyclable packaging in terms of weight at the Helsinki plant was 40%. This means that 14% of the plastic packaging in the Heinävesi and Helsinki plants consists of multiple plastics or materials, which means that it cannot be recycled in mechanical plastic recycling. Examples of such packaging include some tubes, pumps, sachets and some black packaging accessories.

During 2023, we introduced recyclable tubes at our Heinävesi plant. At the end of 2023, 73% of our tubes used in hair and skin care were recyclable and the rest will be replaced following the line investments to be made in 2024. Our toothpastes will also get a new, recyclable tube in 2024.

Based on the tests we started in 2022, we have been able to replace the black caps on canisters with recyclable caps. The Tummeli Hoitovoide cream jar also got a new, recyclable version of the white lid.

The recyclability of packaging is affected not only by the material choices of the packaging, but also by its sortability. We want to make sure that our packaging is easy to sort, and therefore we have actively added recycling guidelines to



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our products packaged in Heinävesi in recent years. In 2023, we also started to include recycling guidelines for products packaged at the Helsinki plant.

The HETI 1L bottle is made from 100% Fortum Circo recycled plastic

Our goal is to have 50% of our own production packaging materials (kg) made of recycled plastic by 2025. At the end of 2023, packaging manufactured from recycled materials accounted for 9% of all packaging at our Heinävesi plant.

We continued to replace fossil PET with recycled PET. In 2023, 39% of the PET bottles used were made from recycled material. We launched, among others, LV Micellar cleansing water, Herbina Raikastava cleansing gel, XZ Väri caring and protective shine spray, Unna Aava body scrub, Green Care products in 350 ml and 700 ml bottles, Ainu Kaura Eco Hoitoöljy care oil and Oxygenol mouthwashes in recycled PET packaging. Ainu Pesuvaahhto and LV Puhdistusvaahhto got a new bottle containing 50% recycled PET. The golden bottle for Korrek's 60th anniversary was also made from recycled PET.

We also increased the use of recycled HDPE in 2023. We launched the HETI Pro bottles in their new packaging using 100% recycled plastic made in Finland, Fortum Circo®, which is made from consumer plastic packaging collected in Finland. We also introduced a bottle with 50% recycled HDPE for 1.5L liquid laundry detergent bottles. In spring 2023, we launched Herbina's skincare products, Murumuru Golden Hour Itseruskettava self tanning lotion and Ekopharma Mustikka Sensitive face exfoliator,

with tubes containing approximately 35% recycled plastic.

Of all the HDPE we used, 3% was recycled. Our requirements for the quality of recycled material are high, especially in products applied to the skin, which limits the introduction of recycled HDPE. HDPE packaging made from recycled plastic cannot be made completely white due to the varying raw material.

As a new feature, we also introduced ISCC Plus-certified packaging made from bio-based plastic based on Mass Balance calculation, reducing the use of fossil raw materials. We use packaging made of this material in our LV Vahvistava products, which are part of a product range based on life cycle calculation. The products are carbon neutral, as the remaining emissions have been offset by purchasing climate credits. We learned from the life cycle assessment that the fossil greenhouse gas emissions from packaging accounted for 20–33% of the total product emissions. In addition to the bio-based Mass Balance plastic, we introduced the UPM Raflatac Forest Film™ label for LV Micellar cleansing water. It is a completely wood-based product made from pulp production waste.

Consumption of virgin plastic reduced by 2,500 kg per year by making packaging lighter

In 2021–2022, the main focus of optimisation was on fibre-based products such as corrugated cardboard boxes and cardboard trays. In 2022–2023, we worked in cooperation with our packaging manufacturers to identify opportunities for optimising plastic packaging materials. Ten different plastic packages were selected

for further testing and we will be using some of them as early as 2024.

Among other things, we have reduced the use of plastic from two 500 ml hand wash bottles, which means that we are estimated to save around 2,000 kg of plastic per year. The HETI 1 litre bottle will be made from Fortum Circo recycled plastic going forward. At the same time, the shape of the bottle was redesigned so that the amount of plastic could be reduced by 6 g, which corresponds to 150 kg per year. In connection with the redesign of the Oxygenol mouthwash bottle, we also reduced the plastic in the packaging by 20%. On an annual basis, 270 kg of plastic was saved.

However, on the whole we have not been able to reduce the average amount of plastic per piece compared to 2019, which was our goal. This is due to the increased use of large packages, which increases the weight of the packages in relation to the number of units. Nevertheless, we have managed to make significant reductions, which will save us around 2,500 kg of plastic per year.





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RESPONSIBLE RAW MATERIALS

Life cycle analysis for 10 products

During 2023, we launched two new projects within the Group to investigate product-specific environmental and climate impacts. Our subsidiary Chemigate Ltd calculated the climate impact of six of its products, covering all of its product categories, using life cycle analysis standards. In another project, we started to investigate the carbon footprint of two fertilisers. We also completed the life cycle calculation of the new LV Vahvistava skincare range. Read more in the case.

We increased our knowledge of carbon footprint calculations and life cycle analyses at Group level by holding a workshop where we discussed the purpose and opportunities of the calculation and analysis methods. The workshop involved employees from different business and service functions and several Group companies. In addition, we introduced an LCA calculation tool at Berner Ltd. and Chemigate Ltd.

Product-specific environmental and emission impact calculations provide us with information about the sources and volume of emissions from our products, which we can use in product development and maintenance, product portfolio management and our own emission calculations. With the help of accounting, we can provide customers with information about the emissions of the products sold and thus help them in their own climate work.

Target 2023–2025	Achievements in 2023
We will continue to make life cycle analyses and carbon footprint calculations.	We started 2 new calculation projects and completed the calculation for 10 products in the Group.
We will continue to switch to certified palm oil for all our own production raw materials, aiming for 100% Mass Balance RSPO certified palm oil or equivalent.	The share of Mass Balance RSPO palm oil was 92.6%.
We will determine the origin of all raw materials and their starting materials/components in our own production.	Investigation of the origin of the raw materials at the Helsinki factory (ex-Naviter) began last year and the origin of 55% of the raw materials is known. The countries of origin were determined in 2022 for the raw materials used in the Heinävesi factories. Investigation of the origin of raw materials/components was launched last year. Complete information concerning the origin of components was obtained for approximately 21% of the raw materials.
We will investigate the sustainability of raw material suppliers for our own production located in high-risk countries from the point of view of labour and human rights in more detail.	We sent out a sustainability self-assessment survey to 37% (7) of the identified suppliers in high-risk countries. Of the suppliers, 3 responded to the survey, covering approximately 17% of our identified raw materials from high-risk countries.
We will increase the proportion of renewable raw materials to 35% in our Nordic Swan Ecolabel certified products manufactured in-house.	The proportion of renewable raw materials in our Nordic Swan Ecolabel certified products was 36.4% at the end of 2023.
We are continuing to investigate which raw materials from our own production come from side streams.	We use 25 raw materials made from side streams.
Transition of technical in-house production products to renewable raw materials without any change in technical properties.	We replaced fossil surfactant with a renewable raw material in 4 products.
We prefer biodegradability in new raw materials in our own production.	We started using 5 new biodegradable raw materials, one of which was used to replace a non-biodegradable raw material.
We aim to reduce the use of horticultural peat by about 10% annually. Our aim is to fully replace horticultural peat in GreenCare growing media at the beginning of the 2030s.	We proceeded in accordance with the goal in reducing horticultural peat.



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PROTECTING
TOMORROW
With over 100
years of experience

We will continue to investigate the environmental impact of our products, both for our own and our principals' products. In addition, we will continue to strengthen our expertise in life cycle assessments and carbon footprint calculations at Group level.

Raw material roadmap guides raw material choices in our own production

In 2023, the situation with regard to the availability of raw materials in our own production was still challenging, and we had to look for substitute and alternative raw materials in order to be able to manufacture products. We also had to be flexible with regard to our Mass Balance RSPO target for palm oil due to problems with the availability of certain certified raw materials.

In our own production, we always try to choose raw material alternatives that are better for health and the environment, such as raw materials with fewer health or environmental classifications, with a smaller carbon footprint or manufactured from side streams. We prefer biodegradable raw materials and replace existing raw materials with biodegradable alternatives. In 2023, we started using 5 new biodegradable raw materials, one of which was used to replace non-biodegradable raw materials. We apply specific restrictions to UV protectants, preservatives and fragrances, taking into consideration health and environmental impacts, among other things. We aim to prioritise raw materials manufactured in Finland, the Nordic region and Europe. We list the domestic raw materials of our products on our website.

Last year, we continued to investigate the

origin of both our own production raw materials and their starting materials/components. The results of the investigation can be seen in the target table. We will continue the investigation in 2024.

We have created a raw material roadmap that guides our choices of raw materials. The roadmap outlines our targets until 2025. The roadmap contains the selection criteria for raw materials. In addition, we monitor any reclassification of raw materials and act according to them. The raw material roadmap also guides us in respect of the sustainability of raw materials. We will more carefully determine the countries of manufacture of raw materials and the countries of origin of their components. We will seek raw materials produced in a more environmentally friendly manner, such as raw materials that have a lower carbon footprint and are made from more sustainable renewable materials. Our environmental certification requirements guide the raw material choices for our environmentally certified products.

Cosmetic raw material production plays a major role in total product emissions

The carbon footprint calculation of the LV Vahvistava skincare series showed that it was still very challenging to obtain emission data on cosmetic ingredients, even though the manufacture of the raw materials plays a significant role in the total emissions of a cosmetic product. As the availability of information improves, we are able to favour raw material suppliers that are able to report the emissions and life cycle impact of their raw materials, thereby reducing the environmental impact of our products.

The impact of transport on the overall emissions of a cosmetic product is relatively small, so buying raw materials locally may not be as significant as one might think. Raw material production emissions, on the other hand, have a bigger impact on the total raw material emissions.

Plant-based raw materials can also have surprisingly large environmental impacts through their cultivation and processing, so they are not always clearly better than fossil raw materials. More data is therefore needed from raw material manufacturers to make comparisons more reliable in the future.

