



THIS IS BERNER

BUSINESS AREAS

SUSTAINABILITY

FINANCIAL STATEMENTS

*BERNER*

# ANNUAL REPORT 2022



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







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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 already has production in eight different municipalities in Finland.

Berner has a long track record of operating responsibly, 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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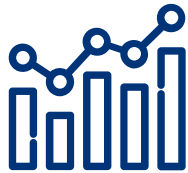
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# GROUP KEY FIGURES 2022



Turnover, meur

717.5

(417.7)



Operating profit, meur

40.6

(23.2)



Operating profit, %

5.6

(5.6)



Equity ratio, %

41.4

(47.4)



Investments, meur

17.5

(51.0)



Personnel (31.12.2022)

858

(785)





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# OUR BUSINESS AREAS

CONSUMER GOODS



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

HEALTHCARE AND LABORATORIES



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.

INDUSTRY



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.

AGRICULTURAL TRADE



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

The year 2022 became a year of real growth with our turnover growing by 71.8 per cent and our operating profit by 75.1 per cent. We completed 4 acquisitions during the year and the year was also strongly characterised by the integration of the acquired companies into Berner.

**Record growth year 2022**

Our consolidated turnover grew to a record high EUR 717.5 million (EUR 417.7 million). Our operating profit amounted to EUR 40.6 million (EUR 23.2 million). Our growth is strongly driven by the ten acquisitions we completed in 1.5 years, but we also grown organically in all of our four business areas in recent years.

In 2022, we continued to implement our growth strategy with four acquisitions. Our agricultural business grew and diversified further with the acquisition of Apetit Plc's grain trade business. In the plant production input trade, we strengthened our positions in the Turku and Loimaa region. We also increased our role in the Finnish potato starch production chain when our subsidiary Chemigate acquired the majority of the votes in Finland's leading manufacturer of starch potato products, Finnamyli Group. Berner now also includes the Swedish laboratory equipment distributor ClaraLab AB, which also operates in Norway and Denmark. At the same time, the number of countries in which we operate increased to seven with the addition of Denmark.

**Integration of acquisitions**

The 10 acquisitions we made significantly strengthen all four of our business areas. Integrating units together with existing business operations is a demanding task, but we believe that the end result will be entities that serve all our customers even better, based on very wide and high-quality selections, as well as the best possible customer service. At the same time, integrations are also valuable learning processes for the organization.

At this point, I would like to warmly thank all Berner employees, "old and new", for their efforts in creating an even stronger Berner. The multidisciplinary nature of our business has always been our strength and mainstay.





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The operating environment continued to be challenging

The past few years have demonstrated how uncertain, surprising and exceptional our operating environment is. Russia's unimaginable war of aggression against Ukraine affected our operations, especially with regard to the supply of raw materials for industry and agriculture. We immediately started looking for substitute raw material suppliers to replace Russian ones, and during the year we found new suppliers for both fertilisers and industrial raw materials.

Last year, the agricultural operating environment as a whole was very challenging – the prices of raw materials for grains and fertilisers had already started to rise in late 2021, and the situation deteriorated further as a result of the war. The importance of domestic food production and security of supply has increased further, and at Berner, we play a growing role in ensuring them. The effects of the war were reflected in the increased costs of raw materials, packaging materials and logistics in all of our business areas during the year.

Promoting the circular economy

Last year, the circular economy was strongly emphasised in our sustainability development work, especially in our industrial and agricultural business areas. Ammonium sulphate, which is a by-product of the battery chemical plant's production, and for the distribution of which we are responsible, has also responded to the shortage of fertiliser raw materials, providing a cost-effective option for fertilisation. Cooperation partnerships between different actors play an increasingly important role in promoting sustainability.

Sustainability is about continuous development work, and as part of updating our sustainability programme, we asked our stakeholders for their views on the focus areas of our sustainability. The responses increasingly emphasised the appreciation of domestic production as well as the quality and safety of products, ensuring a sustainable supply chain and occupational health and safety. We will also include biodiversity as a major theme in our updated sustainability programme.

Last year, we participated in the EcoVadis sustainability assessment for the second time. We achieved the best Platinum rating for our sustainability work, which means that we are in the top 1% of the companies assessed. Our development efforts will continue!

Berner 140 years in 2023

At Berner, 2023 is a real jubilee year. Berner will be 140 years old, our agricultural business will be 90 years old, the Korrek car care line will be 60 years old, and the footwear category will celebrate three anniversaries, with Nokian Footwear reaching the age of 125, Kontio 60 and Hai 55! I doubt that the Norwegian Søren Berner dared or even could think in 1883 how far his herring business would go.

I want to take this opportunity to thank our employees for their hard work during the past year in the midst of changes and integrations. I also wish to warmly thank our consumers, customers and partners for their trust and cooperation.

Antti Korpiemi  
CEO  
Berner Ltd

WE SUPPORT



"Berner Ltd. is participating in the United Nations Global Compact sustainability initiative. We are committed to observing and promoting in all our operations and operating countries the ten generally accepted principles concerning human rights, labour standards, the environment and anti-corruption."  
–Antti Korpiemi, CEO





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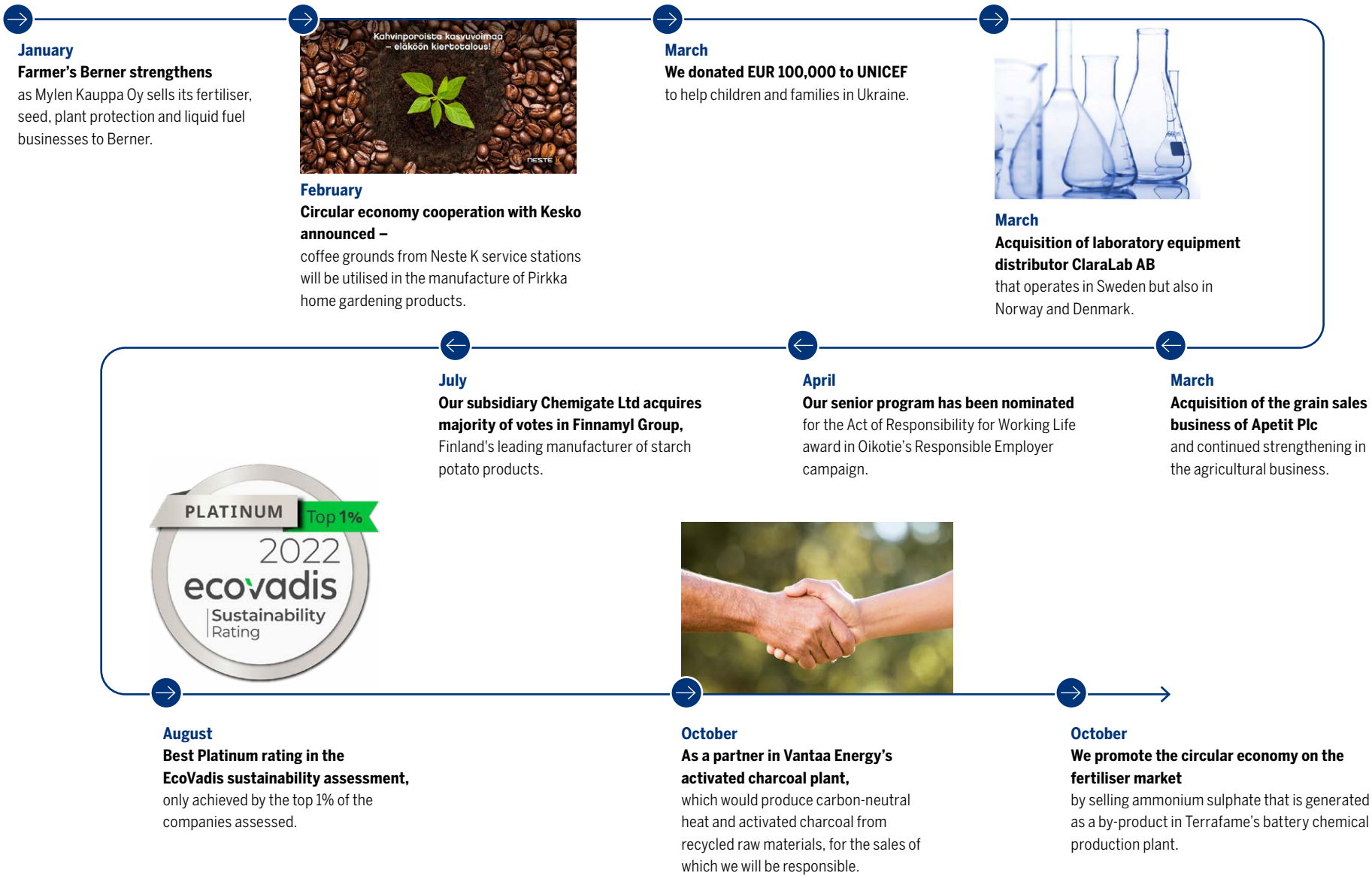
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HIGHLIGHTS OF THE YEAR





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# PROTECTING TOMORROW

We act in ways that ensure well-being and good living for all of us  
– also 100 years from now. That’s what protecting tomorrow means for 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 does protecting tomorrow mean for me as a Berner employee?



**Minna Salmela, Product Development Chemist**

This and sustainability are closely linked. In my own work, protecting tomorrow is reflected in the goal of developing products that are even more sustainable and environmentally friendly. Finnish origin, production in Finland and thus the employment of Finns are also important things to me.



**Jari Mäkelä, Specialist**

My work is directly linked to protecting tomorrow, especially in order to guarantee the quality and purity of domestic food production. Our devices not only analyse the food itself, but also the effluent flows from industrial plants so that we know what nutrient loads are being transferred to our waterways. This allows us to have a better impact on the well-being of our water systems.



**Joonas Honka, Data Analyst Manager**

Protecting tomorrow is reflected in our way of making responsible long-term choices and development work instead of quick profits.



**Sirpa Nuutinen, Sales Manager**

Acting responsibly and in accordance with the principles of sustainable development is our sustainability, both as employees and as a company, also for future generations. Berner is a family-owned company known for its reliability and financial stability, and we also demonstrate in practice that sustainability is an important part of our values; we want to be the best in this category as well.

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Our strategic focus areas 2020–2023

The implementation of our strategy culminated also last year strongly around growth and acquisitions as well as the integration of the operations of acquired companies into Berner. Integrations will also play a strong role in 2023.

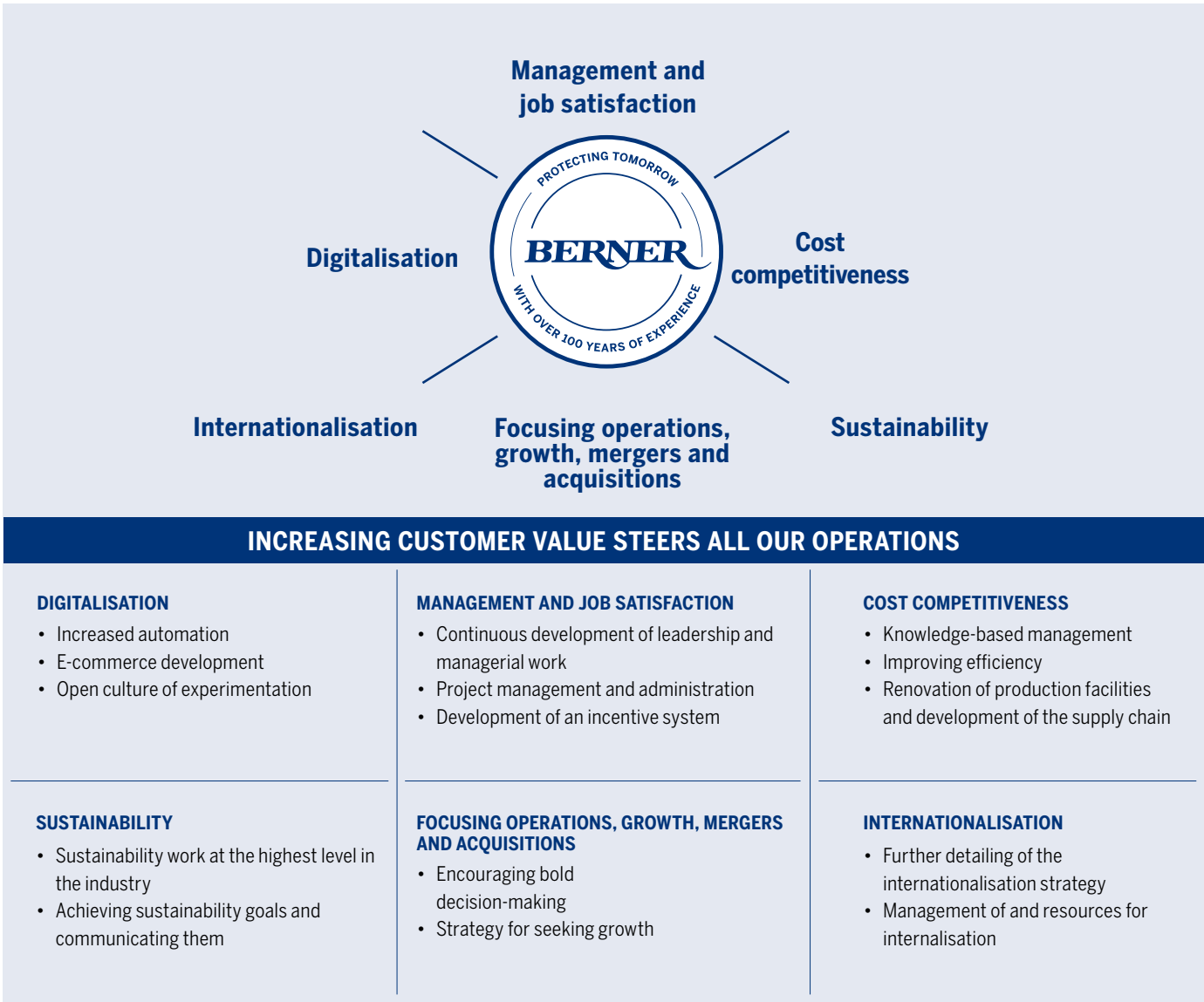
Digitalisation

During the year, we invested even more strongly in system integrations and automation. Due to acquisitions, we increasingly integrated external systems and services into Berner's systems and processes. We launched two new online stores, one for consumers in Finland and one for corporate customers in Sweden. We also built an integration with the Posti Glue system, which enables Berner's products to be sold using a dropshipping model through different online stores.

Management and job satisfaction

We continued our work towards the goal of consistent management experience through management development measures. Integrations and the company's growth targets further increased the focus of management development activities during the year towards strengthening harmonised management practices.

We made management practices backed by management principles a mandatory learning







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path for all supervisors in the form of online training. Orientations related to the management of integrations were arranged not only in the online learning environment, but also in various events for supervisors.

In cooperation with Ilmarinen, we conducted an employee survey to assess the atmosphere and well-being of the workplace community in the spring. The survey also covered the largest integrated companies in terms of personnel numbers, and the results were used to support HR management in the workday of the reforming organisation. The development of occupational safety management was promoted by means of occupational safety training at production facilities and tools to increase the safety of the work environment at the logistics centre.

**Cost competitiveness**

We systematically implemented the new data plan during the year, which has included the design of the data architecture and the adoption of the tools. With the new tools, we are piloting a machine-learning demand forecast, making it possible to predict the broad product portfolio more automatically and with improved forecast accuracy.

The automation level of our consumer goods plants was increased significantly during the year. The efficiency of our production has clearly improved as a result of the investments, which is vital for the competitiveness of domestic manufacturing. We will continue to revise the plants in stages in the next few years as well. In 2022, we invested in a new vinegar product packaging line in Heinävesi and a new packaging line in Helsinki. We invested in new warehouse automation systems at our central

warehouse in Vantaa, which will enhance the picking speed of our orders many times over while responding to the challenge posed by the growth of online store orders, for example.

**Internationalisation**

As a result of the acquisition of laboratory equipment supplier ClaraLab AB, the number of Berner’s operating countries increased to seven, including now also Denmark. Following the acquisition of Haltija, the Healthcare and Laboratories business area now also has exports to several countries outside our operating area. In the Industry business area, the number of export countries increased in Berner Industries and Berner Chemicals.

Export sales of consumer goods decreased significantly during the year after we stopped exporting our LV brand to Russia in February due to Russia’s war of aggression. The biggest export of consumer goods brands last year was Nokian Footwear, which is exported to 13 countries. Export sales grew the strongest in the car care category, despite the challenging conditions. We also opened sales of KORREK Pro consumer products on Amazon’s online store, with Germany as the target market. KORREK products are now exported to six different countries.

**Focusing operations, growth, mergers and acquisitions**

Our growth strategy continued strongly in 2022 with four acquisitions. We strengthened our agricultural business by acquiring Apetit Plc’s grain sales business. In the Turku and Loimaa region, we strengthened our plant production input trade when retailer Kari Mylen sold part of Mylenin Kauppa Ltd’s business operations to Berner.

Our role in the Finnish potato starch production chain grew when our subsidiary Chemigate acquired a majority of the votes in Finland’s leading manufacturer of starch potato products, Finnamyl Group, which includes Finnamyl Ltd and Lapuan Peruna Ltd. In turn, our subsidiary Bröderna Berner AB acquired the Swedish laboratory equipment distributor ClaraLab AB, which also operates in Norway and Denmark.

Our growth, both through acquisitions and organically, was also reflected in our turnover, which increased to EUR 717.5 million. Our operating profit amounted to EUR 40.6 million.

**Sustainability**

During the year, the acquisitions were also visible in sustainability as the integration of Berner’s operating principles related to Code of Conduct and related training, responsible sourcing and sustainability reporting, among others.

We continued our work to calculate our total emissions and set emission reduction targets in accordance with our Science Based Targets commitment. Promoting the circular economy by utilising side streams played a strong role in our consumer product innovations as well as in the Industry and Agricultural Trade business areas. The importance of partnerships in the development of sustainability grew further. As part of the work to update our sustainability programme, we asked our stakeholders for their views on the focus areas of our sustainability. We achieved the best Platinum rating in our second EcoVadis comprehensive sustainability assessment, which means that we are in the top 1% of the companies assessed.

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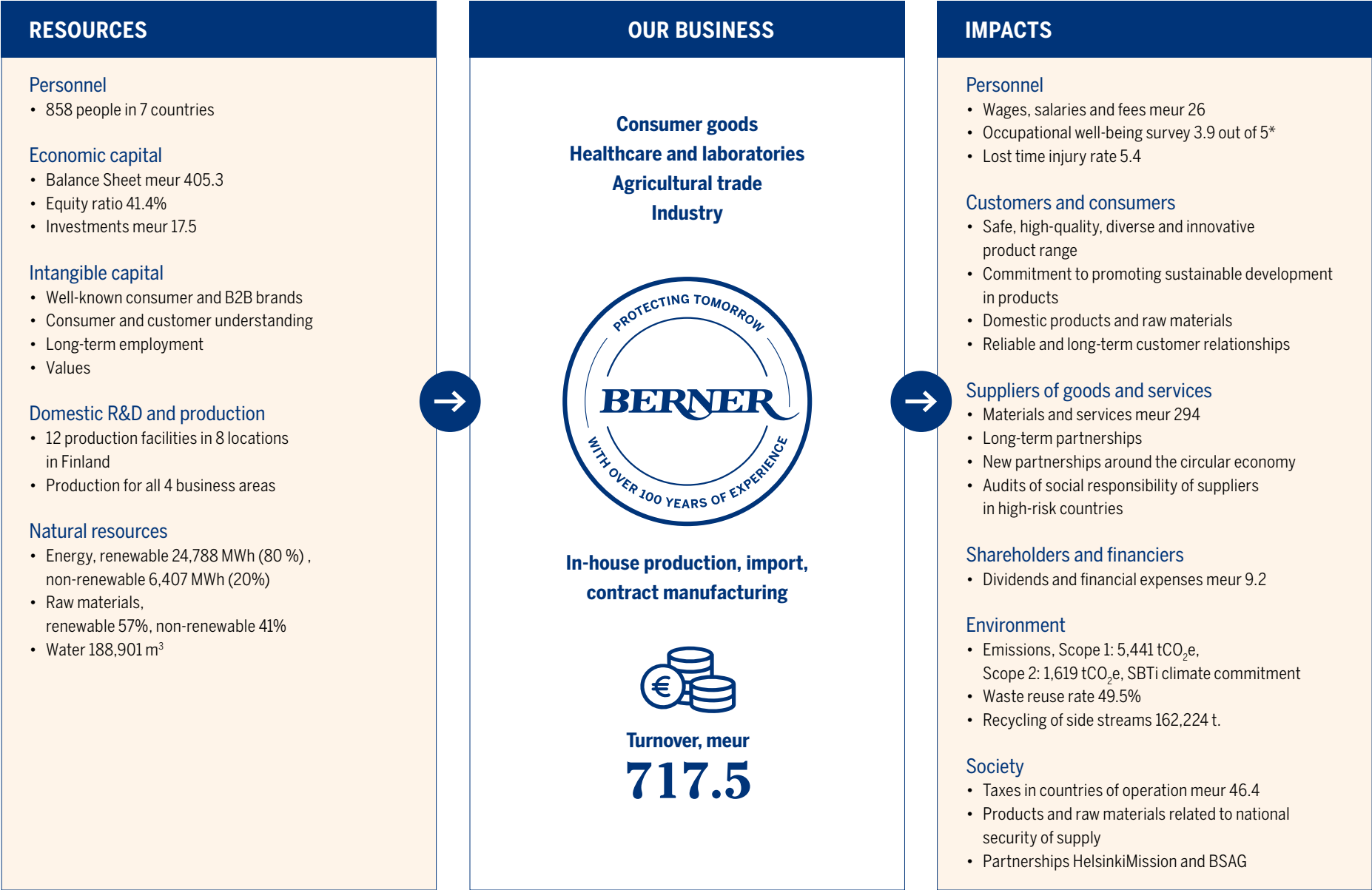
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Berner Group's value creation model 2022



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# Business areas



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# CONSUMER GOODS

The sales and market position of Consumer Goods strengthened in 2022 despite the exceptional year. We reacted quickly to changes in the market and availability situations in close cooperation with our customers and maintained our strong position in our main categories.

## We strengthened our market position

Sales of consumer goods continued to grow and market share strengthened despite the challenges in the operating environment. We continued to develop our operations as a unified Consumer Goods business unit in order to strengthen our customer-oriented operations.

The categories affected by the COVID-19 pandemic, especially cosmetics and hygiene, turned to strong growth towards the summer. The demand for food products increased significantly in the HoreCa channel as restaurants opened and our food sales continued to grow. The exceptionally cold spring challenged sales of spring seasonal products. After two years of excellent home gardening demand, market demand declined significantly as the soil was still frozen in April. However, Berner’s gardening business outgrew the market. Supplementary sales of footwear and car care products also suffered significantly from the short season.

One of the most significant measures of the year was the integration of the acquired Naviter Ltd into the Consumer Goods unit. We particularly benefit from sales and marketing

synergies in department store, beauty specialty store and pharmacy distribution, and the synergies quickly materialised, for example, through the expansion of the Murumuru brand and the strengthening of pharmacy sales. We will invest in the continuation of growth by increasing and enhancing production in Helsinki.

In the spring, we launched a new innovative car care service concept, Korrek Pro Center, at the Lippulaiva shopping centre in Espoo. The franchise-based concept has been well received and the chain expanded to three outlets during the year. Exports of KORREK Pro professional coatings continued to grow in Northern Europe and expanded into Japan, for example.

We also continued to invest in developing our online store expertise and opened the bernershop.fi consumer online store for Berner.

The portfolio of our subsidiary Berner Baltic grew significantly from the more than 20 represented cosmetics brands when the long and close cooperation between Berner and Omron took a new step as the Omron distributorship was expanded into the Lithuanian and Estonian markets. Berner Baltic had a successful year



Turnover, meur

88.7

### 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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in 2022 in spite of the challenging operating environment, and we achieved the goals we had set.

The operating environment continued to be challenging

Following Russia’s war of aggression, the operating environment changed significantly already before recovery from the COVID-19 was over. We immediately stopped exporting our LV brand products to the St. Petersburg region, but the impacts of the war were also reflected in the growing costs of raw materials, packaging materials and logistics during the year.

Inflation accelerated during the year, challenging both profitability and consumer demand. The change in consumer demand was particularly evident in higher price point products, such as footwear and Omron sales.

Promoting sustainability at the heart of product launches

We launched new product concepts in response to consumer trends in the domestic market. In particular, the promotion of the circular economy was strongly reflected in new products. The Ainu Kaura range uses Finnish oat oil from Fazer’s food industry streams, while the XZ Kinuskikahvi range contains coffee oil refined from the side streams of Paulig’s coffee production. Herbina’s new hair care products of the autumn, on the other hand, use orange pulp, which is made from oranges unfit for human consumption. All of these new products of ours are manufactured at our production facility in Heinävesi using 100% renewable energy.

In cooperation with the Finnish Association for Nature Conservation, GreenCare aims to

alleviate the plight of pollinators and increase the diversity of gardens with the Pörriäisten kukkaseos flower mix product. GreenCare also launched the first WQ®-certified gardening products that take animal welfare into consideration. Rajamäki’s new pickling solution, on the other hand, combats food waste by giving extra time to vegetables that are going bad.

Our local expertise will continue to be a strength

We believe that preferring domestic products as a consumption trend will further strengthen the demand for our own brands. The challenges will be the general economic situation, consumer confidence in the economy and the exceptionally challenging predictability of demand. However, our long-term and local expertise is our strength in times of change, and we see good opportunities for growth. We are well positioned for 2023 and continue strong and profitable growth in consumer goods sales.



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CASE HOME GARDENING PRODUCTS FROM COFFEE GROUNDS – CIRCULAR ECONOMY COOPERATION WITH KESKO

In January 2022, we and Kesko started a pilot project on groundbreaking circular economy cooperation, in which the coffee grounds generated at Neste K service stations are utilised in the manufacture of Pirkka home gardening products.

Millions of cups of coffee are brewed at Neste K service stations every year, which means that large quantities of coffee grounds also end up in biowaste. In the cooperation model of Neste K service stations and Berner, the old way is transformed into a world-class act of sustainability, as tens of thousands of kilogrammes of coffee grounds can be used by processing them into raw material for Pirkka home gardening products.

The cooperation model was developed at ten Neste K service stations during the pilot project launched early in the year. The coffee grounds collected from the pilot stations were used to produce a test batch of loam soil at the Saarijärvi plant used by Berner. The test batch was tested for cultivation in a consumer panel composed of K Group’s customers during the rest of the year, for example.

The coffee grounds with filter bags are collected from Neste K service stations with normal return logistics to Kesko’s central convenience goods warehouse in Hakkila, Vantaa. From Vantaa, the coffee grounds continue their journey to Berner’s GreenCare brand partner’s production plant in Saarijärvi, where material from coffee waste is refined for use in the manufacture of Pirkka home gardening products, such as organic fertiliser and loam soil. The coffee grounds are composted and nutrient-rich fava bean shells produced as a by-product of the production of Raisio’s Beanit fava bean products is added to the material. Thanks to coffee waste, the use of horticultural peat in production can be reduced.

The new Pirkka home gardening products will arrive at K shops in early spring 2023.







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Our key consumer brands



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# HEALTHCARE AND LABORATORIES

The year 2022 was strongly characterised by the integration of the acquisitions made in the previous year. The volatility of the operating environment continued, causing challenges for operations. The importance of sustainability continued to grow.

### A year of integrating acquisitions

The Swedish medical supplies distributor Dolema AB merged with our subsidiaries in Sweden and Norway at the end of September, and Haltija Group Oy, a well-known player in the field of assistive devices, merged into our business in Finland at the beginning of November. In particular, the merger of Haltija significantly changed our operations, as the number of our personnel increased by more than one hundred and the number of our products doubled. Both acquisitions strengthened our position in the market and opened up new growth opportunities.

In March, we acquired the Nordic laboratory sector distributor ClaraLab AB, which expanded our laboratory business into covering all of the Nordic countries. Thus, we will be able to offer our international partners a comprehensive geographical operating environment and an even wider product portfolio for our customers.

With regard to laboratory equipment and supplies, the year was strong. Equipment investments continued as expected and we

also succeeded in new launches. Sales were strongly boosted by Flowflex COVID-19 rapid tests, which were available for both the public and private sectors.

### Instability in the business climate continued

The past few years have been exceptional, and the year 2022 was no exception. COVID-19 was still reflected in a sales spike for microbiological rapid tests, but also as a burden on our healthcare customers. Prolonged industrial action kept operating theatres and wards closed, which also had a direct impact on the consumption of products.

Steep price increases, especially in raw materials, also challenged our profitability, especially in the disinfection and consumer goods segments. However, our specialised medical care portfolio, assistive devices and compression and orthosis business survived the challenging year as expected.

In protective products in particular, price volatility that has lasted for several years has been reflected in the slowing down of



Turnover, meur

93.2

### 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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competitive bidding for product categories, and for some products no competitive bidding at all was opened during the year. The preparation of the health and social services reform is also reflected in the burden on healthcare operators and the uncertainty of funding.

The growing importance of sustainability

The COVID-19 times have shown the increased importance of sustainability. Particularly in healthcare protective products, the number of suppliers increased exponentially and product quality fluctuations increased. It has been important for our business to find long-term partners whose product quality and sustainability work meets our requirements.

According to the new Act on Public Procurement, sustainability must also be more visible in public procurement, and our customers have begun to demand more accurate information on the carbon footprint of products and the compliance of production plants with ecological and social requirements. As a member company of Sailab-MedTech Finland, we are also committed to the MedTech Ethical Code.

We are seeking new growth opportunities

Thanks to our diverse product portfolio and geographical coverage, we can make our solutions available to an even wider user base and help our partners achieve their strategic goals. We will focus on completing the integration of our acquisitions to achieve the pursued synergies. We are also continuously looking for new growth opportunities in the Nordic and Baltic countries, both through acquisitions and organically.

CASE

HALTIJA INTEGRATED INTO BERNER

The year 2022 was a major year of integrations in the Medical and laboratories business area, when both Haltija, a Finnish provider of assistive technology and services, and Dolema AB, a Swedish distributor of healthcare supplies, were integrated into Berner.

The acquisition of Haltija in 2021 was the biggest in Berner’s history, and we gained more than 100 new colleagues through the acquisition. In fact, the merger of Haltija with the Medical and laboratories business area in November 2022 was an alliance of two large companies, and the work phase of the integration before the November 2022 merger took precisely one year. As part of the integration process, we have rebuilt a large part of our operating models, such as the management system. As a growth-oriented company, we are naturally looking for turnover growth and profitability, but we will focus particularly on welding our personnel into one winning team.

**Inka Ylipieti**, Category Director: “Change always involves resistance to change, which is a natural and good part of development. Challenging and questioning change also shows the commitment of employees and how meaningful they feel their work is. Thanks to “good resistance”, it has been possible to evaluate the reforms in a more diverse way and develop them to work better.”

**Mia Koski**, Sales Representative and Product Manager, Individual Solutions. “The integration was facilitated by a good and open working atmosphere. There have been lots of questions and everyone has had to learn new things as well as be ready to learn and broaden their perspective. Skilled colleagues have been important in learning new things. A decent dose of humour has also been necessary!”







THIS IS BERNER

BUSINESS AREAS

- Consumer Goods
- Healthcare and Laboratories
- Industry**
- Agricultural Trade

SUSTAINABILITY

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INDUSTRY

The year 2022 was strong in terms of sales, despite the challenges of the business climate. Berner increased its role in the Finnish potato starch production chain further with Chemigate acquiring a majority stake in the Finnamyyl Group. The use of side streams continued strongly and the number of export countries increased.

Growth in turnover continued

As a whole, the year of the Industry business area became strong in terms of sales, and turnover grew both in the Berner Industries business unit and Chemigate Ltd and Berner Chemicals Ltd. Internationalisation continued during the year, and Berner managed to expand its exports to over ten countries. The market area of Berner Chemicals also expanded with the start of exports to Poland and the Baltic countries for local building materials industry customers.