The life cycle emissions and environmental impact of a cosmetic product have a significant impact if water is involved in the use phase of the product. Designing products to reduce water consumption during use can lead to significant reductions in emissions.

92.6% of palm oil was Mass Balance RSPO-certified

Palm oil is used in the manufacturing of certain raw materials. With the exception of a few suppliers (ex-Naviter suppliers), we purchase all of our palm oil-based raw materials from a raw material supplier that is a member of RSPO (Roundtable on Sustainable Palm Oil). RSPO develops principles for sustainable palm oil production.

Our target was that, by 2022, all of the palm oil-based raw materials used in our in-house production activities will be 100% certified RSPO Mass Balance palm oil products or corresponding products. Due to the challenging procurement situation, we did not reach our target of 100%, but we will continue to work towards this goal until 2025. 92.6% of the palm

oil we purchased in 2023 was Mass Balance RSPO certified.

Mass Balance means that some of the palm oil used for the production of the raw material is not certified. Unfortunately, the majority of these raw materials are not yet available in Segregated or Identity Preserved form, which means that 100% traceable and certified palm oil is used for the production of the raw material.

Composted coffee beans as part of substrate production in 2023

We aim to reduce the use of peat by approximately 10% per year, with the aim of fully replacing peat in GreenCare growing media at the beginning of the 2030s. We proceeded in accordance with our goal in reducing peat. GreenCare produced an innovative loam soil for a contract customer. In it, around thirty per cent of the horticultural peat was replaced by composted coffee grounds. In autumn 2023, GreenCare launched a range of coffee soil products with used, recycled coffee grounds. Slowly ripened coffee grounds compost results in a natural microbiome in the soil, which promotes the thriving of plants.

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LIFE CYCLE-ASSESSED LV VAHVISTAVA
FACIAL CARE PRODUCT RANGE

In 2023, we were the first Finnish cosmetics company to launch a life cycle-assessed range of products, the LV Vahvistava facial care range. The product range is carbon neutral, and its remaining emissions have been cancelled by purchasing climate credits. Life Cycle Assessment (LCA) and carbon footprint calculation were conducted by the consultancy firm Gaia. The study covered the environmental impact of the entire product life cycle, from raw material sourcing to recycling of the empty product packaging, i.e. the emissions from the manufacture of packaging materials and all transportation are included in the calculation.

At the core of LV is the "less is more" principle, according to which the ingredient lists of products are kept as short as possible – without anything unnecessary. All of the raw materials carefully selected for new products are biodegradable, and they number from 7 to 14, depending on the product. Cleanser products are based on the Micellar technology that facilitates anhydrous cleaning.

The new products are produced using cold mixing, which reduces the energy consumption of production by around 80%. The circular raw materials in the packaging are a plastic label made from a wood-based renewable raw material and Ocean Bound plastic in the bottle. A significant part of the renewable raw material for labels is domestic tall oil. Ocean Bound plastic is made from plastic waste collected within 50 kilometres of the shoreline and at risk of ending up in the ocean. The tubes of care products contain approximately 50% of ICSS Plus-certified bio-based plastic based on Mass Balance calculation.





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WE REDUCE CLIMATE AND ENVIRONMENTAL IMPACTS

A better tomorrow starts from respecting the environment and the climate. We develop our operations in order to reduce our climate impacts and increase the energy and material efficiency of our production and logistics. Promoting the circular economy is one of our key objectives. Let's take care of nature.

The key UN Sustainable Development Goals that we promote





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CLIMATE WORK AND ENERGY EFFICIENCY

The development of emission reductions and energy efficiency at Berner Group is primarily guided by the environmental policy and environmental management system in accordance with ISO 14001 and the Science Based Targets climate initiative. The system guides us in assessing our material environmental impacts, establishing a programme for managing environmental aspects and measuring performance in reducing environmental impacts. The SBTi climate initiative specifically guides us to reduce greenhouse gas emissions to a level aligned with the Paris Agreement.

Giant project of SBTi reporting and target setting completed on schedule

At Berner Group, we are committed to reducing our emissions in line with the Science Based Targets climate initiative (SBTi). We have developed an emission calculation model pursuant to the SBTi and calculated the preliminary emissions since 2021 in the parent company and all subsidiaries. We have submitted our 2030 emission reduction targets to SBTi for approval in January 2024 and we estimate that the emission calculation and emission reduction targets will be confirmed by late summer 2024. The emission reduction targets also include FLAG emissions (forest, land and agriculture).

The Group's operations and product range in the four business areas are very broad, and the development of the organisation's emission

calculation model and clarification of the details has required considerable effort from both the Group's own employees and external partners. We have therefore strengthened our resources in terms of both systems and personnel.

As the SBTi emission calculation progressed, it became clear that Berner Group's FLAG emissions are so significant that they need to be calculated more accurately and reported separately. FLAG emissions result from changes in land use as well as from land use when producing commodities or raw materials for commodities used by Berner. This is why we have calculated emissions from land use and land use change in the primary production of domestic grain, potatoes and imported grain and imported foodstuff and feed components, among others. A separate emission reduction target has been set for these FLAG emissions in accordance with the SBTi.

The biggest emission category is Scope 3

When reporting the climate impact of business activities, emissions are divided into Scope 1, 2 and 3 in accordance with the GHG Protocol. Scope 1 includes all direct greenhouse gas emissions generated as a result of a company's activities. Scope 2 includes indirect greenhouse gas emissions from the production of purchased and consumed energy. Scope 3 includes all other indirect greenhouse gas emissions generated as a result of a company's activities where the emission sources

Target 2023–2025	Achievements in 2023
Our Science Based Targets will be approved within the agreed timeframe. We will reduce our emissions in our own operations and in our value chain in line with our targets.	An emission calculation model pursuant to the Science Based Targets climate initiative has been developed and preliminary emissions have been calculated in the parent company and all subsidiaries since 2021. The calculation and emission reduction targets have been submitted to SBTi for review by the rule-based January 2024 deadline. The emission reduction targets also include FLAG emissions.

themselves are not owned or controlled by the company. These emissions are also known as value chain emissions, and these typically overlap in value chain companies.

At Berner, the Scope 1 calculation includes, for example, the fuels of leased vehicles and the production of process heat. Scope 2 category consists of purchased electrical and thermal energy. Scope 3 emissions include emissions from the purchases and emissions from travel and transport. Scope 3 emissions are broken down into several subcategories.

Of the Group's emissions in 2023, 1% are direct emissions from its own operations, i.e. Scope 1, and 1% are indirect emissions, i.e. Scope 2. The biggest emission category is Scope 3, with the most significant subcategories being 3.1 purchased goods and services, 3.4 upstream transportation, 3.9 downstream transportation and 3.11 use of sold products.

The Group companies, especially Chemigate Ltd and Berner Ltd, have been carrying out

work to reduce Scope 1 and Scope 2 emissions for a long time. For example, 2022 was the first year when we used virtually no fossil-based energy in our Heinävesi production and Chemigate only used green electricity. In the past, only some of the emissions from logistics have been considered for Scope 3 emissions.

As a result of the preliminary calculation for the year 2021, it was determined that the largest category in scope 3 supply chain emissions is scope 3.1, purchased products and services. In 2023, this emission category accounted for about 85% of all scope 3 emissions. In this category, the majority of emissions are from products that we pass on from the manufacturer to our customers; therefore, we are heavily dependent on our suppliers' emission reductions in our climate work.

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Scope 1 and Scope 2 emissions tCO₂e

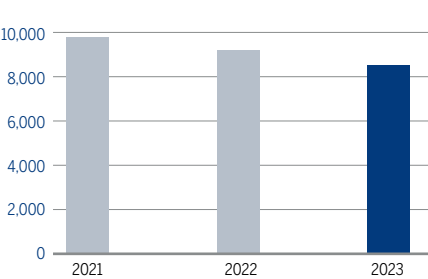
	2023	2022	2021
Scope 1			
Berner Ltd	432.50	528.92	725.64
Bröderna Berner AB	308.90	285.89	238.72
Baltics	109.46	112.68	93.27
Berner Chemicals Ltd	5.44	3.82	4.97
Chemigate Ltd	4,501.88	5,457.53	5,266.21
Finnamyl Group	865.06	795.70	986.85
Suomen Medituote Ltd	3.80	5.01	3.28
Total	6,227.03	7,189.55	7,318.93
Scope 1, biogenic	206.49	132.23	77.34
Scope 2 market based			
Berner Ltd	982.58	855.94	941.64
Bröderna Berner AB	4.55	9.84	10.01
Baltics	95.09	66.51	101.19
Berner Chemicals Ltd	612.56	331.09	369.52
Chemigate Ltd	313.83	335.06	467.52
Finnamyl Group	212.59	345.07	489.29
Suomen Medituote Ltd	76.71	45.22	47.96
Total	2,297.91	1,988.73	2,427.13
Scope 2 location based			
Berner Ltd	604.82	708.02	927.21
Bröderna Berner AB	0.77	0.99	1.00
Baltics	61.46	54.67	82.29
Berner Chemicals Ltd	149.06	149.71	214.25
Chemigate Ltd	1,080.64	1,234.37	1,893.41
Finnamyl Group	719.74	865.58	1,306.68
Suomen Medituote Ltd	31.82	30.70	37.66
Total	2,648.32	3,044.05	4,462.50
Scope 2, biogenic	8,288.57	8,521.66	9,286.96

Scope 3 emissions tCO₂e

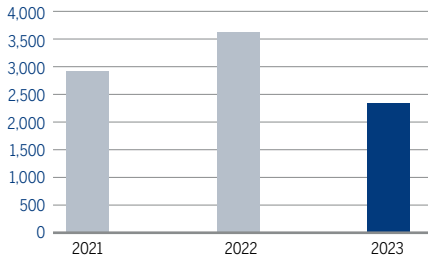
	2023	2022	2021
Scope 3			
Berner Ltd	262,587.47,	422,354.20	300,153.61
Bröderna Berner AB	100,471.16	181,861.69	91,102.32
Baltics	7,021.21	7,217.55	6,274.99
Berner Chemicals Ltd	3,702.16	4,027.45	2,662.80
Chemigate Ltd	42,251.07	58,203.44	39,486.83
Finnamyl Group	9,254.42	12,074.18	12,012.97
Suomen Medituote Ltd	6,770.45	10,663.68	10,796.45
ClaraLab	3,116.38	2,385.86	2,281.99
Total	435,174.32	698,788.05	464,771.96

The Scope 1 and Scope 2 figures are not comparable to the numbers in the 2022 annual report because the calculation method has been changed and refined to align with the GHG Protocol.