In June, Chemigate acquired a majority stake in Finland’s leading manufacturer of starch potato products, Finnamyyl Group, which includes Finnamyyl Ltd and Lapuan Peruna Ltd. The acquisition strengthens the entire domestic potato starch production chain and also strengthens Chemigate’s position in the growing market for bio-based products.

Export of crystalline ammonium sulfate as a raw material for the fertiliser industry started well at Berner Industries in 2022, as the production volumes of Terrafame’s battery chemicals plant increased. The first shipborne delivery of lye to the subsidiary Berner

Industries Tank’s terminal in Tahkoluoto, Pori, was received in June and deliveries to contract customers began immediately.

In October, a cooperation project was announced between Vantaa Energy, Berner and Remeo to produce activated charcoal and carbon-neutral heat from recycled wood. Berner’s role in the project is to market and sell the generated activated charcoal and, together with Vantaa Energy, develop the end product so that it can be used, for example, in industrial gas and water treatment processes.

Challenges in the business climate were successfully addressed

The business climate challenged the business area during the year due to the consequences of Russia’s war of aggression, COVID-19 and industrial action. Russia’s war of aggression against Ukraine had diverse impacts on business. Chemigate and Berner Industries stopped exporting to Russia, which accounted for about 5% of both companies’ turnover. However, a more significant loss to Berner Industries than the discontinuation of exports



Turnover, meur

207.3

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
- Kaipiainen
- Mietoinen



THIS IS BERNER

BUSINESS AREAS

- Consumer Goods
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- Industry
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PROTECTING  
TOMORROW  
With over 100  
years of experience

was the discontinuation of imports of products of Russian origin to Finland and the other Nordic countries. Berner Chemicals also had to look for new substitute raw materials all over the world.

As a result of the war, there were major changes in the prices, availability and demand for some of Berner Industries products. As a result of rising energy prices, all European suppliers increased the prices of their products in the middle of the contract periods as their own production costs increased.

The European energy crisis, on the other hand, contributed to Berner Chemicals' sales of magnesium products to the construction industry, where the production of materials for insulation increased significantly. The large drop in Asian container freight prices will help Berner Chemicals' access to raw materials, but China's major COVID-19 wave poses challenges to manufacturers' ability to deliver.

Chemigate's year started on a challenging note when a major customer, UPM mills in Finland, stood idle for four months due to industrial action. However, the increased demand for packaging board during the pandemic continued to be strong until December. Russia's war of aggression exacerbated the situation by raising the cost of almost all raw materials and commodities. The downturn in the Chinese economy also contributed to the reduced demand for specialty chemicals. However, the increase in demand for cationic reagent in the early part of the year partly compensated for these challenges. Towards the end of the year, the increased costs were passed on to customer prices and profitability improved in starches.

Side streams in an increasing role

In the Industry business area, the use of side streams plays an important and growing role. In 2018, when Berner Chemicals was founded, the set goal was to develop various raw materials from industrial and mining side streams at the company's plant. Berner Chemicals received subsidies from Business Finland for a project to study side streams and develop methods for using them, and the first pilot project was completed with promising results in 2022. The goal is to receive a significant share of the Kokemäki plant's raw materials from domestic side streams over the next two years.

At Berner Industries, the share of industrial side streams of business volume and turnover increased significantly due to growth in ammonium sulfate deliveries. The product delivery volumes are directly proportional to the Terrafame's production volumes of battery chemicals.

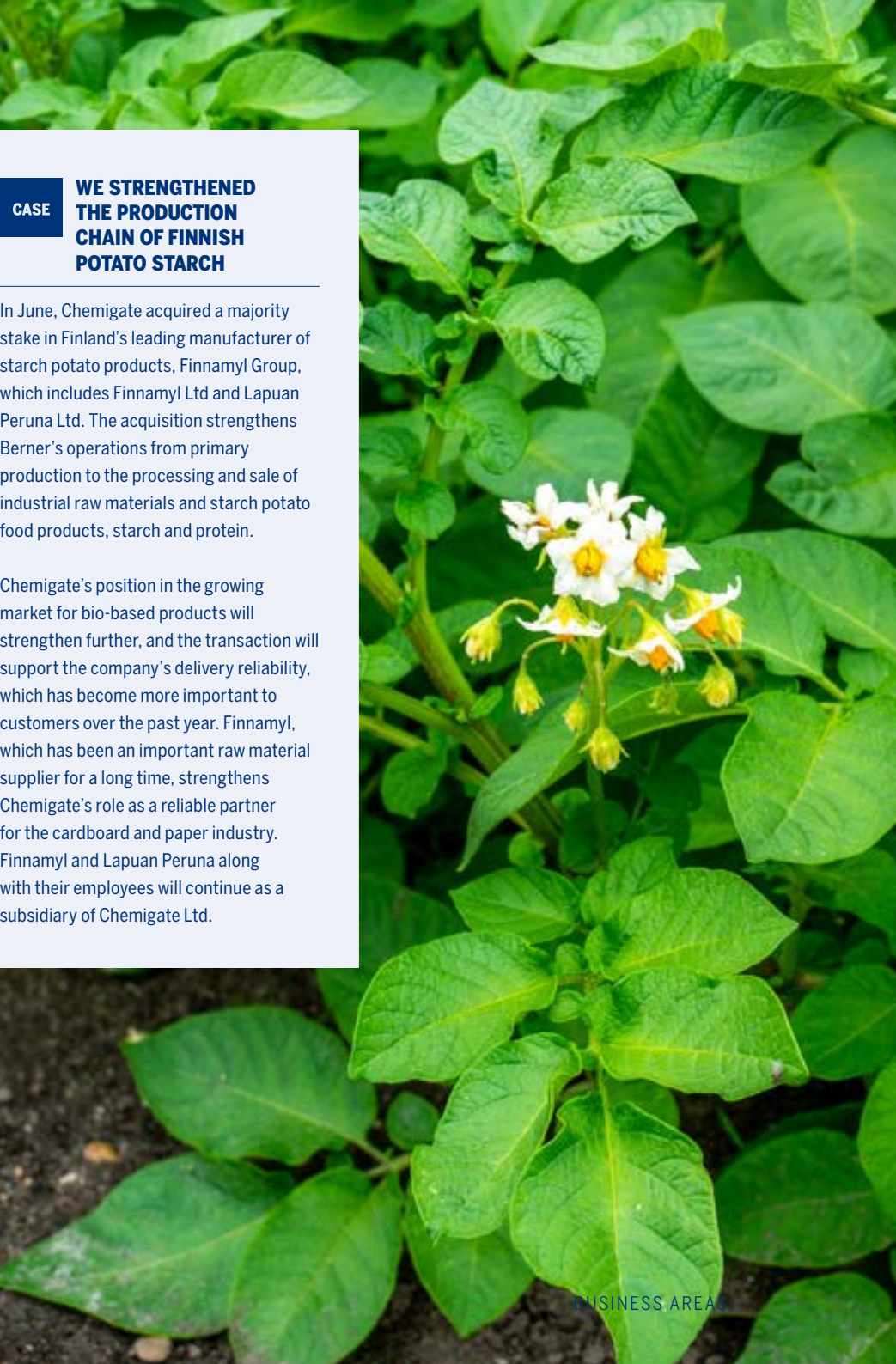
At Chemigate, the carbon footprint in particular became the focus of sustainability-related customer requirements at the end of the year. The three biggest customers organised sustainability-related meetings reviewing the demands for suppliers for the coming years were reviewed. Chemigate was praised for its starch lifecycle analysis work.

CASE

WE STRENGTHENED  
THE PRODUCTION  
CHAIN OF FINNISH  
POTATO STARCH

In June, Chemigate acquired a majority stake in Finland's leading manufacturer of starch potato products, Finnamyl Group, which includes Finnamyl Ltd and Lapuan Peruna Ltd. The acquisition strengthens Berner's operations from primary production to the processing and sale of industrial raw materials and starch potato food products, starch and protein.

Chemigate's position in the growing market for bio-based products will strengthen further, and the transaction will support the company's delivery reliability, which has become more important to customers over the past year. Finnamyl, which has been an important raw material supplier for a long time, strengthens Chemigate's role as a reliable partner for the cardboard and paper industry. Finnamyl and Lapuan Peruna along with their employees will continue as a subsidiary of Chemigate Ltd.







THIS IS BERNER

BUSINESS AREAS

- Consumer Goods
- Healthcare and Laboratories
- Industry**
- Agricultural Trade

SUSTAINABILITY

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We are seeking new growth opportunities and circular economy projects

In accordance with Berner's strategy, we will continue to look for new acquisition opportunities to accelerate growth in the Scandinavian region 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.

The production line developed for the further processing of glucan will be started in January 2023 at Chemigate's Lapua plant. The production line will produce a bio-based, biodegradable and plastic micro particle-free substitute for oil-based chemicals in detergents. The line is worth EUR 9 million in total investment.







THIS IS BERNER

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# AGRICULTURAL TRADE

The war of aggression against Ukraine revolutionised agriculture, especially the grain and fertiliser markets, and increased food security concerns. As the importance of domestic food production increased, Berner’s agricultural trade business invested in strong growth through acquisitions.

Growth through acquisitions

The year of the agricultural trade business area in Finland started with acquisitions, when Mylen Kauppa Ltd’s production input business was transferred to Farmer’s Berner in February. As a result of the transaction, our organisation and position in the Turku and Loimaa regions were strengthened.

In March, we announced the expansion of our business to the grain trade with the acquisition of Avena Nordic Grain Ltd’s domestic grain trade business from Apetit Plc. Read more in the case study.

Global crises were reflected in agriculture

Throughout the year, the agricultural business climate was overshadowed by crises. The prices of grain and fertiliser raw materials started to rise already in late 2021, and continued to rise in early 2022. When Ukraine was attacked in late February, there was a general concern about food security and, as a result, the availability of both grain and fertilisers, which fuelled the rise in prices. The situation was challenging to everyone in the sector and increased the

importance of domestic food production and security of supply.

When the war broke out, we decided to immediately stop importing Russian fertilisers in our subsidiary Belor Agro Ltd and began to look for other alternatives. We managed to secure the availability of fertilisers during the spring and summer with the help of European fertiliser suppliers, while changing our logistics model to serve the new situation. Despite the exceptional circumstances, we managed to keep our range wide and availability good throughout the year.

The war also caused unprecedented price fluctuations in the grain trade, which is why it has become increasingly important for our customers to monitor and react to changes in the grain market and also to try to distribute the price risk.

After a historically weak harvest in 2021, a record large area of autumn crops was sown in Finland in the same autumn. Unfortunately, the exceptionally harsh winter conditions largely destroyed the autumn crops in the winter of 2022, further aggravating the financial situation of farmers. The parcels destroyed in winter were sown again in the spring, and a normal harvest was harvested in the autumn.



Turnover, meur  
**326.6**

Customers

- Farmers, customers of different production directions
- Industry partners; grain trade, oil crops and operators related to circular economy products
- Pest control professionals
- Professional lawn care workers; golf, sports lawns, green areas

Main product groups

- Grain and oil plant trade
- Seeds, fertilizers and soil improvement
- Plant protection agents
- Professional garden seeds and cultivation supplies
- Solutions for livestock farms, such as Viljelijan Tuoreleike as a feed component for livestock farms
- Measuring devices
- Fuel fluids
- Crop dusting
- Solutions for professional lawns



Operating countries

- Finland
- Sweden
- Estonia
- Latvia
- Lithuania

Production units

- Kouvola



THIS IS BERNER

BUSINESS AREAS

- Consumer Goods
- Healthcare and Laboratories
- Industry
- Agricultural Trade**

SUSTAINABILITY

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When yields return to normal levels after weak harvests, Finland is once again in a situation of overproduction for most grains; thus, it is important to strengthen exports in order to balance the grain market. Our goal is to diversify the contract models of the grain trade in order to increase the spread of risks and the fixing of prices in advance for our farmer customers. We are also actively seeking to increase grain exports, which will contribute to balancing the functioning of the domestic grain market.

More circular economy products

In Finland, the strategic objective of Farmer’s Berner is to develop and launch circular economy solutions, and our selection has grown in recent years.

Circular economy lime has played an important role in improving both the harvestability of soil in fields and the ability of plants to utilise nutrients in the soil. As a new circular economy product, we launched a solution of nitrogen and sulphurous NS (liquid ammonium sulphate) to easily and cost-effectively enhance the nutrient content of manure used as fertiliser in livestock farms’ fields. Today, we also act as a partner to livestock farms by supplying them with the Viljelijän Tuoreleike feed, which is a by-product of Finnish sugar production and has established itself as an excellent feed component in feeding at cattle farms.

Growth in operations provides opportunities to improve service to our customers

Our goal as a domestic agricultural sector party is to help farmers thrive. By combining grain trade and production input trade in Finland into a single organisation, we will be able to serve our customers more comprehensively than before. Understanding our customers’ needs and responding to them is important to us, and we aim to increase cooperation with farmers in order to comprehensively develop farming and its profitability.

In Sweden, as a strong pillar of our Gullviks operations has been and will continue to be, stable service and reliability thanks to our efficient sales staff. In the new changed market situation, we will look for new opportunities and we will take on the upcoming challenges with confidence.

CASE

APETIT PLC’S GRAIN  
TRADE BUSINESS ACQUIRED  
BY BERNER

We further strengthened our position in the agricultural trade by acquiring Apetit Plc’s grain trade business. The transaction was carried out as a business transaction, including Avena’s domestic grain trade business as well as grain warehouses and port operations in Finland. The acquisition was completed in June.

We see the business transaction as a great opportunity to develop and further strengthen as a professional and extensive partner to Finnish farmers.

The acquisition of Avena’s domestic grain trade was a natural continuation of the Farmer’s Avena Berner cooperation that began in 2018, when the field organisations of Avena’s grain trade and Farmer’s Berner’s production input sales began close cooperation. With the merger of the organisations following the acquisition, we will be able to better exploit the identified synergies and serve both our farmer and industrial customers in a more versatile way.

“The acquisition of Apetit’s grain trade business allows us to grow our agricultural trade value chain in Finland. We believe that this arrangement, together with our existing expertise, will bring significant added value to the development of the entire production input and grain trade and to strengthening competitiveness,” says Antti Korpiemi, our CEO.







THIS IS BERNER

BUSINESS AREAS

SUSTAINABILITY

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

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FINANCIAL STATEMENTS

Highlights and development areas in sustainability

HIGHLIGHTS

The highest Platinum rating in the EcoVadis sustainability assessment.

Development of emissions calculations and reporting as part of our Science Based Targets commitment.

9 new in-house eco-labelled products, a total of 52.

GreenCare launched the first WQ®-certified gardening products that take animal welfare into account.

Recycled side streams amount to 162,224 metric tons.



96%  
"I can work well in line with the company's values and culture".



24%  
of the Heinävesi plant's PET bottles are made of recycled material.



93%  
of the Heinävesi plant's packaging is recyclable.

DEVELOPMENT AREAS:

We develop systematic sustainability assessment also for suppliers not located in high-risk countries.



We investigate our dependencies and impact on biodiversity and set targets to reduce the impact.

We investigate the current state of employee diversity and inclusion and set goals.



THIS IS BERNER

BUSINESS AREAS

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FINANCIAL STATEMENTS

SHARED RESPONSIBILITIES  
SUSTAINABILITY PROGRAMME 2020–2022



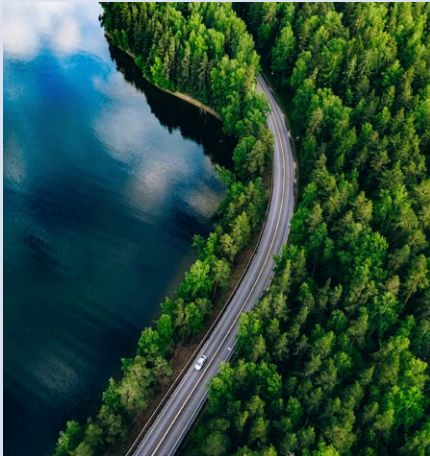
We take care of our personnel's well-being

- Occupational safety and well-being
- Equality and diversity
- Competence development
- Leadership development



We ensure the responsibility of our products

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



We reduce our climate and environmental impacts

- Energy efficiency and emissions
- Material efficiency



We create value for our stakeholders

- Solvency and profitable growth
- Local tax footprint
- Domestic production

WE OPERATE ETHICALLY AND COMMUNICATE IN AN OPEN MANNER



THIS IS BERNER

BUSINESS AREAS

SUSTAINABILITY

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# SUSTAINABILITY AT BERNER

Sustainability and responsibility towards our stakeholders is an integral part of our company’s values, operating methods and strategy. Sustainability is also a key element of our purpose statement “Protecting tomorrow”, which reflects our commitment to operating in such a way that, 100 years from now, the world will still be a good place to live for all of us.

## Sustainability programme guides the development of sustainability

“Our shared responsibilities” sustainability programme 2020–2022 brings all of our areas of sustainability and the relevant targets under one programme and has guided us in the daily development of sustainability.

As part of the updating of our sustainability programme 2023–2025, we asked in 2022 our stakeholders in an online survey about their views on the focus areas of our sustainability as well as where we have succeeded and where we should improve. We received a total of 365 responses. Of our subsidiaries, Berner Chemicals Ltd and Chemigate Ltd also sent separate questionnaires to their stakeholders.

Domestic production became the most important sustainability topic among the responses of all Finnish stakeholders, and its significance to stakeholders had grown further from our previous survey in 2019. After domestic production, the most important topics included product quality and safety, sustainable supply chain, occupational safety and well-being, sustainable raw materials and competence development. There were no major differences between the responses of

the different stakeholders on the main topics.

Moreover, the responses did not include any new topics among the most important topics compared to the previous 2019 survey.

The theme of biodiversity, which is currently strongly on the agenda, has not yet become a very important topic in the views of stakeholders; 16% of the respondents chose the topic as one of the five most important sustainability topics. However, biodiversity will be included in our updated programme. We will also highlight the circular economy more strongly and the security of supply, on which we at Berner have a growing impact in our various business areas.

## Sustainability management

The development of our sustainability efforts is guided by our sustainability steering group, which meets approximately once a month.

Four of the nine steering group members are members of Berner’s Executive Board. The activities of the steering group are coordinated by the Communications and Sustainability Manager. Matters related to sustainability are also discussed regularly by Berner’s Board of Directors, and our sustainability programme will be approved by the Board of Directors.

We have introduced a new online system for reporting sustainability information, which will enable us to easily report the most important sustainability indicators several times a year in order to support the continuous development of operations.

## Sustainability principles, policies and certificates

Our sustainability efforts are based on a number of policies and principles, such as our environmental policy, quality policy and HR principles. 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.

Our operations in Finland are certified pursuant to the ISO 9001 quality management certificate, the ISO 14001 environmental management certificate, the ISO 22716 certificate regarding the manufacture and storage of cosmetics and hygiene products (GMP, Good Manufacturing Practices), and a third-party assured ISO 13485 quality system required for the manufacture of healthcare equipment. Our

WE SUPPORT



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



**Responsible Care**  
Our commitment to sustainability

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 second EcoVadis responsibility assessment.



THIS IS BERNER

BUSINESS AREAS

SUSTAINABILITY

Sustainability at Berner

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FINANCIAL STATEMENTS

laboratories in Herttoniemi and Heinävesi are  
GLP certified by the Finnish Medicines Agency.

Our WhistleB reporting channel, used since  
2020, enables our employees and external  
stakeholders to anonymously report any  
observed shortcomings and violations related  
to our operating principles and legislation.

Our commitments and  
memberships

We have been committed to the UN Global  
Compact sustainability initiative since 2018.  
We also participate in Responsible Care, an  
international sustainability programme in  
the chemical industry that is coordinated in  
Finland by the Chemical Industry Federation of  
Finland. Since 2020, we have been a member  
of the amfori BSCI platform, which seeks to  
ensure and develop the social sustainability  
performance of global supply chains. At the end  
of 2021, we committed to the Science Based  
Targets climate initiative, according to which  
we will set our emission reduction targets in  
accordance with the 1.5 degrees of the Paris  
climate agreement.

The UN Sustainable  
Development Goals (SDG)  
and Berner

In 2015, UN Member States agreed on  
Sustainable Development Goals and a Global  
Action Plan that is intended to guide the world's  
development efforts until 2030. The 2030  
Agenda for Sustainable Development is aimed  
at eradicating extreme poverty and promoting  
sustainable development that takes people, the  
planet and prosperity into consideration on an  
equal basis. Businesses play a significant role  
globally in achieving the targets.

We have estimated the impacts of our  
operations on the 17 Sustainable Development  
Goals and the 169 targets they comprise. While  
our operations have impacts on all 17 SDGs,  
we have identified five that we can particularly  
influence through our operations.

Platinum-level rating in the  
comprehensive EcoVadis  
sustainability assessment

In our second EcoVadis sustainability  
assessment, we achieved the best Platinum  
rating with an overall score of 77/100. EcoVadis  
comprehensively evaluates a company's entire  
responsibility management system, depending  
on the industry, in a maximum of 21 different  
areas related to environmental issues, labour  
and human rights, ethical principles and  
responsible sourcing. The assessment is made  
on the basis of policies and principles, practical  
measures and results.

EcoVadis is the only international body that  
conducts sustainability assessments, and  
their supplier assessments are widely used,  
especially in the B2B sector. EcoVadis has  
evaluated more than 100,000 companies in  
more than 175 countries and 200 industries.  
The EcoVadis assessment is valid for one year  
at a time.

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





THIS IS BERNER

BUSINESS AREAS

SUSTAINABILITY

Sustainability at Berner

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Communicate in an open manner**

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FINANCIAL STATEMENTS



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

# WE OPERATE 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 most important UN Sustainable  
Development Goal that we promote





THIS IS BERNER

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SUSTAINABILITY

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With over 100  
years of experience

# WE OPERATE ETHICALLY AND COMMUNICATE IN AN OPEN MANNER

## 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. Last year, we updated both of our Codes of Conduct to reflect the updated amfori BSCI Code of Conduct, to which we have committed through our amfori BSCI membership.

All of the employees of the Berner Group are required to complete mandatory training on the Code of Conduct once every two years. In 2022, 100% of the employees due to take the course completed it. New employees are also required to complete the course at the start of their employment.

All of our employees are obligated to comply with the Code of Conduct and immediately report all suspicions or observations of inconsistencies with or violations of the Code of Conduct. We encourage our employees to primarily report their suspicions. Employees who wish to report suspected violations anonymously can do it via the WhistleB reporting channel. The channel also allows our external stakeholders to report potential suspicions concerning conduct that violates the law and our Code of Conduct.

During 2022, we received three reports through the channel, none of which related to violations of the Code of Conduct or legislation. Last year, we launched separate channels for our subsidiary Bröderna Berner and in Finland for Chemigate, Berner Chemicals and Suomen Medituote.

[Employee Code of Conduct](#)  
[Supplier Code of Conduct](#)  
[WhistleB whistleblowing channel](#)

Target 2020–2022	Results in 2022
100% of our staff in all countries where we operate undergo, every two years, the Code of Conduct online training.	100% of the employees of the Berner Group due to take the course completed the training.







THIS IS BERNER

BUSINESS AREAS

SUSTAINABILITY

- Sustainability at Berner
- We operate ethically and Communicate in an open manner**
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Aiming for open communications

Our goal is to communicate on our operations in an open, timely and stakeholder-driven manner. Our communication principles are trustworthiness, openness, understandability and interaction.

During the year, media attention was particularly drawn to our news related to acquisitions and growth as well as to our circular economy partnerships. We reported on the effects of Russia's war of aggression on our operations, and the topic was also of interest to the media. During the year, we talked about our responsibility work, business intelligence and marketing at several events.

We share our activities and news on our website as well as through our social media channels on Twitter, Facebook and Instagram. Our business units and brands also have websites and social media channels of their own.

**We surveyed the views and expectations of our stakeholders**

We monitor the development of our reputation and awareness of the Berner brand among the general public by means of T-Media's Trust and Reputation survey and Dentsu's Brand Tracking survey, which is conducted several times per year. As part of updating our sustainability programme, we asked our stakeholders about their views on our sustainability through an online survey.

As usual, we also surveyed our employees' satisfaction with our internal communication channels and topics. Our service functions also

asked employees' satisfaction with the services used and the assistance received.

Our main stakeholders are employees, shareholders, B2B customers, consumers, principals, suppliers, media, authorities and NGOs. Naturally, the wishes, expectations and priorities of our various stakeholders differ substantially. After the start of Russia's war of aggression, the communications with our stakeholders highlighted the impact of the war of aggression on our operations. Sustainability and the related expectations and requirements are becoming more important for all our stakeholders year by year.

The ways in which we listen to the wishes and expectations of our stakeholders include, for example, day-to-day interaction, meetings, events, and separate surveys and questionnaires that our business units carried out during the year.

Berner employees also hold several chairmanships and memberships, including:

- Chairmanship of the Council of the Association of Finnish Work
- Vice Chairmanship of the Board of the Chemical Industry Federation of Finland
- Chairmanship of the Board of Sailab-MedTech Finland
- Membership of the Nordic Swan ecolabel board as a representative of the Finnish Commerce Federation
- Membership of the communications committee of the Chemical Industry Federation of Finland
- Membership of the communications committee of the Finnish Commerce Federation

Stakeholder group	Interaction themes in 2022
Employees	Acquisitions and integrations, Russia's war of aggression against Ukraine and its impacts on Berner's operations, sustainability development, coping with remote work, development of the management of remote work, strategy and results.
B2B customers	Russia's war of aggression against Ukraine and its effects on Berner's operations and security of supply, acquisitions and integrations, sustainability in general, sustainable supply chain, circular economy, domestic production
Consumers	Sustainability development, sustainability of packaging, domestic production, sustainability of raw materials, acquisitions, Russia's war of aggression against Ukraine and its impacts on Berner's operations
Principals	Russia's war of aggression against Ukraine and its impacts, security of supply, sustainable supply chain.
Suppliers of goods and services	Russia's war of aggression against Ukraine and its impacts, security of supply, sustainable supply chain, strengthening and intensifying of supplier cooperation with selected partners
Media	Acquisitions, Russia's war of aggression against Ukraine and its impacts on Berner's operations, domestic production
Authorities, NGOs	Request for clarification regarding wastewater and product communication
Owners	Russia's war of aggression against Ukraine and its impacts on Berner's operations, acquisitions and integrations, sustainability development, social sustainability through UNICEF and HelsinkiMissio projects

## THIS IS BERNER

## BUSINESS AREAS

## SUSTAINABILITY

Sustainability at Berner

We operate ethically and

Communicate in an open manner

**We take care of our personnel's well-being**

Product quality  
and safety

We reduce our climate and  
environmental impacts

We create value for our stakeholders

## FINANCIAL STATEMENTS

# 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, equality, good leadership and personal possibilities for development.

The most important UN Sustainable Development Goals that we promote



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SUSTAINABILITY

- Sustainability at Berner
- We operate ethically and Communicate in an open manner
- We take care of our personnel's well-being**
- Product quality and safety
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# WE TAKE CARE OF OUR PERSONNEL'S WELL-BEING

## Responsibility for employees is based on our values

Our 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. We strive to protect tomorrow also with regard to our workplace community – we are building a sustainable and good Finnish working life for the next century. Our values are reflected in our HR practices at all stages of the employment relationship.

Berner Group's Code of Conduct reflects our values. The Code of Conduct guides all of our day-to-day operations in every country we do business in. The Code covers our key responsibilities and the principles we are committed to observing as an organization and as individual employees.

## Berner's leadership principles

Developing management and job satisfaction is one of Berner's strategic priorities. Our common goal is to make our management practices more consistent so that we can ensure a consistent management experience for every Berner employee.

Our leadership principles stem from this goal. 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. In addition to managerial work, the leadership principles apply to all Berner employees. They provide the basis for self-management and day-to-day decision-making. The principles also support project management.







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OCCUPATIONAL SAFETY AND WELL-BEING AT WORK

Target 2020–2022	Results in 2022
Zero accidents and occupational illnesses.	4 commuting accidents and 11 occupational accidents. Of the occupational accidents, 7 led to a brief sickness-related absence (Berner Ltd). No accidents were recorded in the other companies.
The sickness absence rate remains under 3%. In production and logistics, the sickness absence rate is at most 5.5% Reduction in absences related to musculoskeletal symptoms.	All 2.04%, production 7.01%, logistics 3.31%. Absences related to musculoskeletal symptoms decreased significantly compared to 2021 (Berner Ltd). The sickness rates for the other companies are reported on page 41.
No new cases of occupational diseases or work-related illnesses.	There were no occupational diseases or work-related illnesses in 2022 (all companies).
An average score of more than 3.5 in all areas of the occupational well-being survey.	The average score of the employee survey to assess the atmosphere and well-being of the workplace community was 3.9 (1–5) (Berner Ltd). In Sweden, the result of the occupational well-being survey was 3.49 (1–4).



We introduced a hybrid model of work when the remote work recommendation was lifted.

We have conducted workplace surveys in each unit once every three years. The surveys include a risk assessment, health examinations and a development plan. In 2022, the workplace surveys were conducted as scheduled in three units. In the spring, we used the Aava “Healthy at Work” questionnaire in one unit, and in the autumn, the health questionnaire of the workplace survey was conducted in two units with the new Aisti survey. Following the good experiences we have gained from the Aisti survey, we will start using it as part of workplace surveys.

Absences due to mental health challenges decreased in 2022 compared to the previous year but were still the main cause of absence due to illness. In the autumn, we added a

low-threshold mental support chat service to our occupational health services to support mental well-being. 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.

Significant steps were taken at our Heinävesi production facilities to improve occupational safety. All of our production facility personnel completed the occupational safety card training in the autumn of 2022. Going forward, the training will be offered to new employees, and all employees will update their skills in safety training every year. We expanded the mandatory use of safety glasses to cover a wider range of tasks and updated the safety induction for new employees. In addition, the extensive ergonomics study we commissioned last year was continued with ergonomics training.

The production facilities have also begun process review and development in accordance with the Lean Six Sigma principles. During the project, each work phase will be reviewed and shaped to support occupational safety and promote efficiency. Defining clear routes and designated locations for all work equipment, among other things, reduces the risk of collisions and tripping and ensures that access to safety-critical equipment and facilities is as unhindered as possible.

We also invested in the development of occupational safety at our logistics centre in Vantaa, where, for example, mirrors that improve visibility were fitted.

In cooperation with Ilmarinen, we conducted an employee survey to assess the atmosphere and well-being of the workplace community throughout the organisation in the spring. The response rate was 78%. For the second time

at Berner, we surveyed the current state of employees’ well-being at work by assessing factors affecting employee experience, well-being and working ability, such as leadership, ability and work practices. The average score for all of the survey statements was 3.9. The result for the previous 2019 measurement was 3.7. Our greatest strengths continued to be the meaningfulness of work and the ability to act in one’s own role in accordance with the company’s values and culture. Emerged targets for development included the systematic nature of working days and taking restorative breaks during the working day. None of the statements saw their score fallen from the previous measurement. The biggest positive changes were seen in the equal treatment of employees, management communication and communication about the strategy.

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Equality and diversity

Target 2020–2022	Results in 2022
Men and women receive the same pay for the same job categories.	Every year, we conduct a business unit-specific pay equality survey reviewed with the head of the unit at the beginning of the year. If the report reveals an unexplained pay gap, it will be addressed. The pay reviews for the early 2023 are still pending (Berner Ltd).
No harassment or discrimination cases.	No harassment or discrimination cases in any company in 2022. We have investigated individual reports of inappropriate behaviour and workplace conflicts in accordance with our guidelines.

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.

Any cases of harassment and discrimination that come to our attention are resolved in accordance with our instructions. Our employees have clear instructions on how to intervene in any harassment and discrimination situations. In addition, supervisors have their own instructions for resolving harassment situations. Harassment can be reported anonymously via our WhistleB whistle-blowing channel.