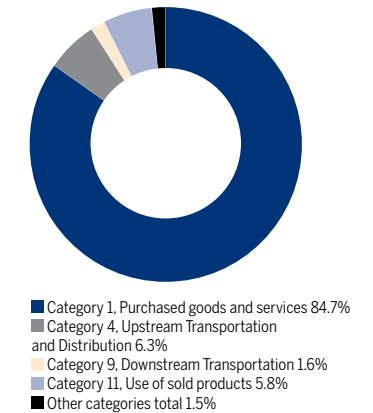
Berner Group, Scope 1+2 emissions, tCO₂e



Berner Group,Scope 3 emission intensity, tCO₂e/value added meur.



Scope 3 Categories, %, Berner Group total





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Absolute reduction target for direct and indirect emissions, intensity target for value chain emissions

The SBTi requires that an absolute emission reduction target is set for Scope 1 and 2 emissions. For Scope 3 emissions, it is possible to select an absolute or relative target, or commit the suppliers or customers/set a commitment target. As the project progressed, we carefully considered how we can set the targets so that we have a realistic possibility of achieving our emission reduction targets, taking into account the company's organic growth targets. To help define the Scope 3 target, we used carbon roadmaps prepared in workshops to identify the short-term and long-term actions needed to reduce emissions. As a result of the analyses, we ended up submitting to the SBTi an intensity target for Scope 3 emissions reduction where the annual carbon dioxide emissions are divided by the annual value added.

Even though Scope 1 and 2 emissions only account for approximately 2 per cent of the Group's total emissions, their reduction target should be given special attention, as the target is absolute. We have already implemented the easiest ways to reduce emissions. In order to continue to reduce emissions sufficiently,

Chemigate Ltd's production in particular must invest in energy efficiency and change energy sources in order to achieve the climate targets. This means significant investments in energy solutions.

The importance of developing supplier engagement and a calculation model

In our workshops, we found that each Group company, Berner Ltd's business unit and service businesses must create their own carbon roadmaps that guide procurement and product portfolios towards low emissions in order to reduce emissions in the largest Scope 3 category, i.e. purchased products and services.

Currently, there is hardly any product-specific carbon footprint available and our Scope 3 calculation is euro-based. The first steps in this category are therefore to engage suppliers and develop the calculation model so that we can move from euro-based to mass-based calculation. Only after we have carbon footprint data for our products available can we get reliable information about our value chain emissions. The workshops also identified several cooperation models between subsidiaries, one of which is an already ongoing starch potato

Electricity consumption kWh/production t.

	2023	2022	2021
Berner Ltd	152.2	160.5	166.6
Berner Chemicals Ltd	38.8	39.6	-
Chemigate Ltd	134.0	129.6	114.2
Finnamyl Group	185.6	148.3	-

The Finnamyl Group - Finnamyl Ltd and Lapuan Peruna Ltd - is a subsidiary of Chemigate Ltd.

development project, where a Group company operates both on the production input side and as a starch user.

Regenerative agriculture

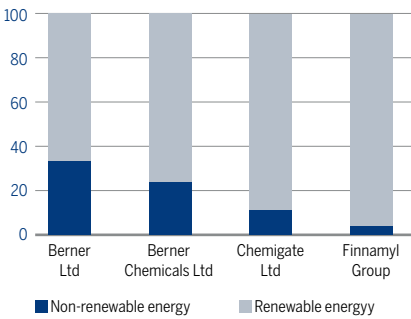
Berner's largest indirect emissions category 3.1 for purchased products and services includes grains, oilseeds and potato. The aim is to improve the monitoring and control of these emissions by, among other things, using regenerative farming methods and standardising procedures on contract starch potato farms.

Regenerative agriculture is an agricultural system in which primary production seeks to mitigate climate change and improve the condition of the environment continuously and holistically. Regenerative agriculture is a farming method aimed at improving the soil, water conservation and the condition of agricultural ecosystems.

Unlike organic farming, there are no universal criteria for regenerative agriculture, but the primary producers define the criteria from their own starting points. Our agricultural business unit Farmer's Berner is committed to promoting regenerative agriculture and aims to define criteria for regenerative agriculture first for starch potato in 2024. The criteria will involve measures relating to crop diversification, winter crop cover and nutrient use. The aim of the measures is to improve yields and reduce the carbon footprint.

In addition to setting criteria for regenerative agriculture, we are developing technological tools to make farming measures measurable and more accurately trackable.

Indirect energy, renewable and non-renewable, 2023, %



Energy investments and renewable energy

The Group's energy consumption has been decreasing since 2021. The energy investments previously made at the Heinävesi plants are now reflected in both lower energy consumption and an improved intensity figure. In addition, the relative share of renewable energy has increased significantly in Chemigate Ltd and its subsidiaries. However, there is still room for improvement in the renewable energy share of Berner Ltd and Berner Chemicals Ltd.

The energy intensity figure for electricity consumption (electricity consumption of production plants/production tonnes) has developed positively at Berner Ltd, but the intensity figure has decreased in the short term at Chemigate Ltd and its subsidiaries. The Chemigate group has planned long-term energy investments and we expect this to have a positive impact on the intensity figure.



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Indirect energy, renewable and non-renewable, MWh

	2023		2022		2021	
	Non-renewable	Renewable	Non-renewable	Renewable	Non-renewable	Renewable
Berner Ltd						
District heating	1,825.43	2,699.48	2,184.89	2,550.07	2,464.36	3,071.64
Electricity	843.27	2,756.96	1,108.50	2,753.79	1,093.52	2,741.66
Total	2,668.70	5,456.44	3,293.39	5,303.87	3,557.87	5,813.30
Bröderna Berner AB						
Electricity	93.59	23.24	128.43	0	130.60	0
Total	93.59	23.24	128.43	0	130.60	0
Baltics						
District heating	112.14	0	99.74	0	100.00	0
Electricity	0.90	151.11	97.27	34.64	155.18	55.26
Total	113.04	151.11	197.01	34.64	255.18	55.26
Berner Chemicals Ltd						
District heating	0	3,033.00	0	3,323.00	0	3,068.00
Electricity	995.37	131.63	933.82	103.18	971.64	107.36
Total	995.37	3,164.63	933.82	3,426.18	971.64	3,175.36
Chemigate Ltd						
Electricity	0	13,091.00	0	15,226.00	1,901.52	13,800.56
Steam	1,638.00	0	1877	0	2641	0
Total	1,638.00	13,091.00	1,877.00	15,226.00	4,542.52	13,800.56
Finnamyl Group						
District heating	0	4,270.00	0	4,300.00	0	5,036.00
Electricity	0	8,452.43	0	8,675.23	8,982.29	0
Steam	545.20	0	1,358.00	0	1,750.00	0
Total	545.20	12,722.43	1,358.00	12,975.23	10,732.29	5,036.00
Suomen Medituote Ltd						
District heating	49.84	128.16	52.15	96.85	58.10	107.90
Electricity	106.87	14.13	114.41	12.64	118.19	13.06
Total	156.71	142.29	166.56	109.49	176.30	120.96
Total all	6,210.61	34,751.14	7,954.21	37,075.41	20,366.39	28,001.44

The figures are not comparable to those in the 2022 annual report due to business integrations and changes in the calculation method for renewable energy.

The table uses actual consumption figures where available. Otherwise, an estimation method based on the square footage of the properties has been used. The renewable portion is primarily reported based on information provided by the electricity company. If the information was not available, the renewable portion according to the residual mix has been used (Source: Energy Agency, Residual Mix for the year 2022 & AIB, European Residual Mix 2022).



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MATERIAL EFFICIENCY

Our material efficiency is guided by our environmental policy. Our goal is to continuously improve material efficiency, as resource wisdom has a direct impact on both our emissions and other impacts on nature. We aim to avoid material waste by evaluating our material balances more accurately than before. This is based on material audits conducted at the Heinävesi plants in accordance with the Motiva model.

Consolidated reporting includes all subsidiaries

In the Science Based Targets (SBTi) climate initiative project, we have developed material efficiency reporting in addition to harmonised climate reporting. Our investments in the development of reporting gives us excellent capabilities to monitor the essential material efficiency indicators of all production and to communicate achievements within the Group. During 2023, we have been verifying the functionality of the reporting. During the current sustainability programme 2023–2025, our goal is to further develop reporting in order to be able to centrally monitor material efficiency on a quarterly basis.

88% of material consumption from renewable sources

The Group's renewable raw materials account for a high proportion of all raw materials, with only 9% being fossil-based. The use of external recycled materials is still modest,

but we expect this proportion to increase as Berner Ltd's data collection of side streams and recycled materials in raw materials progresses. Read more about sustainable raw materials on page 48.

Water and waste under review

With regard to biodiversity, surface water and groundwater were identified as the most significant dependencies of the Heinävesi plants. The biggest impacts on nature, on the other hand, related to greenhouse gases, water intake and waste. Surveys have not yet been carried out at the Group's other production sites, but these dependencies and impacts are likely to be equally significant at other production sites. Even though water adequacy is largely stable in Finland, dependence and the impact on biodiversity place water intake and wastewater in an increasingly important role. Our main goals for the new sustainability programme period are therefore focused on water and the most important waste types. Read more about our biodiversity work on page 60.