In 2022, the focus of our diversity work has been on welcoming new colleagues that we have gained through acquisitions and harmonising HR practices. We have conducted research on the best practices of integrated companies and planned our future together. For example, the expertise of Haltija Group Ltd,

which was integrated into the Berner MedLab unit, in the assistive device sector has helped us to understand the accessibility issues of our premises better, and we have been able to adapt the premises to suit all employees. We will continue this important development work.

The next step is to survey the current state of diversity and equality of our personnel and to draw up a diversity programme. We want to tackle the development of diversity more effectively than before, because in an equal society, different people are also represented in companies and different work tasks.

Competence development

Target 2020–2022	Results in 2022
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 2022 (Berner Ltd).
100% of our employees are covered by annual performance reviews and development discussions.	According to the data stored in the HR system, 85.8% of our permanent employees had a performance review in 2022 (Berner Ltd). The figures for the other companies are reported on page 41.

Skilled and happy employees are the most important resource of the organisation. Working life and business are under constant change, which challenges both individual employees and organisations to maintain and develop their own competence.

Every Berner employee has the right and the obligation to participate in an annual development discussion. Our employees and their supervisors also agree on regular follow-up discussions between the annual discussions. We also aim to further strengthen our development discussion process and its documentation as well as make more systematic use of career and development plans in competence management. Our remuneration practices are based on the targets set for work. We measure the targets and their achievement regularly during the operating year, and we document these one-to-one discussions in our HR system.

In 2022, the online orientation for all new employees included Berner’s employment relationship training, the Code of Conduct course and ICT orientation. GDPR orientation will be added to the orientation package in 2023.

Unit-specific online orientation is used at the production facilities in Heinävesi, in Berner

MedLab and in the Berner MedLab maintenance team. The development of unit-specific online orientation activities will continue in the coming years.

We offered employees in marketing positions the opportunity to deepen their competence in different areas of marketing in cooperation with Marketing Finland. Marketing Finland’s entire course offering was available for this package comprising one hundred training courses. In addition, we conduct an annual marketing competence survey for those working in marketing tasks.

As a result of acquisitions, Berner’s personnel headcount has grown. We must take care of existing know-how, but we must also take care of inducting the new employees into Berner’s processes and practices. In connection with the 2022 integrations, we prepared orientation plans that created guidelines for the orientation. The plans took into account the different businesses and tasks, the systems related to these tasks and the schedule. With a comprehensive induction plan, we aim to support the merged personnel from the perspective of new operating methods, processes and systems.



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Leadership development

Target 2020–2022	Results in 2022
The leadership index will be at least equal to the Finnish supervisor index average (78.2) and the Executive Board's leadership index score will be at least 75.	No results for 2022. The next 360 measurement of management and managerial work will be carried out in 2023 (Berner Ltd).
All new supervisors have been provided with the necessary skills for managerial work.	In 2022, 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.	One exit interview held in 2021 indicated that the quality of supervisory work was a factor in the departing employee's decision to leave the company (Berner Ltd).

During the integration-oriented operating year, the focus of management has also been on the induction of new supervisor colleagues and the implementation of the management practices documented in the previous year for both new and more experienced Berner supervisors. The online orientation that aggregates our management practices was mandatory for all supervisors in the spring of 2022, in addition to which each new supervisor goes through the entire training.

Getting to know new colleagues during the integrations highlighted good areas for development and clarification of practices, as we had many new pairs of eyes to go through our materials and ask good questions. We will further develop the onboarding of new supervisors in the coming year by compiling additional onboarding material and ensuring that each new supervisor receives the orientation of our management practices suitable to their own managerial experience from HR.

Adopting the elements of the culture of growth and support for integrations will continue to be emphasised as themes in leadership development in the coming year. In the autumn of 2022, our Executive Board gathered for the People Day to reflect on growth from the perspective of capabilities. The findings of the day gave rise to development ideas for internal career development and support for competence development by means of management, for example. The concrete development measures will be specified as strategy work progresses. Leadership and job satisfaction are one of our strategic focus areas.

The next 360 measurement of leadership and managerial work will be carried out in the autumn of 2023.







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Berner Group employee figures 31.12.2022

Number of employees, Berner Group

	31.12.2022	31.12.2021
Finland*	536	536
Sweden, Norway, Denmark	91	70
Baltics	63	66
Finland**	168	113
Total	858	785

Number of employees and employment

	Finland*	Sweden, Norway, Denmark	Baltics	Finland**
Permanent				
Men	238	58	10	100
Women	255	33	53	43
Temporary				
Men	10	0	0	19
Women	14	0	0	6
Non-guaranteed hours employees				
Men	9	0	0	0
Women	10	0	0	1
Full-time				
Men	245	57	9	125
Women	265	33	49	41
Part-time				
Men	12	1	1	0
Women	14	1	4	1
Contractors				
Men	0	0	0	1
Women	0	0	0	1

New employee hires:  
gender and age groups by region

	Men	Women
Finland*		
Under 30 years old	9	18
30-50 years old	13	12
Over 51 years old	4	5
Total	26	35

Sweden, Norway, Denmark		
Under 30 years old	3	1
30-50 years old	3	3
Over 51 years old	3	0
Total	9	4

Baltics		
Under 30 years old	0	1
30-50 years old	0	3
Over 51 years old	0	0
Total	0	4

Finland**		
Under 30 years old	7	2
30-50 years old	11	3
Over 51 years old	9	5
Total	27	10

Employee turnover:  
gender and age groups by region

	Men	Women
Finland*		
Under 30 years old	10	11
30-50 years old	8	15
Over 51 years old	20	11
Total	38	37

Sweden, Norway, Denmark		
Under 30 years old	0	1
30-50 years old	5	0
Over 51 years old	4	1
Total	9	2

Baltics		
Under 30 years old	0	0
30-50 years old	1	5
Over 51 years old	1	1
Total	2	6

Finland**		
Under 30 years old	5	1
30-50 years old	9	3
Over 51 years old	8	3
Total	22	7

\*Berner Ltd and 100% owned subsidiaries  
\*\*Subsidiaries with ownership less than 100%

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Employee gender and age groups, Berner Ltd

Gender and age	Board of Directors (Berner Ltd)	Executive Board (Berner Ltd)	Clerical	Workers
Men	4 (80%)	8 (80%)	188 (35%)	69 (13%)
Women	1 (20%)	2 (20%)	246 (46%)	33 (6%)
Under 30 years old	0 (0%)	0 (0%)	48 (9%)	16 (3%)
30-50 years old	1 (20%)	7 (70%)	244 (46%)	59 (11%)
Over 51 years old	4 (80%)	3 (30%)	142 (26% )	27 (5%)

The ratio of the highest annual compensation to average compensation

	2022	2021
Finland (Berner Ltd)	12.6 (*5.2)	12.6 (*5.4)
Sweden, Norway, Denmark	15.3	12.0
Estonia	32.9	28.7
Lithuania, Latvia	31.4	33.1
Finland (Berner Chemicals Ltd)	3.0	3.3
Finland (Chemigate Ltd)	3.3	3.8
Finland (Finnamyl Ltd, Lapuan Peruna Ltd)	3.6 & 1.9	
Finland (Suomen MediTuote Ltd)	2.8	2.7

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.

\* Excluding performance pay and bonus

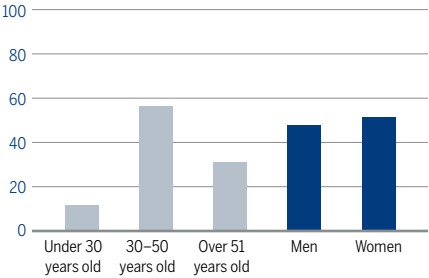
Average training hours / employee

	2022	2021
Finland (Berner Ltd)	1,6	5,7
Sweden, Norway (Bröderna Berner AB)	60	20
Sweden, Norway, Denmark (ClaraLab)	24	
Lithuania, Latvia	5,1	
Estonia	3,5	28
Finland (Berner Chemicals Ltd)	5	9
Finland (Chemigate Ltd)	6,2	2,4
Finland (Finnamyl Ltd, Lapuan Peruna Ltd)	4	
Finland (Suomen MediTuote Ltd)	3	12

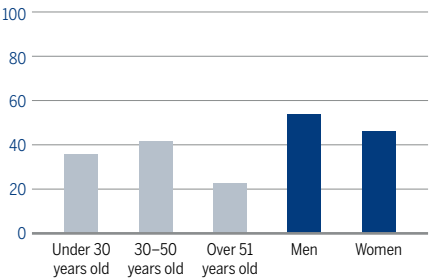
Share of employees covered by collective bargaining agreements

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

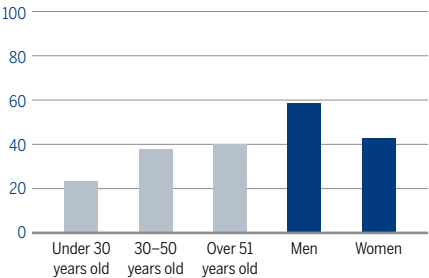
Gender and age division %, Berner Ltd



New employee hires %, Berner Group



Employee turnover %, Berner Group





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Number of injuries, minimum 1 day absence

	2022	2021	2020
Finland (Berner Ltd)	7	18	1
Sweden, Norway, Denmark	0	0	0
Baltia	0	0	0
Finland (Berner Chemicals Ltd)	0	0	0
Finland (Chemigate Ltd)	0	0	
Finland (Finnamyl Ltd, Lapuan Peruna Ltd)	0		
Finland (Suomen MediTuote Ltd)	0	1	

Lost-time incident rate, minimum 1 day absences

	2022	2021
Berner Group	5.4	
Finland (Berner Ltd)	8.76	11.48
Sweden, Norway, Denmark	0	0
Lithuania, Latvia	0	0
Estonia	0	0
Finland (Berner Chemicals Ltd)	0	0
Finland (Chemigate Ltd)	0	0
Finland (Finnamyl Ltd, Lapuan Peruna Ltd)	0	
Finland (Suomen MediTuote Ltd)	0	25.1

(number /working hours x 1 000 000 hrs)

The lost time injury severity rate for the whole Berner Group was 4.8 and for Berner Ltd 7.9 (absence days due to injuries x 1 000 / total working hours).

Sick-leave absence rate, %

	2022	2021	2020
Finland (Berner Ltd)	3.21	3.19	1.80
Sweden, Norway, Denmark	1.11	0.19	0.77
Lithuania, Latvia	3.98	2.90	12.20
Estonia	1.15	0.14	
Finland (Berner Chemicals Ltd)	1.85	13.00	6.30
Finland (Chemigate Ltd)	1.86	1.28	
Finland (Finnamyl Ltd, Lapuan Peruna Ltd)	5.70		
Finland (Suomen MediTuote Ltd)	2.07	1.80	

Target and performance evaluation discussions, % of personnel

	2022	2021
Finland (Berner Ltd)	85	90,8
Sweden, Norway, Denmark	95	100
Lithuania, Latvia	100	100
Estonia	0	0
Finland (Berner Chemicals Ltd)	30	56
Finland (Chemigate Ltd)	95	100
Finland (Finnamyl Ltd, Lapuan Peruna Ltd)	100	
Finland (Suomen MediTuote Ltd)	100	100



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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 most important UN Sustainable  
Development Goals that we promote



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# PRODUCT QUALITY AND SAFETY

Target 2020–2022	Results in 2022
Zero recalls of products manufactured by Berner.	No recalls of products manufactured by Berner Ltd.

The quality and safety of our products is of paramount importance to us and our operations are strongly guided by the requirements of ISO certificates, among other things.

Berner Ltd's operations are certified pursuant to the ISO 9001 quality management certificate, the ISO 14001 environmental management certificate, the ISO 22716 certificate regarding the manufacture and storage of cosmetics and hygiene products (GMP, Good Manufacturing Practices) and the third-party assured ISO 13485 quality system required for the manufacture of healthcare equipment. The operations of Naviter and Haltija, integrated into Berner in 2022, will be included in the scope of Berner Ltd's ISO 9001, 14001 and 22716 certificates, as applicable, in May 2023.

In addition, our laboratories in Helsinki and Heinävesi are also GLP-certified by the Finnish Medicines Agency. As defined by the OECD, GLP (Good Laboratory Practice) is intended to produce reliable and reproducible laboratory testing for purposes such as use by the public authorities. Our Finnish and international grain trade has a certified feed and food safety system in accordance with the EFISC-GTP.

## No recalls of products manufactured by Berner

There were no recalls of products manufactured by Berner Ltd in 2022. We received one request for clarification from the authorities regarding products manufactured by us, which led to the clarification of marketing claims in the Rajamäki product portfolio.

The company integrations carried out during the year brought changes to both product development and manufacturing. The majority of the products manufactured by Berner Ltd are developed at our product development laboratory in Helsinki and manufactured in our Heinävesi and Helsinki production plants in close cooperation with quality assurance teams. Berner has a 21-person team in charge of research and development and an 8-person team responsible for quality assurance. In addition, Berner Ltd has product manufacturing in Ylöjärvi, where a 10-person production and development team is responsible for the entire idea-to-product chain.

The responsibility for product quality and safety lies with the Product and Supply Chain Director, the Quality and Environmental Manager, laboratory managers, product development managers and product development chemists.

## Challenges in the availability of raw materials

We predicted an 8% volume growth in Berner Ltd's production in 2022 compared to the previous year. The first quarter of the year went according to plan, but Russia's war of aggression in Ukraine also had a direct impact on the

operations of our plants. The war caused major challenges in the availability of raw materials, which directly affected production volumes and the availability of end products. In the second half of the year, demand for our consumer cosmetics products declined due to strong consumer price inflation. The demand for disinfectant products has also fallen significantly short of the COVID-19 time volumes. The total volume of our Heinävesi and Helsinki plants in 2022 was 14.7 million products (16.2 million in 2021).

## We deployed an LCA calculation tool

We develop our products in accordance with customer needs. In product design, we focus particularly on the functionality and effectiveness of our products as well as environmental and safety aspects. This ensures the safety of our products during their use by the customer and during our production processes.

For one future product line, we carried out a Life Cycle Assessment (LCA) to find out what the essential environmental impacts of

products during their life cycle are and to be able to focus our choices and development efforts on the relevant issues. We will continue and expand the LCA calculation of our products with the help of an LCA calculation tool.

## Harmonisation of processes continues

In 2022, several business integrations were carried out and we started to harmonise the quality management and product safety processes and we will continue this development in 2023. Our main areas of development are the implementation of EFISC-GTP feed and food safety mechanisms in operations, the harmonisation of the complaint process with new and continuing operations, and development so that product safety observations can be reported more easily. In addition, the focus in 2023 will be on developing the medical device organisation and cooperation throughout the Nordic organisation. We will also report on quality and safety more comprehensively with regard to our subsidiaries.

Certificates of Berner Group companies in 2022							
	ISO 9001	ISO 14001	ISO 22716	ISO 13485	Laboratories GLP Approval	Grain trade EFISC.GTP	FSSC 22000
Berner Ltd	✓	✓	✓	✓	✓	✓	
Bröderna Berner Ltd	✓	✓ (Berner Medical)					
Berner Eesti	✓ (Ordior)						
Chemigate Ltd	✓						
Finnamyl Ltd	✓						✓
Suomen Medituote Ltd	✓	✓		✓			

The operations of Naviter and Haltija, integrated into Berner in 2022, will be included in the scope of Berner Ltd's ISO 9001, 14001 and 22716 certificates, as applicable, in May 2023. Bröderna Berner AB in Sweden is expanding its ISO 14001 certification to cover all operations.



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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.

We made ten acquisitions over 1.5 years in 2021–2022, and during 2022, a significant part of the time spent in sustainable sourcing management was spent implementing the existing principles in the new subsidiaries and companies integrated into Berner. The work will continue in 2023.

Our key tools for ensuring and developing responsible procurement are 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

Target 2020–2022	Results in 2022
The social responsibility of products manufactured in high-risk countries is ensured by third-party audits.	Due to acquisition integrations, the number of Berner Ltd’s suppliers from high-risk countries increased towards the end of the year. For these suppliers, responsibility self-assessments are still ongoing. Starting the auditing processes of three existing suppliers was agreed during the year.
We take social and environmental sustainability into account in the selection of new suppliers.	The self-assessment form for suppliers from high-risk countries was used in the new supplier selection process. New suppliers located in high-risk countries were required to present approved social sustainability audit results or certification.
100% of our suppliers have signed the Supplier Code of Conduct.	Due to the acquisition integrations, the number of Berner Ltd’s suppliers increased by more than 12,000 last year. However, we fell well short of our 100% signature goal without even considering new suppliers. The number of signed Supplier CoC’s increased by 114.
We continuously develop our risk management related to sustainable purchasing.	No new development measures taken.

## 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. Last year, we updated the Code of Conduct to reflect the updated Code of Conduct of amfori BSCI. The Supplier Code of Conduct was adopted last year and early 2023 in our subsidiaries and in the supplier relationships of companies integrated into Berner.

We require all of our suppliers to commit to compliance with our Supplier Code of Conduct by signing it. Our goal was that by the end of 2022, all of Berner Ltd’s suppliers would have

signed the Code of Conduct. We fell far short of our goal without even taking into account the more than 12,000 new suppliers. 31% of Berner Ltd’s supplies came from Finland, 17% from Estonia and 10% from Germany.

## Supplier risk assessment is 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 use the annual amfori BSCI list of high-risk countries, which is based on the six Worldwide Governance indicators published by the World Bank. The indicators define the country-specific levels of governance-related risks, including topics

such as anti-corruption, political stability and freedom of speech.

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. 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.



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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. A significant change for suppliers from high-risk countries occurred during the year, when we discontinued deliveries from Russian suppliers due to Russia's war of aggression.

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, also the number of Berner Ltd's suppliers from high-risk countries increased towards the end of the year. For these new suppliers, sustainability self-assessments are still ongoing.

Starting the auditing processes of Berner's three "old suppliers" was agreed during the year.

Of our suppliers in high-risk countries, 25 are covered by the amfori BSCI audit system. A total of 20 audits were carried out on our suppliers last year. Of the suppliers, 80% received a C overall rating, which requires a reassessment within a year. 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.

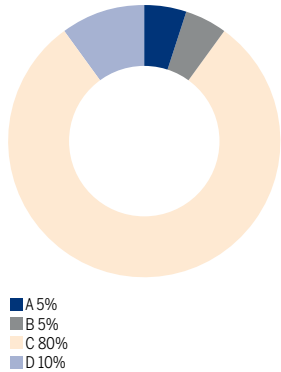
We continued to investigate and ensure the responsibility of the primary production of raw materials from high-risk countries used in our own production.

Our development efforts will continue

Our goal is to launch a systematic assessment of the sustainability of suppliers from countries other than high-risk countries as well during 2023. We will continue our work to increase the share of signing the Code of Conduct and in assessing new suppliers in high-risk countries and conducting audits.



Overall audit ratings, 20 audits



Results of our suppliers' amfori BSCI audits by area, %, 20 audits

	A = Very good, %	B = Good, %	C = Acceptable, %	D = Insufficient %	E = Unacceptable, %
Social Management System	5	5	35	50	5
Workers Involvement and Protection	40	40	20	0	0
The Rights of Freedom of Association and Collective Bargaining	100	0	0	0	0
No Discrimination	95	0	5	0	0
Fair Remuneration	25	65	10	0	0
Decent Working Hours	15	0	5	80	0
Occupational Health and Safety (OHS)	70	20	0	5	5
No Child Labour	100	9	0	0	0
Special Protection for Young Workers	100	0	0	0	0
No Precarious Employment	100	0	0	0	0
No Bonded Labour	100	0	0	0	0
Protection of the Environments	80	15	5	0	0
Ethical Business Behaviour	85	15	0	0	0



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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.

## Involved in Plast2Recycle and 4everPack research projects

In 2022, we participated in the Plast2Recycle research project carried out by VTT Technical Research Centre of Finland and Metropolia University of Applied Sciences, aiming to develop an integrated piloting platform and innovation ecosystem for the production of higher-quality recycled plastic. The aim was also to bring the latest information on plastic recycling to experts in the field.

In addition, we participate 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 investigates the reuse of consumer packaging from the perspective of reducing the environmental impact of packaging and explo-

Target 2021–2025	Results in 2022
All of the plastic packaging in our own production will be recyclable by 2025.	93% of the packaging used in Heinävesi can be recycled.
50% of the packaging materials (kg) used in in-house production are made from recycled plastic.	By the end of 2022, the share of packaging materials made of recycled plastic used in Heinävesi was 4%.
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 2022, the amount of packaging plastic used in Heinävesi was 5% (kg/pcs) less than in 2019.
10% of the products we manufacture in-house will use packaging that reduces the use of fossil-based virgin plastic by 2025.	We actively seek and assess packaging solutions that reduce or replace the use of virgin plastic. In 2022, we focused on reducing the amount of plastic and introducing recycled plastic in our products. We also actively sought suitable bio-based or renewable materials, which, however, we did not yet introduce in 2022.

res different ways of implementing the reuse of packaging. The project will also produce objective scientific data on the potential advantages and disadvantages of reuse. The project develops solutions for reusing packaging in cooperation with companies. Solutions are sought in the areas of packaging materials, the monitoring of packaging, digital tools and the development of logistics models.

## 93% of Heinävesi plastic packaging 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 2022, of all packaging materials used in Heinävesi, cardboard, metal and glass packaging were recyclable. In addition, 93% of the plastic packaging used in Heinävesi was

recyclable. This means that 7% of our plastic packaging consists of multiple plastics or materials, which means that it cannot be recycled in mechanical plastic recycling. Tubes, pumps and bags are examples of such packaging.

Last year, we were looking for a solution to improve the recyclability of tubes and made an implementation plan that resulted in us being ready to replace 41% of our tubes with recyclable ones. By the end of 2022, we had replaced 20% of our tubes with recyclable ones, and the work will continue in 2023. Our first recyclable tube was Ainu Kaura Eco Perusvoide lotion.

In 2021–2022, we also paid more attention to the size and materials of our packaging labels. We improved the recyclability of bottles and canisters made of PE and PP materials by replacing labels with materials corresponding to the packaging. We also continued a project

started in 2021 to improve the recyclability of PET plastic packaging by reducing its labels.

We strive to get rid of black plastic that is not recyclable. We have therefore identified products in which a corresponding black colour is used and started testing a replacement colour. Implementation will continue in 2023.

The recyclability of packaging is affected not only by the material choices of the packaging, but also by its sortability. We wanted to make sure our packaging was easy to sort, which is why we have re-evaluated our sorting guidelines and added them to more packaging types.

## 24% of PET bottles are made from recycled material

Our goal is to have 50% of our own production packaging materials (kg) made of recycled plastic by 2025. At the end of 2022, packaging manufactured from recycled materials



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accounted for 4% of all packaging at our Heinävesi plant. Global challenges had a significant impact on the availability and price of packaging, which slowed down the introduction of recycled material in particular due to increased costs.

In particular, we succeeded in replacing fossil PET plastic with recycled PET plastic. In 2022, 24% of the PET bottles used were made from recycled material. In 2021, we started testing PET bottles made of 100% recycled plastic (100, 150, 200, 250 ml). In 2022, all of the above bottles were made of 100% Prevented Ocean Plastic, which prevents plastic from ending up in the sea in coastal areas.

We also updated the packaging of the Oxygenol mouthwash bottle and introduced a bottle made of 100% recycled PET plastic. In connection with the upgrade, we were able to reduce the amount of plastic in the packaging by 20%. In addition, the 350 ml and 700 ml black and yellow bottles of the Korrek series are now made of 100% recycled PET plastic. The autumn launches of the Unna Nordic brand (7 products) also used bottles made of 100% recycled plastic.

We also increased the use of recycled HDPE. Herbina skin care products to be launched in spring 2023 use a tube containing approximately 36% recycled plastic. We also introduced a bottle with 100% recycled HDPE in the HETI Spray 750 ml bottle. In addition, we tested a 1.5 L HETI laundry detergent HDPE bottle made from 50% recycled HDPE and a Heti Pro 1 L bottle made from 60% recycled plastic, and they will be introduced in 2023. Our requirements for the quality of recycled material are high, especially in products applied to the skin, which limits the introduction of recycled HDPE.

**Consumption of virgin plastic  
reduced by 3,000 kg per year  
by making packaging lighter**

We also aim to further optimise the amount of packaging materials in existing packaging and reduce the amount of packaging material in new packaging. In 2022, we lightened some of our plastic packaging, and based on our consumption in 2022, we will save approximately 1,500 kg of virgin plastic per year. We also reduced the use of plastic in the packaging of laundry detergent by introducing a 1.5 L refill bag.

In 2021, we launched an optimisation project for corrugated cardboard sales batch boxes, which resulted in a reduction in the amount of materials used in 13 boxes. In some boxes, the amount of material was reduced by up to 20%.







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# RESPONSIBLE RAW MATERIALS

## Raw material roadmap guides raw material choices

In 2022, the situation with regard to the availability of raw materials was 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 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 the environment, such as raw materials with fewer environmental classifications or manufactured from side streams. We seek to introduce new biodegradable raw materials in our production and to replace existing raw materials with biodegradable alternatives. In 2022, we started using 16 new biodegradable raw materials, two of which were 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.

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 product development chemists, product developers and product development managers are in charge of the sustainability of the raw materials used in our own production activities. Our environmental certification requirements guide the raw material choices for our environmentally certified products.

## 91.6% of palm oil Mass Balance RSPO-certified

Palm oil is used in the manufacturing of certain raw materials. 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

Target 2020–2022	Results in 2022
We will transition to using 100% certified Mass Balance RSPO palm oil products, or corresponding products, in our own production activities.	The share of Mass Balance RSPO palm oil was 91.6%.
We will increase the proportion of renewable raw materials to 30% in our Nordic Swan Ecolabel certified products manufactured in-house.	The proportion of renewable raw materials in our Nordic Swan Ecolabel certified products was 33% at the end of 2022.
We emphasise biodegradability in new raw materials used in our in-house manufacturing, and we will increase the number of biodegradable raw materials each year.	We started using two new biodegradable raw materials, which replaced existing non-biodegradable ones.
We aim to increase the number of in-house manufactured environmentally certified products by six.	We launched 9 new eco-labelled products. A total of 52 eco-labelled in-house manufactured products in 2022.
We aim to reduce the use of peat by about 10% annually. Our aim is to fully replace peat in GreenCare rootzones at the beginning of the 2030s.	We proceeded in accordance with the goal in reducing peat.
Recycled side streams amount to approximately 220,000 metric tons.	Recycled side streams amounted to 162,224 metric tons in 2022. The total volume was 255,224 metric tonnes in 2020–2022.



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corresponding products. In 2022, the share of Mass Balance RSPO palm oil was 91.6%. Due to the challenging procurement situation, we did not reach our target of 100%, but we will continue to work towards this goal.

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 Identity Preserved form, which means that 100% traceable and certified palm oil is used for the production of the raw material.

**Up to 50% less peat in Maatilan Aito compost soil**

We aim to reduce the use of peat by approximately 10% per year, with the aim of fully replacing peat in GreenCare rootzones at the beginning of the 2030s. We proceeded in accordance with our goal last year in reducing peat. Last year, GreenCare launched the Maatilan Aito product line, which uses up to 50% less peat in its compost soil. Peat has been replaced with compost made from manure and wood fibre, which gives the soil a durable structure. Moreover, Maatilan Aito compost soil comes from dairy farms that have been inspected for well-being.

**Circular economy**

Promoting the circular economy plays an important role in our strategy, and the goal is to increase the circular economy's share of turnover. In 2022, recycled side streams totalled 162,224 metric tons and the total volume was 255,224 metric tons between 2020 and 2022. Side streams are generated in the animal feed and mining industries, for example, and their uses include fertilisers and animal feeds. Read more in the case.

CASE **WE SELL AMMONIUM SULPHATE THAT IS GENERATED AS A BY-PRODUCT IN A BATTERY CHEMICAL PRODUCTION PLANT.**

We have strengthened our role in promoting the circular economy by selling ammonium sulfate that is generated as a by-product in Terrafame's battery chemical production plant. Promoting the circular economy plays an important role in Berner's strategy and aims to increase the circular economy's share of turnover.

The Berner Industries business unit is in charge of the distribution of ammonium sulphate, which is generated as a by-product in Terrafame's new battery chemical production plant, mainly to foreign markets. The Farmer's Berner business unit is responsible for the direct sales of liquid ammonium sulphate (NS) solution, which is a by-product of the process, to livestock farms in Finland.

Ammonium sulphate is a basic component in the production of fertilisers which can be used as such for fertilisation or as a raw material of fertilisers and contains sulphur and nitrogen, both important plant nutrients. Ammonium sulphate is produced as a by-product of the nickel sulphate production of Terrafame's battery chemical production plant, while the traditional production of nitrogen-based fertilisers is very energy-intensive.

Terrafame's battery chemical production plant, launched in 2021, produces the battery chemicals needed for electric car batteries. Terrafame's nickel sulphate, the by-product of which is ammonium sulphate, is produced with a carbon footprint 60% lower than that of conventional production technologies. Terrafame has an annual production capacity of 115,000 tonnes of ammonium sulfate.







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# WE REDUCE OUR 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. Let's take care of nature.

The most important UN Sustainable Development Goals that we promote

8  
DECENT WORK AND ECONOMIC GROWTH

9  
INDUSTRY, INNOVATION AND INFRASTRUCTURE

12  
RESPONSIBLE CONSUMPTION AND PRODUCTION

13  
CLIMATE ACTION





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# ENERGY EFFICIENCY AND EMISSIONS

Our efforts to improve energy efficiency and reduce emissions are primarily guided by our environmental policy. Berner Ltd. has been ISO 14001-certified for its environmental performance since 2000. The individuals in charge of managing energy efficiency are the Head of Supply Chain, Plant Managers, the Head of Logistics and the Quality and Environmental Manager.

## Success in achieving the 2020–2022 targets

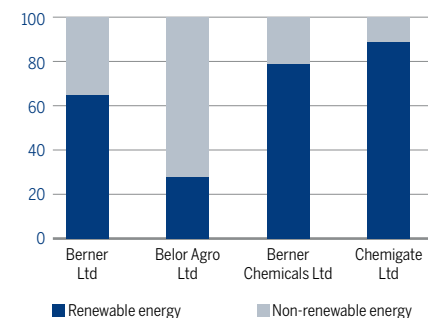
Despite the COVID-19 crisis and the cost pressure caused by Russia's war of aggression, we have been able to effectively implement our emissions reduction programme. We have gained added value from energy audits and energy efficiency measures as improved working conditions with renewed lighting. The setting of the final target for energy efficiency remained inadequate.

## First full year in logistics using renewable diesel

Our goal of reducing direct emissions was achieved when, in addition to wind power, the source of process heat needed in manufacturing was changed from conventional fuel oil to renewable fuel oil at the H1 plant at the end of 2021. In 2022, we did not practically use any energy from fossil sources in our production

in Heinävesi. In addition, product transports were driven between the Heinävesi plants and the Vantaa Viinikkala logistics centre using renewable diesel, which translates into an annual emissions reduction of approximately 180 tCO<sub>2</sub>e. The low emissions of the current transports between Heinävesi and Viinikkala in Vantaa are well illustrated by the fact that they are now at the same level as the 2020 emissions from our courier freight in the Helsinki metropolitan area between Viinikkala in Vantaa and the Helsinki head office in Herttoniemi. In 2022, the courier freight transported in the Helsinki metropolitan area was mainly powered by renewable diesel.