Success in relative wastewater volume, development of washing water management will continue

Water is used in the process and for cooling at Berner Chemicals Ltd, Berner Ltd and the subsidiaries of Chemigate Ltd. The production plants generate significant wastewater flows, the load of which has been assessed when

Target 2023–2025	Achievements in 2023
We will reduce the environmental impact of waste generated in production by reducing the amount of waste, improving yields and enhancing the efficiency of separate collection of waste fractions.	Berner Ltd's Heinävesi plants' 2023 target of collecting at least 120 tonnes of waste for separate collection was exceeded thanks to increased efficiency in plastic collection.
We will enhance the use of washing water at the Heinävesi plants by adopting new washing practices and reducing the volume of wastewater, as well as the amount of waste sent to the hazardous waste treatment plant.	The annual target of a maximum of 220 tonnes of washing water was exceeded, amounting to 305 tonnes. This figure has fallen by around 18 per cent since 2022.
We will improve material efficiency by increasing yields and directing side streams to our own production.	At Chemigate Ltd, the annual target for dry starch waste is 100 tonnes, and the outcome of 98 tonnes was below it. A total of 21 tonnes of alcohols used in the sanitisation of the lines at Heinävesi were recycled back into the products, which is over 100% more than in 2021 and 2022.

Manufacturing 2023

	Chemigate Group	Berner Chemicals Ltd	Berner Ltd
t	143,231	29,026	10,512

Chemigate Group: Chemigate Ltd, Finnamyl Ltd and Lapuan Peruna Ltd.



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applying for an environmental permit and the performance is measured with annual reports by the permit authorities.

Both production plants and logistics operations generate significant amounts of waste. Exceptions to this are Berner Chemicals Ltd, where the amount of waste is only 0.05% of the tonnes of production, and Suomen Medituote Ltd, where the amount of cardboard waste as the main fraction has been reduced by around 75% since 2021, amounting to only about 1.4 tonnes.

All production plants consume a significant amount of water, and part of the water consumed is included in the products to be manufactured, which is why water intake per tonnes of production is a relevant metric. Each plant produces products with both low and high water content, so the intensity reading fluctuates annually based on the product portfolio produced. As a result, we also monitor the amount of wastewater in relation to the tonnes produced. Water intake and wastewater figures fluctuate reasonably much per year. The intensity figures, on the other hand, indicate that the consumption of water relative to tonnes produced has increased, but that less wastewater is generated.

One of the most significant water-based wastes at Berner Ltd is washing water, which is classified as hazardous waste. This is generally a water-containing mixture that does not meet the requirements for drainage in accordance with the environmental permit and the fraction must be conducted to a waste treatment plant. Handling the fraction is both environmentally harmful and expensive. In 2022, we have therefore created a metric for monitoring the volume on a monthly basis. During the first follow-up year 2023, the amount of washing water

Water intake and wastewater, m³

	2023	2022	2021
Wastewater			
Berner Ltd	4,974	4,884	5,198
Berner Chemicals Ltd	348	408	465
Chemigate Ltd	120,127	143,953	131,161
Finnamyl Group	160,629	208,035	209,411
Total	286,078	357,280	346,235
Water consumption			
Berner Ltd	22,338	19,014	21,363
Berner Chemicals Ltd	27,468	24,200	21,000
Chemigate Ltd	117,499	145,732	127,575
Finnamyl Group	187,376	224,062	-
Total	354,681	413,008	169,938

Berner Chemicals Ltd uses river water for cooling; the amount of cooling water is not measured. The estimated annual consumption is 748,000 m³. A small portion of the cooling water at Berner Ltd is not measured. The estimated amount has been added starting from 2023.

Water intake relative to production volume

	2023	2022	2021
Berner Ltd	2.11	1.90	2.07
Berner Chemicals Ltd	0.95	0.92	-
Chemigate Group	2.13	1.66	0.92 **

*For Berner Ltd, calculation from the Heinävesi factories
** Chemigate Group: In 2021, only Chemigate Ltd was reported

Wastewater volume relative to production volume

	2023	2022	2021
Berner Ltd	0.45	0.47	0.50
Berner Chemicals Ltd	0.01	0.02	-
Chemigate Group	1.96	2.00	0.95 **

*For Berner Ltd, calculation from the Heinävesi factories
** Chemigate Group: In 2021, only Chemigate Ltd was reported

Waste, t.

	2023	2022	2021
Hazardous waste			
Berner Ltd	419.4	444.1	537.1
Baltics	0.1	0	0
Berner Chemicals Ltd	0.01	0.7	0
Chemigate Ltd	17.9	8.4	20.8*
Finnamyl Group	2.6	1.3	1.9
Suomen Medituote Ltd	0.5	0.1	0.5
Total	440.5	454.6	560.3
Normal waste			
Berner Ltd	313.9	292.3	301.5
Baltics	75.0	82.8	49.7*
Berner Chemicals Ltd	14.8	14.7	15.5
Chemigate Ltd	397.5	570.9	556.5
Finnamyl Group	5,222.5	5,490.4	6,340.7
Suomen Medituote Ltd	7.9	8.7	11.2
Total	6,031.6	6,459.9	7,275.0
Waste total	6,472.1	6,914.5	7,835.3

*Figure for 2022 corrected.

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was reduced by 15%, even though we did not achieve the absolute target. At Chemigate Ltd, the corresponding significant waste is starch, which is drained from a separate sedimentation tank after the process and directed to energy use. The target is monitored both by wet weight and dry weight, and the target level for dry weight was reached in 2023.

Reuse and separate collection – the cornerstones of waste management

We have made improvements in the sorting and handling of waste. The total amount of waste has decreased and the amount of hazardous waste has declined. It is noteworthy in terms of percentages that Chemigate Ltd's subsidiary Finnamyli Ltd and Lapuan Peruna Ltd generate a significant amount of soil and stones when potatoes are pre-treated before being transferred to the process. This fraction is classified as reuse/preparation for reuse, significantly changing the fraction percentages.

Overall, we can see that the amount of separately collected, i.e. recycled, fractions has been successfully increased in production. The volume of the fraction reused through sales refurbishment is also higher than before, especially for plastics.

Last year, we were able to use 21.2 tonnes of sanitising ethanol for our products at Heinävesi, compared to around 8 tonnes in previous years. We have also continued to collect corrugated cardboard separately and send it back to our suppliers. The volume returned is the same as in previous years, i.e. 45 tonnes. The improvement has been possible thanks to committed supervisors and we have also increased communication on both targets and the achievement of targets on a monthly basis.

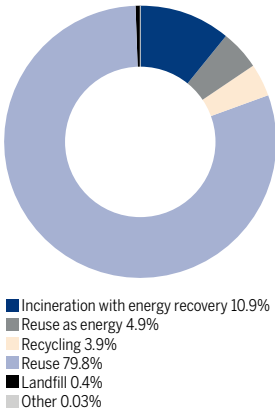
Waste treatment, t.

	2023	2022	2021
Incineration with energy recovery			
Berner Ltd	536.32	557.95	654.30
Baltics	-	0.02	-
Berner Chemicals Ltd	13.90	14.27	15.10
Chemigate Ltd	94.68	113.00	111.39
Finnamyli Group	57.99	38.01	65.29
Suomen Medituote Ltd	5.12	4.15	2.04
%	10.9%	10.5%	10.8%
Total	708.01	727.40	848.12
Landfill			
Baltics	23.56	28.70	22.66
%	0.4%	0.4%	0.3%
Total	23.56	28.70	22.66
Reuse*/Preparation to reuse			
Berner Ltd	54.60	46.10	-
Finnamyli Group	5,110.00	5,370.00	6,205.00
%	79.8%	78.3%	79.2%
Total	5,164.60	5,416.10	6,205.00
Reuse as energy			
Berner Ltd	1.00	-	-
Chemigate Ltd	318.00	460.00	460.00
%	4.9%	6.7%	5.9%
Total	319.00	460.00	460.00

	2023	2022	2021
Recycling			
Berner Ltd	141.35	132.39	184.21
Baltics	51.53	54.12	-
Berner Chemicals Ltd	0.86	1.21	0.4
Chemigate Ltd	2.70	6.33	5.91
Finnamyli Group	55.18	82.36	70.41
Suomen Medituote Ltd	3.27	4.67	9.60
%	3.9%	4.1%	3.5%
Total	254.88	281.08	270.53
Other			
Baltics	-	-	27.00
Finnamyli Group	2.01	1.26	1.94
%	0.03%	0.02%	0.4%
Total	2.01	1.26	28.94
Waste total	6,472.05	6,914.54	7,835.25

Waste processing occurs outside the premises. Waste reporting has been refined, so not all figures are comparable with the numbers in the 2022 annual report.

Waste treatment 2023, %, all companies



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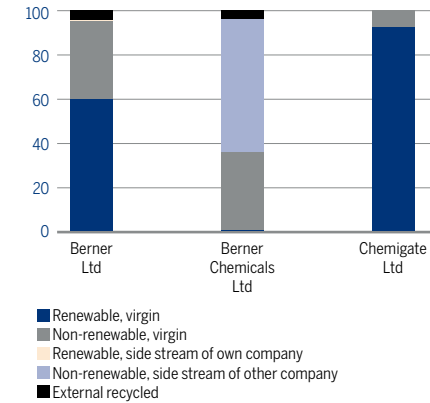
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Materials used, t.

	2023	2022	2021
Non-renewable, virgin			
Berner Ltd	1,819.50	1,793.30	1,746.44
Berner Chemicals Ltd	3,219.00	3,162.10	2,604.00
Chemigate Ltd	14,279.34	18,107.79	15,814.00
Finnamyl Group	13.51	-	-
%	9.4%	19.4%	13.8%
Total	19,331.35	23,063.19	20,164.44
Renewable, virgin			
Berner Ltd	3,131.51	2,503.90	2,165.45
Berner Chemicals Ltd	44.80	37.10	26.00
Chemigate Ltd	71,251.24	87,578.50	120,247.00
Finnamyl Group	104,769.31	-	-
%	87.6%	75.9%	83.6%
Total	179,196.86	90,119.50	122,438.45
External recycled			
Berner Ltd	238.52	432.20	130.68
Berner Chemicals Ltd	390.46	654.00	-
Finnamyl Group	21.21	-	-
%	0.3%	0.9%	0.1%
Total	650.19	1,086.20	130.68
Non-renewable, side stream of another company			
Berner Chemicals Ltd	5,405.00	4,526.00	3,700.00
%	2.6%	3.8%	2.5%
Total	5,405.00	4,526.00	3,700.00
Non-renewable, side stream of own company			
Berner Ltd	-	-	8.2
%	-	-	0.01%
Total	-	-	8.2
Renewable, side stream of own company			
Berner Ltd	21.21	0.74	-
%	0.01%	0.001%	-
Total	21.21	0.74	-

The reporting of material consumption has been refined, so not all figures are comparable with the numbers in the 2022 annual report.