Indirect energy, renewable and non-renewable 2022, %



Target 2020–2022	Achievements 2020–2022
The Heinävesi plants run completely on renewable energy.	The share of renewable energy in the total energy consumption of the Heinävesi plants is 100% at the H1 plant, which produces cosmetics and hygiene products, and the H2 plant, which produces ethanol-based products. The share of renewable energy at the H3 vinegar production plant will be 99.9% until the fossil fuel oil in the reserve power plant runs out.
We will begin using biofuels in our transport operations between the Heinävesi plants and our logistics centre in Vantaa's Viinikkala district.	2022 was our first full year of using renewable fuel in the logistics between our Heinävesi plants and the logistics centre in Viinikkala, Vantaa. Emissions were reduced by 181 t CO <sub>2</sub> e, or 92% compared to fossil diesel.
We will reduce our direct and indirect greenhouse gas emissions.	Direct and indirect emissions have been reduced by switching to biofuels. Berner's commitment to the Science Based Targets climate initiative at the end of 2021 means defining a detailed roadmap, especially for reducing indirect emissions. The current state of the Berner Group's carbon dioxide emissions will be completed in spring 2023.
We will increase our energy efficiency. We will join the Motiva energy efficiency agreement in 2020. We will set a quantitative target in 2021.	We joined the energy efficiency agreement in 2020, and we have improved our reporting on our energy consumption. At the Heinävesi plants, lighting has been modernised and air compressors have been replaced. The effects of COVID-19 and Russia's war of aggression on demand fluctuations make it difficult to set a quantitative indicator.



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Energy investments and renewable wind power

Due to several acquisitions and business integrations, we were unable to set energy efficiency targets at the company level. Berner Ltd’s energy figures include operations merged during 2022, which is reflected in an absolute increase in energy consumption. The energy consumption of production in Heinävesi is strongly linked to the tonnes produced and the quantities of products, i.e. the more produced, the more electricity consumed.

Increasing the level of automation at the H1 and H2 plants has increased the specific electricity consumption of the production process in 2020–2021, but in terms of specific consumption, we have been able to return to the level of 2018 with energy investments.

The year 2022 was our fourth full year of using green electricity generated by wind power at the Heinävesi plants, our logistics centre in Vantaa and our company headquarters in Helsinki. Thanks to wind power, our annual emissions have been around 200 tCO<sub>2</sub>e lower since 2018. Our Group-wide commitment to the Science Based Targets (SBT) climate initiative has also highlighted the need for other companies and locations to switch to renewable electricity.

Indirect energy, renewable and non-renewable, MWh

	2022		2021		2020	
	Non-renewable	Renewable	Non-renewable	Renewable	Non-renewable	Renewable
<b>Berner Ltd</b>						
District heating	2,532.97	2,659.99	1,895.00	3,748.30	2224.32	3,360.07
Electricity	559.75	2,984.45	0	2,367.21	0	2,660.37
<b>Total</b>	<b>3,092.72</b>	<b>5,644.44</b>	<b>1,895.00</b>	<b>6,115.51</b>	<b>2,224.32</b>	<b>6,020.44</b>
<b>Bröderna Berner Ltd</b>						
Electricity	103.85	215.75	177.83	369.47	176.05	365.75
<b>Total</b>	<b>103.85</b>	<b>215.75</b>	<b>177.83</b>	<b>369.47</b>	<b>176.05</b>	<b>365.75</b>
<b>Baltics</b>						
District heating	99.74	0	100	0	85.7	-
Electricity	0	131.7	0	210.4	0	177.4
<b>Total</b>	<b>99.74</b>	<b>131.7</b>	<b>100</b>	<b>210.4</b>	<b>85.7</b>	<b>177.4</b>
<b>Belor Agro Ltd</b>						
Electricity	120.79	47.21	164.65	64.35		
<b>Total</b>	<b>120.79</b>	<b>47.21</b>	<b>164.65</b>	<b>64.35</b>		
<b>Berner Chemicals Ltd</b>						
District heating	0	3,323.00	0	3,068	0	2860
Electricity	933.82	103.18	960.31	118.69	831.26	102.74
<b>Total</b>	<b>933.82</b>	<b>3,426.18</b>	<b>960.31</b>	<b>3,186.69</b>	<b>831.26</b>	<b>2,962.74</b>
<b>Chemigate Ltd</b>						
Electricity	0	15,226.00	1,749.48	12,829.52	1,4579	0
Steam	1,877.00	0	2,641.00	0	2,800	0
<b>Total</b>	<b>1,877</b>	<b>15,226</b>	<b>4,390.48</b>	<b>12,829.52</b>	<b>17,379</b>	<b>0</b>
<b>Suomen Medituote Ltd</b>						
Electricity	127.1		131.3			
District heating	52.15	96.85	58.1	107.9		
<b>Total</b>	<b>179.25</b>	<b>96.85</b>	<b>189.4</b>	<b>107.9</b>		
<b>Total all</b>	<b>6,407.17</b>	<b>24,788.14</b>	<b>7,877.67</b>	<b>22,883.84</b>	<b>20,520.28</b>	<b>9,160.58</b>



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Progress in Scope 3 reporting with the SBT commitment

The share of indirect emissions in our operations is significant, as most of our turnover is generated from the sales of products not manufactured by us. We have prepared a model for the allocation and calculation of indirect emissions for all companies in the Berner Group in accordance with the rules of the SBT Climate Initiative and the Greenhouse Gas Protocol. The model has brought and will bring significant changes to the tabulation and figures of sustainability reporting. For example, emissions from cars in own use must be reported in Scope 1, i.e. direct emissions, which will lead to a significant increase in Scope 1 emissions. In addition, the car fleet has expanded due to acquisitions.

According to SBT, significant changes brought about by acquisitions or divestments must also be taken into account in the calculation of the baseline year. We have set 2021 as the SBT baseline year, which means that the emissions of the procured operations must also be taken into account for 2021. This will change the figures reported for 2021 retrospectively in next year's Sustainability Report.

Scope 1 and Scope2 emissions, tCO<sub>2</sub>e

	2022	2021	2020
<b>Scope 1</b>			
Berner Ltd	3.61	71.6	69.4
Chemigate Ltd	5,438.26	5,753	5,753
<b>Total</b>	<b>5,441.87</b>	<b>5,824.60</b>	<b>5,822.40</b>
<b>Scope 2</b>			
Berner Ltd	900.49	540.1	395.4
Bröderna Berner Ltd	8.75		
Baltia	58.09		
Berner Chemicals Ltd	331.09	128	222
Chemigate Ltd	320.46	562	2,623
<b>Total</b>	<b>1,618.88</b>	<b>1,230.1</b>	<b>3,240.4</b>

Berner Ltd's Scope 1 emissions have decreased due to the switch to renewable fuel oil. The increase in Scope 2 emissions at Berner Ltd is explained by the increase in the amount of non-renewable energy brought by company integrations.

Electricity consumption kWh/production t.

	2022	2021	2020	2019
H1 plant	165.6	188.7	198	170.7
H2 and H3 plants	146	156	166.9	132.5

The emissions of leased cars, tCO<sub>2</sub>e

	2022	2021	2020
Fossil emissions	906.98		
Biogenic emissions	92.34		
<b>Total</b>	<b>999.32</b>		
Berner Ltd	572.02	396.66	478.04
Bröderna Berner Ltd	285.89		
Baltics	112.74		
Berner Chemicals Ltd	9.4		
Chemigate Ltd	19.27		





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# MATERIAL EFFICIENCY

Target 2020–2022	Achievements in 2020–2022
We will reduce the material waste resulting from our own production by improving our material efficiency and by reviewing our processes.	Material audits pursuant to the Motiva model have been carried out at the Heinävesi H1 plant, which produces cosmetics and hygiene products, and H2 plant, which produces ethanol-based products. Targets for development have been identified extensively, investments have been made and process monitoring has been developed.
We will enhance the use of washing water 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.	CIP scrubbers have been purchased for both H1 and H2 plants. COVID-19 and the crisis in Ukraine have made production planning difficult, but the amount of wastewater and the amount of hazardous waste have nevertheless decreased.
We will explore opportunities to reuse ethanol-based products.	We recycled 8,000 kg of sanitary ethanol for use as raw material for technical products in 2021. The practice continued in 2022, but the exact amount is not known due to shortcomings in the records.

Our material efficiency is guided by our environmental policy. Our goal is to continuously improve our material efficiency. We aim to avoid material waste by evaluating our material balances more effectively than before. This is facilitated by material audits conducted at the H1 and H2 plants in accordance with the Motiva model. The Head of Supply Chain and the Quality and Environmental Manager are responsible for the management of material efficiency in cooperation with those in charge at the subsidiaries.

We produced some 14.7 million products at the Heinävesi plants last year, which is a decrease of approximately 9% compared to 2021. Demand for hand sanitiser has remained at a lower level and the H2 plant has produced more water-based products, which is reflected in the

plant's increased water consumption. Numerous problems with the availability of materials have had an adverse impact on production, and efficient production planning, in particular. As a result, we have had to split up batch sizes and procure parallel raw materials. The abnormal situation also leads to an increase in the amount of waste and wastewater.

**Consolidated reporting includes all subsidiaries**

The sustainability programme for 2020–2022 was prepared in a situation where Berner Ltd only had production at Heinävesi. At the end of 2022, production has expanded significantly in the Group as a result of acquisitions, and we now have Berner Ltd's production in Heinävesi, Helsinki and Ylöjärvi as well as subsidiaries'



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production operations in Kouvola, Lapua, Kokemäki, Kaipiainen and Mietoinen.

In the Science Based Targets (SBT) 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 operations and to communicate achievements within the Group.

Recycling of ethanol into products will continue, nearly 50 tonnes of corrugated cardboard circulate back to suppliers

At Heinävesi, the production lines need to be washed and subsequently disinfected with an ethanol solution in connection with product changes. We created an operating model to ensure the quality of ethanol in 2021 and used 8,291 kg of ethanol solution that previously ended up as waste as raw material for products. Unfortunately, a shortcoming was found in the 2022 records and we did not receive reliable data on the amount recycled, but we assume that the amount was in the same order of magnitude as in 2021.

In addition to ethanol, corrugated packaging is collected separately from the waste to be returned to suppliers. Thanks to our separate collection, our suppliers avoided acquiring 49.7 tonnes of corrugated cardboard packaging last year. The operating model implements circular economy thinking at its best, with the material recycled for reuse as it is. This operating model has been in use for a long time, but we have not reported on the saved material before.

Water consumption and wastewater, m³

	2022	2021	2020
Wastewater			
Berner Ltd	4,624	5,197.00*	6,151
Berner Chemicals Ltd	408	465	-
Chemigate Ltd	143,953	131,161	-
Total	148,985	136,823	6,151
Water consumption			
Berner Ltd	18,969	21,363	18,873
Berner Chemicals	24,200	21,000	-
Chemigate	145,732	121,000	-
Total	188,901	163,363	18,873

\*2021 wastewater amount reported as too low, corrected

Water consumption relative to production volume, Heinävesi plants

	2022	2021	2020	2019
H1 plant	3.97	4.03	4.18	3.75
H2 and H3 plants	1.21	1.02	0.85	0.93

Wastewater volume relative to production volume, Heinävesi plants

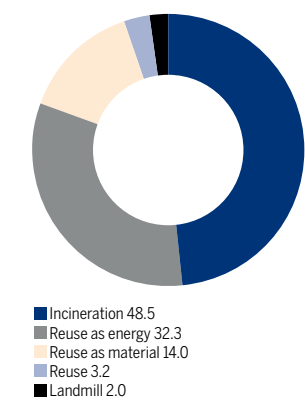
	2022	2021	2020	2019
H1 plant	1.25	1.13	1.37	0.45
H2 and H3 plants	0.21	0.26	0.27	0.26

The company has signed an industrial waste water agreement with the municipality of Heinävesi. The agreement sets out boundary values for the composition and quantity of water sent to the treatment plant. From the environmental perspective, the most significant variable monitored in waste water is its chemical oxygen demand (CODCr). Daily samples are taken from waste water, and the quantity of emissions is monitored at the monthly level by an external accredited laboratory. In 2022, we had challenges with foaming wastewater, for which we filed 4 reports.

Waste, t.

	2022	2021	2020
Hazardous waste			
Berner Ltd	444.1	537.05	385.3
Berner Chemicals Ltd	0.74	0	
Chemigate Ltd	8.4	41.6	
Suomen Medituote Ltd	0.1	0.47	
Total	453.35	579.12	
Normal waste			
Berner Ltd	292.33	301.46	142.6
Baltia	82.83	15.5	
Berner Chemicals Ltd	14.73	15.5	
Chemigate Ltd	570.93	556.51	
Suomen Medituote Ltd	8.72	11.17	
Total	969.54	900.14	
Waste total	1,422.89	1,479.25	

Waste treatment 2022, %, all companies



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## Waste treatment, t.

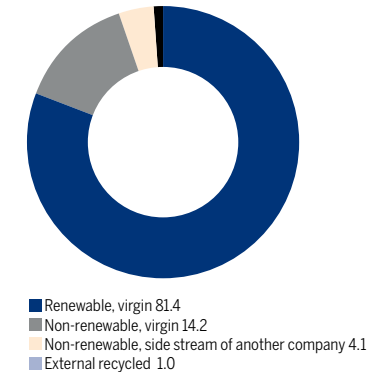
	2022	2021	2020
<b>Incineration</b>			
Berner Ltd	557.95	654.3	
Baltics	0.02	-	
Berner Chemicals Ltd	14.27	15.1	
Chemigate Ltd	113	111.39	
Suomen Medituote Ltd	4.15	2.04	
<b>%</b>	<b>48.45</b>	<b>52.71</b>	<b>83</b>
<b>Total</b>	<b>689.39</b>	<b>782.82</b>	
<b>Landmill</b>			
Baltics	28.7	-	
<b>%</b>	<b>2.02</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>28.7</b>	<b>-</b>	
<b>Reuse*</b>			
Berner Ltd	46.1	-	
<b>%</b>	<b>3.24</b>	<b>2.83</b>	<b>2.8</b>
<b>Total</b>	<b>46.1</b>	<b>42.1</b>	
<b>Reuse as energy</b>			
Chemigate Ltd	460	460	
<b>%</b>	<b>32.33</b>	<b>30.98</b>	<b>0</b>
<b>Total</b>	<b>460</b>	<b>460</b>	
<b>Reuse as material</b>			
Berner Ltd	132.39	184.21	
Baltics	54.12	-	
Berner Chemicals Ltd	1.21	0.4	
Chemigate Ltd	6.33	5.91	
Suomen Medituote Ltd	4.67	9.6	
<b>%</b>	<b>13.97</b>	<b>13.48</b>	<b>14.2</b>
<b>Total</b>	<b>198.71</b>	<b>200.12</b>	
<b>Waste total</b>	<b>1,422.89</b>	<b>1,485.04</b>	

\* We have collected corrugated cardboard at the Heinävesi plants and sent it to the suppliers, not reported earlier.

## Raw material sources, t.

	2022	2021	2020
<b>Non-renewable, virgin</b>			
Berner Ltd	1,793.3	2,419.9	1,477
Berner Chemicals Ltd	3,162.1	2,604	
Chemigate Ltd	10,007.2	15,814	
<b>%</b>	<b>13.5</b>	<b>14.2</b>	<b>37.1</b>
<b>Total</b>	<b>14,962.6</b>	<b>20,837.9</b>	<b>1477</b>
<b>Renewable, virgin</b>			
Berner Ltd	2,503.9	2,198	2,500.2
Berner Chemicals Ltd	37.1	26	
Chemigate Ltd	87,578.5	12,0247	
<b>%</b>	<b>81.4</b>	<b>83.3</b>	<b>62.9</b>
<b>Total</b>	<b>90,119.6</b>	<b>12,2471</b>	<b>2,500.2</b>
<b>External recycled</b>			
Berner Ltd	432.2	20	
Berner Chemicals Ltd	654		
<b>%</b>	<b>1</b>	<b>0</b>	
<b>Total</b>	<b>1,086.2</b>	<b>20</b>	
<b>Non-renewable, side stream of another company</b>			
Berner Chemicals Ltd	4,526	3,700	
<b>%</b>	<b>4.1</b>	<b>2.5</b>	
<b>Total</b>	<b>4,526</b>	<b>3,700</b>	
<b>Non-renewable, side stream of own company</b>			
Berner Ltd		8.2	
<b>%</b>	<b>0</b>	<b>0</b>	
<b>Total</b>		<b>8.2</b>	
<b>Renewable, side stream of own company</b>			
Berner Ltd	0.7		
<b>%</b>	<b>0</b>		
<b>Total</b>	<b>0.7</b>		

Raw material sources 2022, %, all companies



## Percentage share of renewable raw materials, Heinävesi plants

	2022	2021	2020*	2019
Renewable	56.9	47.3	55	16.8
Non-renewable	41.2	52.1	45	83.2
Own side stream	0.1	0.2		
External recycled	1.8	0.4		

\*We changed our reporting in 2020. A change in our ERP system allowed us to report the renewable and non-renewable raw materials at the component level. As a result, the 2020 figures are not comparable with those for 2019 and 2018.