Materials used 2023, %, production sites





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BIODIVERSITY

At Berner, we are committed to continuous improvement in order to reduce our climate and environmental impact. In addition to climate issues, biodiversity loss has increasingly become a strong topic of discussion in recent times. Therefore, we have now made biodiversity a separate topic in our own sustainability programme and started our systematic biodiversity work with a pilot project at the end of last year.

The importance of biodiversity

Biodiversity refers to the diversity of all life on Earth. Biodiversity plays an important role in mitigating climate change; for example, forests sequester carbon. Biodiversity is vital for human well-being and economic activity, as it ensures clean air, fresh water, fertile soil and crop pollination. All business impacts and depends on biodiversity. According to the World Economic Forum, about one-half of the world's GDP depends on nature.

Beginning work with a pilot project

We started to investigate our impacts and dependencies on biodiversity in a pilot project in late 2023. We selected our Heinävesi production plant, 2 contract production plants and 11 different raw material and product suppliers for the project. At least one contract manufacturing plant or supplier from each of our four business areas was involved in the

project. In the selection process, we focused on product volume and issues related to the primary production of the raw material.

We used the ENCORE and IBAT tools for the investigation. We restricted the supply chain of products and raw materials to Berner's direct supplier. However, in the final risk ratings, we also strived to take into account the impact of primary production on biodiversity and environmental factors specific to the location of the production plants.

We used the ENCORE tool to analyse the dependencies and impacts of production processes. In terms of the production processes of the Heinävesi production plants, the greatest dependencies on biodiversity were related to surface and groundwater. The biggest impacts, on the other hand, related to greenhouse gases, water consumption and waste.

The main dependencies of the production processes of the other selected raw materials and products similarly concerned surface and groundwater, but agriculture was found to have more dependencies. In terms of impacts, no one significant factor emerged, but several impact categories were found.

We used the IBAT tool to analyse location-specific impacts on biodiversity. The Heinävesi factories are not located in conservation areas or key biodiversity areas (KBA). According to the survey, 13 conservation areas but no key biodiversity areas are located within a 10 km radius of the Heinävesi production

Target 2023–2025	Achievements in 2023
We investigate our impact and dependence on biodiversity and set targets to reduce the impact.	In a pilot project, we investigated our impact and dependence on biodiversity for our Heinävesi production plant, 2 contract production plants and 11 different raw material and product suppliers' production plants and production processes.

Manufacturing sites of Heinävesi in relation to protected areas or the high biodiversity value areas

Geographic location	Type of operation	Size (m²)*	Position in relation to the protected area or the high biodiversity value area
Heinävesi, Finland	Manufacturing	11,177	Adjacent **

* Size of operational site includes all Berner's Heinävesi sites
** Within 10 km

plants. Of the other production plants, three were located in or their plant area bordered a conservation area and one was located in a key biodiversity area. We did not receive any information about the contract production facility in China.

With the pilot project, we increased our knowledge of biodiversity. The project only covered part of Berner's activities and we are continuing to work on the results of the study and defining further actions.



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- We take care of our personnel's well-being
- Product quality and safety
- We reduce climate and environmental impacts**
- We create value for stakeholders

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CIRCULAR ECONOMY

Target 2023–2025	Achievements in 2023
The total amount of recycled side streams in the agricultural trade and industrial business areas is 570,000 tonnes.	Recycled side streams amounted to 134,000 metric tonnes.

Promoting the circular economy is one of our key strategic priorities to help to mitigate climate change and biodiversity loss. The circular economy is particularly evident in our business through the use of industrial side streams: we help to make use of the side streams generated as part of industrial processes and to further use them either as industrial raw materials or at farms, for example, as fertilisers or feed components. Side streams emerge in the feed and mining industries, for example. In 2023, recycled side streams totalled 134,000 metric tonnes.

Domestic circular fertiliser provides clear savings

Berner works closely with Terrafame Ltd. to promote circularity by taking care of the distribution of crystalline and liquid ammonium sulphate, a by-product of the plant's battery chemical production. Crystalline ammonium sulphate customers are mainly abroad, but the liquid ammonium sulphate, NS solution, which is a by-product of the process, is sold directly to domestic livestock farms.

Normally, traditional nitrogen fertiliser production requires a lot of energy, but ammonium sulphate is a 100% side stream

product that is generated as a by-product of the production of nickel sulphate at the Finnish battery chemical factory. Ammonium sulphate is a basic component of fertiliser production that can be used as a fertiliser as such or as a raw material for fertilisers. Ammonium sulphate contains sulphur and nitrogen, both important plant nutrients.

The current high price level of crystalline nitrogen fertilisers has significantly increased interest in liquid ammonium sulphate in Finland. The NS solution is suitable for fertilising grass as well as grain. Adding it to liquid manure increases the efficiency of nitrogen use in all plants. At the same time, it reduces the need for crystalline nitrogen fertilisers and provides significant savings in fertilisation costs.

Cattle enjoy a by-product of the sugar industry

Since 2021, Farmer's Berner has been a partner of Sucros Ltd., taking care of the distribution of fresh beet pulp, a side stream of the Säkylä sugar factory, to livestock farms. The feed component, sold under the name Viljelijän Tuoreleike, has been well sought after and appreciated. Its perceived particular strengths

are its deliciousness, consistent quality and cost-effective price. In addition, the use of fresh beet pulp at farms has contributed to reducing feeding-related risks; the price and quality of the pulp is very stable, contrary to, for example, silage, which serves as the basic pillar of feeding and the quality and production of which depend on the weather.

In addition to the fresh beet pulp, Farmer's Berner has also agreed to sell potato feed, another feed component for cattle feeding generated as an industrial side stream, from 2024.

Read more about circularity in our packaging and raw materials in the section We ensure the responsibility of products section and in our own production in the Material efficiency section.



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WE CREATE VALUE FOR STAKEHOLDERS

As a responsible family company, we want to build an even better tomorrow for the current and future generations. That is why we make sure to create value and growth everywhere we operate.

The key UN Sustainable Development Goals that we promote





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WE CREATE VALUE FOR STAKEHOLDERS

Domestic production in 8 locations

At Berner, we place a high value on keeping production in Finnish hands and having the ability to employ people both directly and indirectly, also in smaller municipalities. At the end of 2023, products of companies belonging to the Berner Group were manufactured in eight locations in Finland: Heinävesi, Helsinki, Kokemäki, Lapua, Kaipainen, Mietoinen, Hamina and Ylöjärvi.

Berner Ltd's Heinävesi factories manufacture cosmetics and hygiene products, car care products, washing agents and cleansers, and vinegar products. Our best-known brands include XZ, LV, Herbina, Ainu, Oxygenol, Tummeli, Lasol, Korrek, Heti and the Rajamäen product family. With 60 employees at the Heinävesi plant, we are the municipality's biggest private employer. Our Helsinki production facilities manufacture skin and hair care products, such as Atopik, Murumuru and byRaili.

Belor Agro Ltd has fertiliser production in Hamina and a logistics centre for finished products in Kouvola. A total of 10 people work in these premises under the subcontractor Kouvola Cargo Handling. Our subsidiary Berner Chemicals Ltd manufactures magnesium products in Kokemäki and it employs 21 people. Chemigate Ltd manufactures and sells modified starch-based binders and adhesives for technical use. With factories in Lapua, Kaipainen and Mietoinen, the company has 75 employees. Chemigate's subsidiary Finnamiyl

Group includes Finnamiyl Ltd and Lapuan Peruna Ltd. Finnamiyl's plants are located in Lapua and Kokemäki and they employ 32 people in total. Berner's Ylöjärvi plant, on the other hand, has a total of 10 employees producing various protective products, such as shields for imaging plates for dental X-ray equipment.

National Emergency Supply Agency sectors and pools

Berner is included in several National Emergency Supply Agency sectors and pools, through which the continuity management and security of supply of society is maintained. Berner is part of the primary production pool in the food service sector, the healthcare pool in the healthcare sector and the chemicals pool in the industrial sector. We work with societally important products and as a company we also want to take responsibility for their functioning during crises or exceptional situations.

Local tax footprint

Berner's operations generate economic well-being for several stakeholders. It is a matter of honour for us to invest in and pay our taxes in our local countries of operations. Throughout its existence, Berner has focused on investments in its home market in addition to international growth. Our operations generate economic well-being for several stakeholders. Suppliers, personnel, shareholders and society all receive their share of the cash flow from Berner's business operations.



Production units

- Heinävesi – Berner Ltd
- Helsinki – Berner Ltd
- Hamina – Belor Agro Ltd
- Kaipainen – Chemigate Ltd
- Mietoinen – Chemigate Ltd
- Lapua – Chemigate Ltd
- Lapua – Lapuan Peruna Ltd
- Kokemäki – Berner Chemicals Ltd
- Kokemäki – Finnamiyl Ltd
- Ylöjärvi – Berner Ltd



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HelsinkiMissio and BSAG

Berner has been involved in supporting HelsinkiMissio and the protection of the Baltic Sea through BSAG.

HelsinkiMissio's three-year School to Belong programme helps the school community to identify and alleviate the loneliness experienced by young people and provides tools for addressing loneliness. The programme makes reducing loneliness a common issue for the whole school. The programme uses proven methods from international studies: effective early intervention, skills training, changing attitudes and correcting loneliness-enhancing mindset distortions.

The 2023 School to Belong loneliness survey investigated the loneliness experienced by students at 101 schools in the School to Belong programme. One in three (33%) of young people experiencing loneliness do not meet friends or others of their own age on a weekly basis, either face-to-face or online. Young people's experience of being able to influence their own feelings of loneliness has increased by four percentage points in a year in the schools that participate in the School to Belong programme.

With our two Baltic Sea commitments signed with the Baltic Sea Action Group (BSAG), we contribute to the well-being of the Baltic Sea with our own expertise. Learning about the improvement of the harvestability of soil and carbon sequestration as well as communicating about it are at the core of our commitment. The new information is intended to be used in our product and service development. We also participate in the Carbon Action company platform. We have also donated Christmas gift funds to support the operations of BSAG for several years.

Country specific tax footprint, EUR 1,000

Type of tax	Finland	Sweden	Norway	Denmark	Estonia	Lithuania	Latvia	Total
Withholding taxes and social security contributions	12,224	2,914	87	70	68	252	18	15,634
Other indirect employee costs	979	2,188	37	21	115	304	15	3,658
Pensions	7,018	360	0	0	1	0	0	7,378
Income taxes	5,517	2,721	0	0	22	80	0	8,340
Value added tax	46,695	16,305	990	377	308	1,676	133	66,484
Property taxes	91	0	0	0	0	0	0	91
Asset transfer taxes	2	0	0	0	0	0	0	2
Excise duties	117	0	0	0	0	0	0	117
Environmental tax	0	0	0	0	1	36	1	39
Other taxes	4	142	0	0	4	1	0	151
Total	72,646	24,629	1,114	468	521	2,349	167	101,894

Division of econmic valua and tax footprint, EUR 1,000

	2023		2022		2021	
	Parent company	Group	Parent company	Group	Parent company	Group
Turnover, other operating income and financial income	442,081	710,791	396,471	720,689	261,451	421,290
Suppliers: Materials and service	316,354	521,731	294,066	529,223	172,165	297,110
Other partners: Other operating expenses and investments	53,669	87,053	48,574	91,794	102,095	100,685
Staff: salaries and fees	31,763	48,998	26,052	48,920	23,057	34,558
Shareholders and financiers: Dividends and financial costs	15,780	17,403	9,226	10,807	7,413	7,377
Society: income taxes, value added taxes, other taxes, pensions and social security costs	53,006	101,894	46,358	94,283	44,277	70,724

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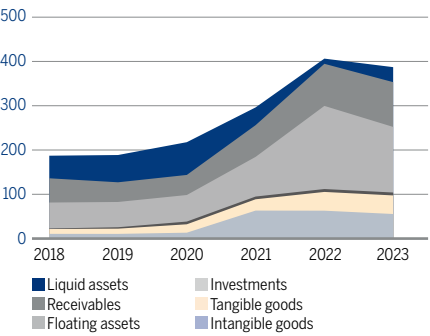
The years 2021 and 2022 were strong years of growth for our group, as we completed as many as 10 acquisitions. In 2023, we focused on organic growth and the integration of acquired companies.

In our largest business sector by revenue, agricultural trade, the decline in market prices for grains and fertilizers from the record levels of 2022 affected revenue development despite volume growth. Our industrial business sector, on the other hand, was challenged by drastic fluctuations in market prices throughout the year and a decrease in demand across various industries, such as the forestry and construction industries. Consumer enthusiasm for spending and investments was again slowed down by, among other things, high price and interest levels. Despite these challenges, we managed to increase our revenue in both the industrial and consumer products sectors.

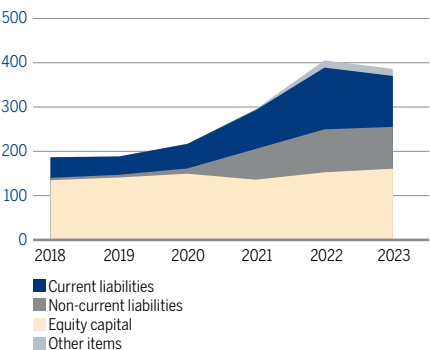
The group's revenue in 2023 was 705 million euros (717.5 million euros in 2022). Our operating profit also decreased to 29.5 million euros from the previous year's record level (40.6 million euros).

Berner, as a Finnish family-owned company, aims for stable and long-term operations and sustainable growth. The group's solvency and liquidity strengthened in 2023, with an equity ratio of 44.9 percent (41.4 percent in 2022). The return on invested capital was 12.4 percent (16.3 percent in 2022).

Structure of holdings, meur



Structure of capital, meur





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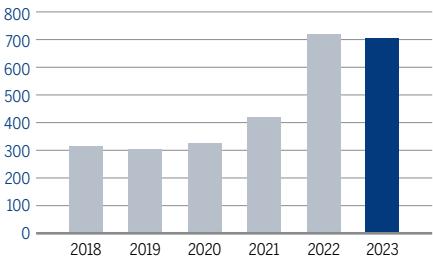
Board of Directors

Executive Board

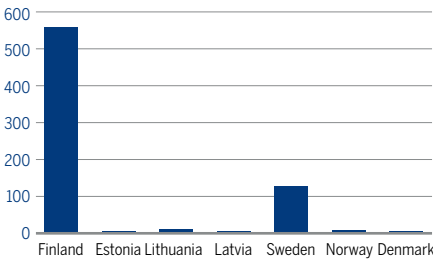
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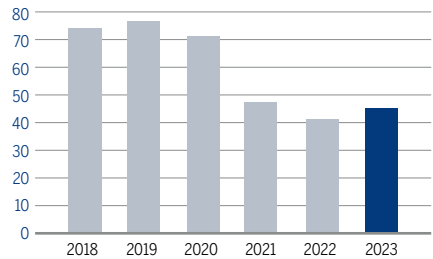
Turnover, meur



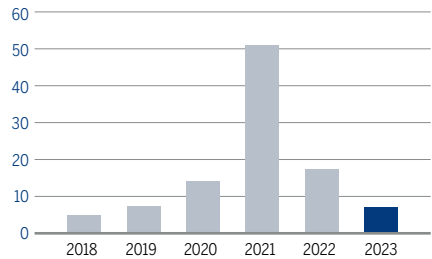
Net sales by country



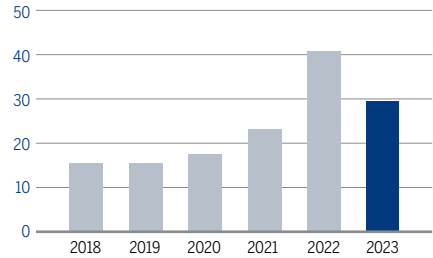
Equity ratio, %



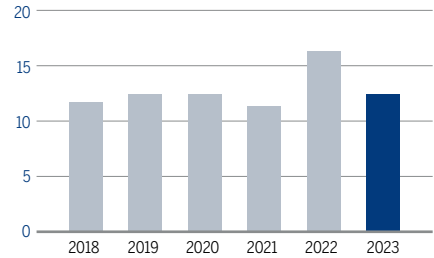
Investments, meur



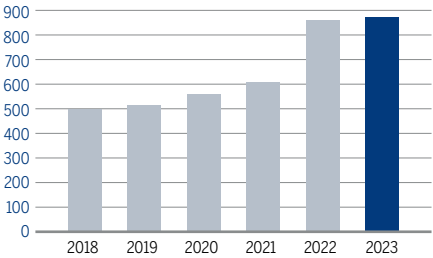
Operating profit, meur



Return on invested capital, %



Personnel (on average)





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	GROUP		PARENT COMPANY	
	1.1.–31.12.2023	1.1.–31.12.2022	1.1.–31.12.2023	1.1.–31.12.2022
Turnover	705,037,654.82	717,470,010.49	416,053,588.89	379,167,759.99
Variation in stocks of finished and semifinished goods	-634,077.05	9,209,154.10	-966,319.19	526,995.56
Other operating income	1,537,484.88	2,158,079.12	1,342,298.18	1,912,703.35
Materials and services				
Raw materials and consumables				
Purchases during the financial year	-475,761,946.70	-619,320,350.55	-283,682,648.58	-355,645,037.26
Variation in stocks	-38,731,304.70	87,234,287.00	-29,023,489.40	63,064,953.55
External services	-6,603,626.33	-6,346,421.40	-2,681,531.41	-2,013,272.63
	-521,096,877.73	-538,432,484.9	-315,387,669.39	-294,593,356.34
Employee expenses				
Wages and salaries	-48,997,506.80	-48,919,592.80	-31,763,106.74	-26,051,957.04
Social security costs				
Pension costs	-8,484,830.39	-8,526,545.47	-5,419,191.82	-4,487,562.65
Other social security costs	-3,590,856.19	-4,053,421.61	-1,238,727.15	-954,636.54
	-61,073,193.38	-61,499,559.88	-38,421,025.71	-31,494,156.23
Depreciation, amortization and impairment				
Depreciation according to plan	-14,702,045.17	-14,061,213.66	-7,524,367.02	-5,355,957.44
Other operating expenses	-79,592,947.51	-74,253,958.99	-50,428,087.04	-41,731,387.14
			4,668,418.72	8,432,601.75



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	GROUP		PARENT COMPANY	
	1.1.–31.12.2023	1.1.–31.12.2022	1.1.–31.12.2023	1.1.–31.12.2022
Operating profit	29,475,998.86	40,590,026.23	4,668,418.72	8,432,601.75
Financial income and expenses				
Income from other investments of non-current assets				
From Group companies			18,259,133.26	13,000,045.78
From others	256,926.83	206,313.20	256,926.83	206,313.20
Other interest and financial income				
From Group companies			2,987,903.36	1,758,649.42
From others	3,941,978.43	854,983.87	3,164,434.40	425,839.29
Impairment of investments held as current assets	16,964.64	-16,374.92	16,964.64	-16,964.64
Interest and other financing expenses				
To Group companies			0.00	0.00
To others	-9,101,077.94	-3,540,929.71	-7,720,621.74	-2,138,744.46
	-4,885,208.04	-2,496,007.56	16,964,740.75	13,235,138.59



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	GROUP		PARENT COMPANY	
	1.1.–31.12.2023	1.1.–31.12.2022	1.1.–31.12.2023	1.1.–31.12.2022
Profit before appropriations and taxes	24,590,790.82	38,094,018.67	21,633,159.47	21,667,740.34
Appropriations				
Difference between depreciation according to plan and depreciation in taxation			1,897,591.17	-1,274,783.19
Group contribution			-6,137,150.00	-189,340.79
Income taxes				
For the financial year	-6,145,530.92	-8,294,807.00	-89,443.31	-1,547,844.97
For previous financial years	-374,425.06	22,438.63	-363,739.93	192.85
Deferred taxes	-41,607.17	-373,194.73		
	-6,561,563.15	-8,645,563.10	-453,183.24	-1,547,652.12
Profit for the financial year	18,029,227.67	29,448,455.57	16,940,417.40	18,655,964.24
Minority share of the profit	-1,993,079.00	-1,679,622.30		
Consolidated profit in the financial year	16,036,148.67	27,768,833.27		



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	GROUP		PARENT COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
ASSETS				
Non-current assets				
Intangible assets				
Research and development expenses	2,340,195.78	1,618,824.15	38,307.19	0.00
Intangible rights	852,425.56	1,038,870.21	840,072.76	1,007,686.85
Goodwill	44,595,813.29	51,785,083.37	30,783,045.04	34,835,707.88
Other long-term expenditures	8,045,177.63	7,631,432.71	6,139,107.74	5,888,944.56
Advance payments	18,152.50	1,304,579.42	18,152.50	504,940.69
	55,851,764.76	63,378,789.86	37,818,685.23	42,237,279.98
Tangible assets				
Land and waters	402,713.68	402,713.68	0.00	0.00
Buildings and structures	11,668,933.56	9,138,545.86	2,544,251.45	2,778,422.72
Machinery and equipment	29,035,489.43	22,899,934.25	7,840,202.38	8,171,283.82
Advance payments	684,153.71	9,738,287.74	314,564.53	586,488.85
	41,791,290.38	42,179,481.53	10,699,018.36	11,536,195.39
Investments				
Shares in Group companies			35,852,908.50	35,111,809.50
Shares in associated companies	101,565.64	101,565.64	5,045.64	5,045.64
Other shares	6,441,728.86	6,429,920.19	6,346,201.46	6,246,201.46
	6,543,294.50	6,531,485.83	42,204,155.60	41,363,056.60



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	GROUP		PARENT COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Current assets				
Inventories				
Raw materials and consumables	24,017,503.46	12,086,458.39	6,577,227.13	6,450,408.66
Semifinished products	540,873.28	659,117.75	540,873.28	659,117.75
Finished goods	120,427,096.79	169,411,364.25	72,078,177.15	102,076,559.74
Advance payments	2,480,343.53	4,767,534.51	676,869.44	484,010.65
	147,465,817.06	186,924,474.90	79,873,147.00	109,670,096.80
Receivables				
Long-term				
Receivables from Group companies			4,864,002.69	4,789,907.39
Other receivables	155,837.76	152,539.76		
Loan receivables	666,451.83	735,780.36	200,000.00	200,000.00
	822,289.59	888,320.12	5,064,002.69	4,989,907.39
Short-term				
Accounts receivables	91,889,254.19	88,106,684.39	35,081,633.15	32,376,237.30
Receivables from Group companies			25,829,805.87	24,211,993.43
Loan receivables	320,000.00	270,000.00	320,000.00	270,000.00
Other receivables	2,095,428.33	2,575,010.08	650,753.18	430,025.32
Accrued income	5,593,760.62	2,805,978.35	4,160,681.14	2,545,903.63
	99,898,443.14	93,757,672.82	66,042,873.34	59,834,159.68
Investments				
Other investments	900,000.00	883,035.36	900,000.00	883,035.36
Cash and cash equivalents	32,879,974.28	10,813,399.52	27,923,951.27	359,992.29
	386,152,873.71	405,356,659.94	270,525,833.49	270,873,723.49



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	GROUP		PARENT COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
EQUITY AND LIABILITIES				
Equity				
Share capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Legal reserve	464,802.84	464,719.21	168,187.93	168,187.93
Retained earnings	143,495,419.57	123,526,301.64	91,765,183.96	81,168,899.72
Profit for the financial year	16,036,148.67	27,768,833.27	16,940,417.40	18,655,964.24
	160,996,371.08	152,759,854.12	109,873,789.29	100,993,051.89
Appropriations				
Depreciation reserve			5,690,877.43	7,588,468.43
Minority share of the profit				
	9,785,060.44	13,086,553.01		
Group reserve				
	6,141,756.38	3,291,577.38		



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	GROUP		PARENT COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Liabilities				
Long-term				
Capital loans	572,743.00	558,000.00	0.00	0.00
Loans from financial institutions	88,144,260.65	90,728,195.66	74,000,000.00	79,000,000.00
Deferred tax liability	5,114,067.47	5,053,777.48	0.00	0.00
Advances received	0.00	0.00	0.00	0.00
Other payables	473,923.31	543,530.40	0.00	0.00
	94,304,994.43	96,883,503.54	74,000,000.00	79,000,000.00
Short-term				
Loans from financial institutions	15,393,831.53	7,244,956.53	12,802,497.85	5,658,766.94
Advance payments	6,100,179.19	5,131,070.15	5,721,354.07	4,566,587.81
Accounts payables	60,033,688.29	84,915,812.88	29,641,357.26	44,708,997.16
Liabilities to Group companies			10,213,627.03	5,246,033.08
Other payables	12,173,694.43	15,472,919.85	8,153,653.42	5,816,152.20
Accruals and deferred income	21,223,297.94	26,570,412.48	14,428,677.14	17,295,665.98
	114,924,691.38	139,335,171.89	80,961,166.77	83,292,203.17
	386,152,873.71	405,356,659.94	270,525,833.49	270,873,723.49

Auditor
Ernst & Young Oy Authorised Public Accountants
Anders Svennas KHT



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Board of Directors

Standing from the left

Antti Korpinieni, CEO, b. 1961, MS
Agriculture and Forestry, BS Agriculture, eMBA

Christina Harmia, Member of the
Board, b. 1965, Master of Economics

Edward Björkenheim, Member of the
Board, b. 1970, Master of Economics

Hannes Berner, Chairman of the
Board, b. 1953, Master of Economics

Sitting from the left

Ove Uljas, Member of the Board, b.
1966, Master of Economics

Nicolas Berner, Member of the Board,
b. 1972, LLB





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Executive Board

Standing from the left

- Tomi Virtanen**, Chief Analytics Officer, b. 1982, Master of Economics
- Satu Laakso**, Marketing Director, b. 1972, Master of Economics
- Nicolas Berner**, CFO, b. 1972, LLB
- Pauliina Bovellán**, Director, Business Unit MedLab, b. 1973, Master of Social Sciences
- Juha Starck**, Supply Chain Director, b. 1975, MBA
- Mika Pirhonen**, Director, Business Unit Berner Industries, b. 1970, Master of Engineering
- Tom Schauman**, CEO, Chemigate Ltd, b. 1971, Master of Engineering, Executive MBA

Sitting from the left

- Ove Uljas**, Senior Vice President, b. 1966, Master of Economics
- Petri Tervonen**, Director, Business Unit Consumer goods, b. 1976, Master of Economics
- Antti Korpiemi**, CEO, b. 1961, MS Agriculture and Forestry, BS Agriculture, eMBA
- Kalle Erkkola**, Director, Business Unit Farmer's Berner, b. 1974, MS Agriculture and Forestry, BS Agriculture





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GRI-INDEX

		Location	Note	Verified
GRI 2: General disclosures (2021)				
Organizational profile				
2-1	Organizational details	4, backcover		
2-2	Entities included in the organization's sustainability reporting		Berner Ltd, Bröderna Berner AB, ClaraLab AB, Berner Eesti, Ordior Eesti, Berner Lietuva -sub-group, Berner Chemicals Ltd, Suomen Medituote Ltd, Chemigate Ltd, FinnamyI Ltd, Lapuan Peruna Ltd, Belor Agro Ltd.	
2-3	Reporting period, frequency and contact point	82		
2-4	Restatements of information	53, 57-59	Corrections have been made to the following indicators: 301-1, 301-2, 302-1, 303-3, 305-1, 305-2, 305-3, 306-3, 306-4, 306-5, 2-20, 403-9. The corrections are due to errors detected, business integrations, refinement or changes in reporting.	
2-5	External assurance	83-84		
Activities and workers				
2-6	Activities, value chain and other business relationships	14-25		
2-7	Employees	39	Reported according to the number of personnel as of December 31, 2023.	x
2-8	Workers who are not employees	39	Reported in accordance with the number of personnel as of December 31, 2023. Mainly temporary agency workers in logistics and production. Not included in the total number of employees reported.	x (personnel number)
Governance				
2-9	Governance structure and composition		Partially reported. There are no committees in the board. The board consists of 5 members, 4 of whom are men. Two members are owners of the company, and two members are employed by Berner Ltd.	
2-10	External initiatives		Not reported.	
2-11	Chair of the highest governance body		The chairman of the board does not work within the company.	
2-12	Role of the highest governance body in overseeing the management of impacts		The board approves the sustainability program. One board member is a member of the company's corporate responsibility steering group.	
2-13	Delegation of responsibility for managing impacts		The marketing director, who is a member of the executive team, is responsible for sustainability.	
2-14	Role of the highest governance body in sustainability reporting		A board member reviews the sustainability report before its publication.	
2-15	Conflicts of interest		Not reported.	
2-16	Communication of critical concerns		CFO is also a member of the executive team.	
2-17	Collective knowledge of the highest governance body		A board member, Berner's CFO , is a member of the company's sustainability steering group."	
2-18	"Evaluation of the performance of the highest governance body"		Not reported.	
2-19	Remuneration policies		a. Not reported. b. A sustainability metric will be included in the executive team's compensation starting from 2024.	
2-20	Process to determine remuneration		Not reported.	
2-21	Annual total compensation ratio	40		x





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		Location	Note	Verified
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	8		
2-23	Policy commitments	29,33,44	The CFO approves the ethical guidelines for personnel and suppliers.	
2-24	Embedding policy commitments	33,44		
2-25	Processes to remediate negative impacts	33		
2-26	Mechanisms for seeking advice and raising concerns	33		
2-27	Compliance with laws and regulations		No violations.	
2-28	Membership associations	34		
Stakeholder engagement				
2-29	Approach to stakeholder engagement	34		
2-30	Collective bargaining agreements	41		x
GRI 3: Material Topics (2021)				
3-1	Process to determine material topics	28		
3-2	List of material topics	30		
3-3	Management of material topics	30-61		
ECONOMIC STANDARDS				
GRI 201: Economic performance (2016)				
201-1	Direct economic value generated and distributed	64, 68-76		
GRI 205: Anti-corruption (2016)				
205-2	Communication and training about anti-corruption policies and procedures		Anti-corruption as part of the mandatory Code of Conduct training.	
205-3	Confirmed incidents of corruption and actions taken		No incidents.	
GRI 206: Anti-competitive behavior(2016)				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No incidents.	
GRI 207: Tax (2019)				
207-4	Country-by-country reporting	64		



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		Location	Note	Verified
ENVIRONMENTAL STANDARDS				
GRI 301: Materials (2016)				
301-1	Materials used by weight or volume	59	Partially reported. Companies with manufacturing activities and significant material consumption are reported. Total consumption is reported, broken down by the source of the material.	x
301-2	Recycled input materials used	59	Partially reported. Companies with production activities and significant material consumption are reported. Materials are categorized into virgin, recycled, and by-products.	x
GRI 302: Energy (2016)				
302-1	Energy consumption within the organization	55		x
GRI 303: Vesi ja jätevedet (2018)				
303-1	Interactions with water as a shared resource	56, 57	Partially reported.	
303-3	Water withdrawal	57	Partially reported. Berner Oy is reported in accordance with GRI standards, but the use of surface water by Berner Chemicals Oy is missing.	x
303-4	Water discharge	56-57	Partially reported.	x
GRI 304: Biodiversity (2016)				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	60	Partially reported. Owned, leased, or controlled operational sites identified during the pilot project are reported. The report does not include the value of biodiversity for protected areas or areas of high biodiversity value.	
GRI 305: Emissions (2016)				
305-1	Direct (Scope 1) GHG emissions	53	The calculation follows the GHG Protocol and the operational control approach. Sources of emission factors: energy companies, the UK government's Department for Environment, Food and Rural Affairs (Defra).	x
305-2	Energy indirect (Scope 2) GHG emissions	53	The calculation follows the GHG Protocol and the operational control approach. Sources of emission factors: energy companies, the UK government's Department for Environment, Food and Rural Affairs (Defra), AIB Residual Mix 2022, Energy Agency, and other written and public sources.	x
305-3	Other indirect (Scope 3) GHG emissions 3	53	The calculation follows the GHG Protocol and the operational control approach. Sources of emission factors include the UK government's Department for Environment, Food and Rural Affairs (Defra), the International Energy Agency (IEA), databases, and other written and public sources.	x
305-5	Reduction of GHG emissions	54		
GRI 306: Waste (2020)				
306-1	Waste generation and significant waste-related impacts	56,57,58		
306-2	Management of significant waste- related impacts	56,57,58	Partially reported. Significant actions taken in our own operations are reported.	
306-3	Waste generated	57		x
306-4	Waste diverted from disposal	58		x
306-5	Waste directed to disposal	58		x
GRI 308: Supplier environmental assessment				
308-1	New suppliers that were screened using environmental criteria		In the assessment of new high-risk country suppliers, a sustainability self-assessment form and audits are used, both of which also include environmental sustainability.	



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		Location	Note	Verified
SOCIAL STANDARDS				
GRI 401: Employment (2016)				
401-1	New employee hires and employee turnover	36-38		x
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	36-37	Berner Ltd Finland: Monthly salaried employees are entitled to all the same benefits as permanent staff, even if they are on fixed-term or part-time contracts. Hourly workers are not entitled to ePassi, and only the statutory portion of occupational health care applies to them.	
GRI 403: Occupational health and safety (2018)				
403-1	Occupational health and safety management system			
403-2	Hazard identification, risk assessment, and incident investigation	36, 38	Partially reported for the process and for some of the companies.	
403-3	Occupational health services		Berner Ltd offers comprehensive occupational healthcare to all its employees in Finland, which includes both preventive, statutory occupational health services and nursing care activities. The statutory occupational healthcare includes health examinations, health advice, activities supporting work and functional capacity, and first aid readiness. The statutory occupational healthcare applies to all employees from the beginning of their employment. In addition to statutory occupational health services, we offer our staff in Finland health and nursing care services that the employer voluntarily arranges. In Sweden, occupational health services are provided to the staff. Every employee is entitled to a health examination annually or every other year, depending on age. Employees are also offered advice on pension savings investments.	
403-4	Worker participation, consultation, and communication on occupational health and safety		Berner Ltd: In Finland, workplace assessments conducted every three years include the Aisti well-being survey for employees, which contains questions related to health, workplace well-being, and work and management culture. In Sweden, the staff participates in the formulation of personnel principles.	
403-5	Worker training on occupational health and safety		Partially reported. The assessment or planning of training needs is not reported.	
403-6	Promotion of worker health	36,41	Berner Ltd Finland: Supporting employee work capacity is included in the personnel management processes, with tools available for supervisors.	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Berner Oy Finland: The scope of occupational health services has been specified for certain positions based on the requirements of business relationships and client accounts (e.g., salmonella tests, vaccinations).	
403-8	Workers covered by an occupational health and safety management system		Berner Ltd Finland: Individuals in a monthly salaried employment relationship are entitled to the occupational health care nursing services.	
403-9	Work-related injuries	41	No fatalities.	x
403-10	Work-related ill health	36	No cases.	x



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		Location	Note	Verified
GRI 404: Training and education (2016)				
404-1	Average hours of training per year per employee	40	Partially reported. Reported as an average per employee, not by gender or employee category.	x
404-2	Programs for upgrading employee skills and transition assistance programs	38		
404-3	Percentage of employees receiving regular performance and career development reviews	41		x
GRI 405: Diversity and equal opportunity (2016)				
405-1	Diversity of governance bodies and employees	40		x
405-2	Ratio of basic salary and remuneration of women to men	37	Ratio figures were not reported.	
GRI 406: Non-discrimination (2016)				
406-1	Syrjintätapaukset ja korjaavat toimenpiteet		No discrimination cases.	
GRI 414: Incidents of discrimination and corrective actions taken				
414-1	New suppliers that were screened using social criteria	44-45	In the assessment of new high-risk country suppliers, a sustainability self-assessment form and audits are used, which include social sustainability.	
414-2	Negative social impacts in the supply chain and actions taken	45	The results of the amfori BSCI audits have been reported.	
GRI 415: Public policy (2016)				
415-1	Political contributions		No political support.	
GRI 416: Customer health and safety (2016)				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	43	No fines or warnings.	
GRI 417: Marketing and labelling (2016)				
417-2	Incidents of non-compliance concerning product and service information and labeling	43	One recall due to incorrect labeling, which posed no danger to consumers.	
417-3	Incidents of non-compliance concerning marketing communications		No incidents.	



REPORTING PRINCIPLES

We have reported our sustainability information applying the Global Reporting Initiative (GRI) Sustainability Reporting Standards framework guidelines. We have reported the information mentioned in the GRI content index for the period 1.1.-31.12.2023 with references to GRI standards. The correspondence of the report content with the GRI standards is indicated in the GRI index.

We report on our sustainability annually. The sustainability report is published in Finnish and English. The report is released as a PDF version on the website and is also available in print. The 2022 sustainability report was published in April 2023. Inquiries related to the report: sustainability@berner.fi

Report verification

Ernst & Young Oy has performed a limited assurance engagement in accordance with ISAE 3000 standard, targeting the social and environmental information presented in the GRI index.

UN Global Compact reporting

We reported on the implementation of the UN's ten Global Compact principles at Berner last year on the UN Communication on Progress platform. Information was based on the 2022 sustainability report.



INDEPENDENT PRACTITIONER’S ASSURANCE REPORT

(Translated from the original report in Finnish language)

To the Management of Berner Oy

Scope

We have been engaged by Berner Oy (hereafter “Berner”) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements (ISAE 3000), here after referred to as the engagement, to report on on Berner’s sustainability information described below contained in GRI Supplement of Berner Annual Report 2023 for the period 1.1.-31.12.2023 (the “Subject Matter”).

Selected indicators

The selected sustainability information within the scope of assurance covers:

- Social and environmental sustainability indicators as identified in the GRI Content Index which are included in the Company’s GRI Supplement in the Company’s Annual Report 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Berner

In preparing the Subject Matter, Berner reported with reference to the Global Reporting

Initiative (GRI) sustainability reporting standards (the “Criteria”). As a result, the Subject Matter information may not be suitable for another purpose.

Berner’s responsibilities

Berner’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (‘ISAE 3000’ Revised), and the terms of reference for this engagement as agreed with Berner on 31.10.2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a

report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the

level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Green House Gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.



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Our procedures included:

- a) Gathering an understanding of Berner's material sustainability reporting topics, organization and activities,
- b) Interview with senior management to understand Berner's sustainability management,
- c) Interviews with personnel responsible for gathering and consolidation of the Subject Matter to understand the systems, processes and controls related to gathering and consolidating the information,
- d) Assessing sustainability data from internal and external sources and checking the data to reporting information on a sample basis to check the accuracy of the data.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter in Berner's sustainability report for the period 1.1.-31.12.2023, in order for it to be in accordance with the Criteria.

Helsinki, 9.4.2024

Ernst & Young Oy
Authorized Public Accountant Firm

Anders Svernas
Authorized Public Accountant

Nathalie Clément
Leader of Climate Change and Sustainability Services



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