The decrease in the amount of renewable raw material is due to the challenges associated with the availability of ethanol during the COVID-19 pandemic. It has been necessary to replace the grain-based ethanol that is normally used in products with synthetic alcohol in technical products.



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### Water efficiency and separate plastic collection are the cornerstones of material efficiency

Throughout our three-year sustainability programme, we have had to work with non-standard quantities of washing and wastewater at the Heinävesi plants. At the H1 plant, washing produces wastewater, and at the H2 plant, washing water is mostly hazardous waste.

In 2022, we were able to reduce the amount of hazardous waste by 20% at the H2 plant, and the specific amount of wastewater decreased at the H1 plant. On the other hand, the amount of wastewater has increased pro rata to the production tonnage, mainly due to problems in the availability of raw materials. The development of washing methods and the efficient use of CIP washing systems will enable waste reduction in the future.

In waste sorting and handling, we have taken steps in the right direction – the possibilities for separate collection of plastic have been further improved and employees have been instructed in efficient recycling. The H2 plant in particular has managed to increase the amount of plastic and cardboard collected annually over the past three years. We are also able to utilise these operating models at our other plants to improve the efficiency of separate collection.

### Experiences of material audits are valuable as cooperation expands

During the target period of the sustainability programme, material audits were carried out at the Heinävesi plants, identifying some twenty significant targets for development. A potential savings in the use of raw materials was identified

at an annual level of approximately 57 tonnes. Most of the significant investments have already been completed, while some are still under way and some are still being considered. We can verify part of the success of development activities, but measuring material efficiency more comprehensively still requires development. In addition, we can use the lessons learned from the audits already carried out at other Group production sites and, if necessary, continue material audits at appropriate locations.

### Even a small change towards circular economy thinking is important

The best thing to do in reducing the environmental burden is to use as raw material a product that would end up as waste. However, finding and using products from the circular economy as chemical raw materials for production is challenging, but opportunities are easier to find in packaging materials. At Suomen Medituote Ltd, the amount of waste has been reduced by reusing cardboard waste that would have ended up as waste in transport packaging. The cardboard remains recyclable after use, and it was possible to add one use to the value chain before switching to fiber recycling. We can use a similar operating model in other locations as well – so a small stream may generate a significant stream.





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# WE CREATE VALUE FOR OUR 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 most important UN Sustainable  
Development Goals that we promote





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# WE CREATE VALUE FOR OUR STAKEHOLDERS

Target 2020–2022	Results in 2022
Our goal is to uphold a stable and sustainable increase in our turnover and profit.	Consolidated profit increased by 75% to MEUR 40.6. Our turnover increased by 72% to MEUR 717.5.

### Solvency and profitable growth

As a Finnish family-owned company, Berner aims at balanced long-term operation and sustainable growth organically and through strategic acquisitions. Strong solvency and profitable growth enable long-term commitment to staff well-being and social welfare through taxes, among other things.

Last year, our operating profit increased by 75 per cent to MEUR 40.6 and our turnover increased to MEUR 717.5 (72 per cent). The strong growth in turnover and operating profit was due to a strong increase in raw material prices, strong organic sales growth and several strategic acquisitions, which were exceptionally successful in 2021 and 2022. The acquisitions have mainly been financed with long-term bank loans. Following the acquisitions and new long-term loans, the Group's equity ratio decreased to 41.4 per cent. The company's solvency and liquidity will remain at a strong level.

### 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.

### Domestic production in 8 municipalities

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 towns. At the end of 2022, products of the companies belonging to the Berner Group were manufactured in eight municipalities in Finland: Heinävesi, Helsinki, Kouvola, Kokemäki, Lapua, Kaipainen, Mietoinen and Ylöjärvi.

Berner Ltd's production facilities in Heinävesi 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



- Production units**
- Heinävesi – Berner Ltd
  - Helsinki – Berner Ltd
  - Kouvola – Belor Agro Ltd
  - Kaipainen – Chemigate Ltd
  - Mietoinen – Chemigate Ltd
  - Lapua – Chemigate Ltd
  - Lapua – Lapua Peruna Ltd
  - Kokemäki – Berner Chemicals Ltd
  - Kokemäki – Finnamy Ltd
  - Ylöjärvi – Berner Ltd





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skin and hair care products, such as Atopik, Murumuru and byRaii.

The fertiliser company Belor Agro Ltd, which operates in Kotka, has a highly functional production and logistics centre with 15 employees. Our subsidiary Berner Chemicals Ltd manufactures magnesium products in Kokemäki and it employs 20 people. Chemigate Ltd manufactures and sells modified starch-based binders and adhesives for technical use. With factories in Lapua, Kaipiainen and Mietoinen, the company has 70 employees. In June, Chemigate acquired a majority stake in Finland's leading manufacturer of starch potato products, Finnamyl Group, which includes Finnamyl Ltd and Lapuan Peruna Ltd. Finnamyl's plants are located in Lapua and Kokemäki and they employ 54 people. 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.

**HelsinkiMissio, UNICEF and BSAG**

Berner has been involved in supporting three-year cooperation projects of HelsinkiMissio and UNICEF in Finland and Rwanda as well as the protection of the Baltic Sea through BSAG.

The aim of HelsinkiMissio's 3-year cooperation project was to build an impactful and needs-based service package for young people, in which help, support and activities are based on the cooperation and collective expertise of professionals and volunteers for the benefit of young people. Studies show that loneliness among children and young people increased even further during the COVID-19 pandemic and that contacts from young people almost tripled over the course of three years. Young people

Country-specific tax footprint, meur

Type of tax	Finland	Sweden	Norway	Denmark	Estonia	Latvia	Lithuania	Total
Withholding taxes and social security contributions	12,288,337	2,434,706	86,224	38,165	58,426	21,991	245,076	15,172,925
Other indirect employee costs	793,544	2,599,188	58,596	11,584	92,475	18,135	288,876	3,862,398
Pensions	7,308,414	407,515	0	0	935	0	0	7,716,864
Income taxes	5,532,323	2,340,151	0	0	24,723	607	80,885	7,978,688
Value added tax	44,235,563	12,143,782	328,744	514,357	294,326	124,985	1,406,963	59,048,719
Property taxes	58,683	0	0	0	0	0	0	58,683
Asset transfer taxes	46,915	0	0	0	0	0	0	46,915
Excise duties	116,567	0	0	0	0	0	0	116,567
Environmental tax	0	0	0	0	3,975	1,989	23,693	29,657
Other taxes	247,925	0	0	0	3,452	0	403	251,780
Total	70,628,270	19,925,341	473,564	564,106	478,311	167,707	2,045,896	94,283,195

Division of economic value and tax footprint (EUR 1,000)

	2022		2021		2020	
	Parent company	Group	Parent company	Group	Parent company	Group
Turnover, other operating income and financial income	396,471	720,689	261,451	421,290	234,311	327,356
Suppliers: Materials and services	294,066	529,223	172,165	297,110	153,251	229,400
Other partners: Other operating expenses and investments	48,574	91,794	102,095	100,685	42,736	51,201
Staff: Salaries and fees	26,052	48,920	23,057	34,558	22,791	29,436
Shareholders and financiers: Dividends and financial costs	9,226	10,807	7,413	7,377	7,482	7,760
Society: Income taxes, value added taxes, other taxes, pensions and social security costs	46,358	94,283	44,277	70,724	40,411	58,524



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have been very satisfied with the services provided by HelsinkiMissio and recommend the service to other young people.

Krisjouren för unga was awarded the Fredrika Runeberg Prize for its outstanding work in supporting the well-being of young people and reducing loneliness. Conversational assistance in Swedish is now provided throughout the country through remote connections.

The project was launched in 2020 in cooperation with HelsinkiMissio. Berner participated in the three-year project with Veikko Laine Ltd, the Päivikki and Sakari Sohlberg Foundation, the August Ludvig Hartwall Foundation and the Eva Ahlström Foundation.

Berner will continue to support Helsinki-Missio for the next three years. The School to Belong project helps identify and alleviate young people's loneliness and its harmful effects on their health and well-being. School to Belong differs from previous interventions aimed at reducing loneliness in that it does not only target lonely pupils or individual measures. The programme involves the whole school – from administration strategies to teachers and pupil care professionals to every child and young person.

Our cooperation with the BF&HAPPY families (Berner, Fazer, Hartwall, Ahlström and Paulig) and the three-year UNICEF project in Rwanda funded by the group made good progress in spite of the COVID-19 pandemic. The project has aimed to reduce infant mortality by improving the quality and availability of healthcare for mothers and newborns.

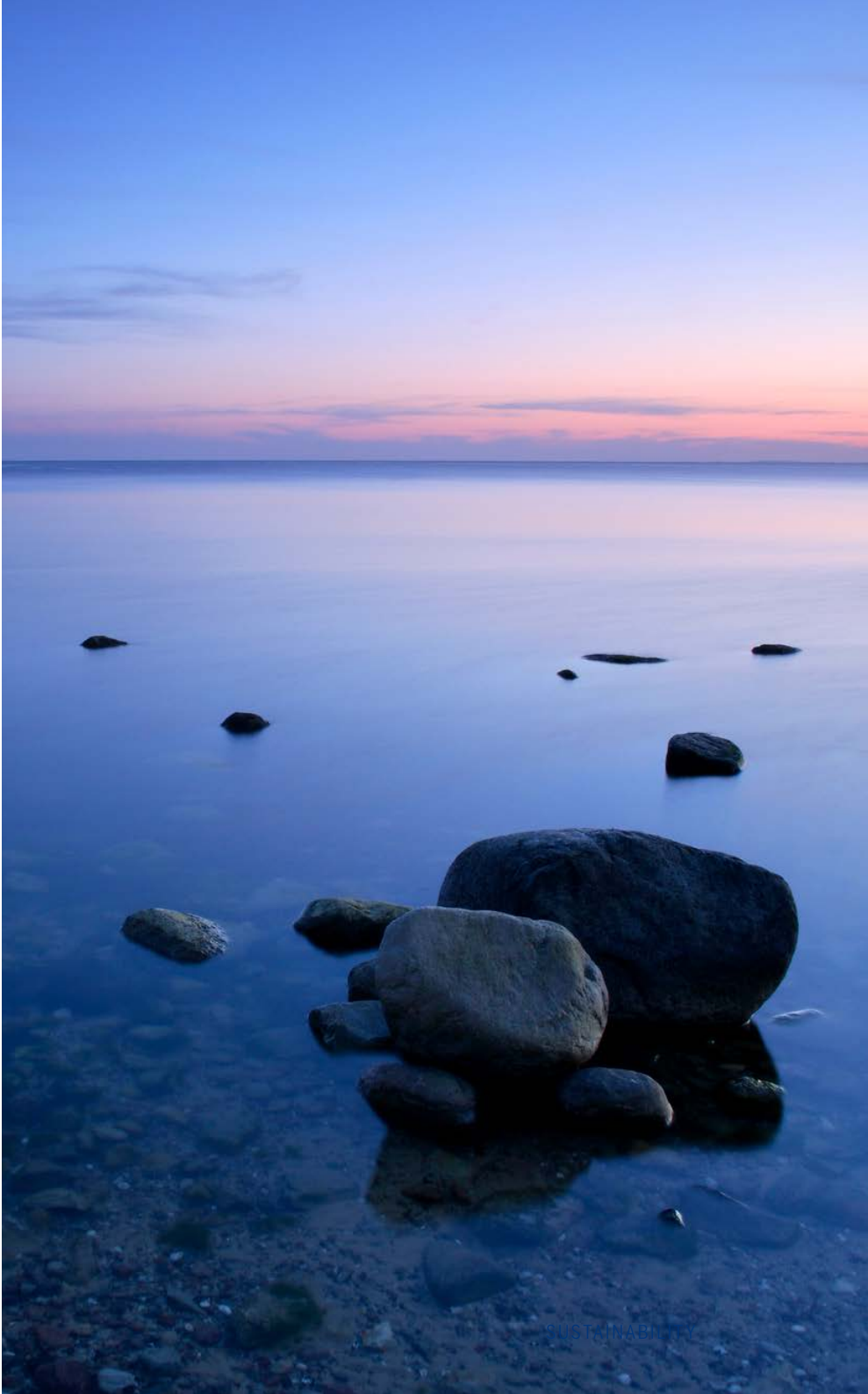
During the second project year (March 2021–April 2022), a total of 233 doctors and nursing staff members were trained and mentored. For example, cooperation between maternity wards

and neonatal intensive care units was improved and postpartum follow-up was improved for both babies and mothers. The ten hospitals involved in the project succeeded in halving the number of hypothermia cases in infants. The hospitals were equipped to improve prenatal and neonatal intensive care, allowing 1,300 newborn infants to receive higher quality care in intensive care units.

In November, representatives of the BF&Happy families went with UNICEF to Kigali, Rwanda, to learn about the project and its results on site. During the trip, the participants were able to follow UNICEF's cooperation with local authorities and associations and discuss the project and its positive results with local professionals, volunteers and medical care customers.

With our two Baltic Sea commitments signed with the Baltic Sea Action Group (BSAG), we are promoting the well-being of the Baltic Sea with our own expertise. Our first Baltic Sea commitment focused on the sustainable recycling of nutrients in particular. As part of the commitment, we launched the GreenCare Ympäristön Ystävä garden fertiliser, which contains recycled nutrients and saves natural resources, in cooperation with BSAG.

Learning from the improvement of the harvestability of soil and carbon sequestration as well as communicating the lessons learned are at the core of our second Baltic Sea 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.







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# Financial Statements





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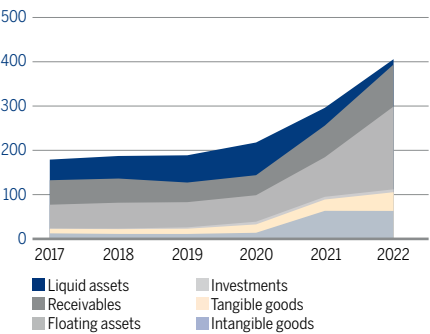
In 2022, we continued to build growth through acquisitions and organic sales growth. Growth was also driven by a sharp rise in commodity prices as a result of Russia’s war of aggression.

At the beginning of the year, we acquired Mylen Kauppa Oy’s plant protection, fertiliser and seed trade. In March, we strengthened our laboratory offering by acquiring the ClaraLab Group, which operates in Sweden, Norway and Denmark. In March, we also announced that we would further strengthen our agricultural trade by acquiring the Finnish grain trade business from Avena Nordic Grain Ltd. In this way, Berner will serve the farmer not only in the sale of production inputs, but also by purchasing and reselling grain. In July, our subsidiary Chemigate Ltd acquired the majority of the votes in the Finnmyl Group, which is the leading starch potato product company in Finland.

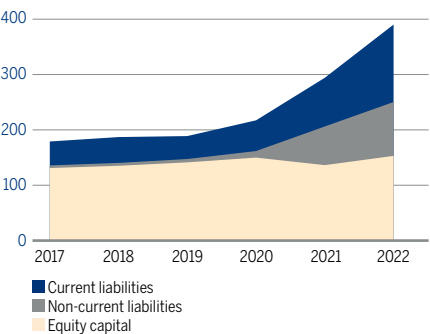
Our operating profit increased by 75 per cent to MEUR 40.6, while our turnover increased to MEUR 717.5 (72%). As a Finnish family-owned company, Berner aims at balanced long-term operation and sustainable growth. The acquisitions in 2022 were mainly financed with a long-term bank loan, which has impacts on the Group’s equity ratio.

The Group’s solvency and liquidity are at a strong level in 2022, with an equity ratio of 41.4 per cent. Return on invested capital was 16.3 per cent (11.3 per cent in 2021).

Structure of holdings, meur



Structure of capital, meur





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Key Indicators

Income statements

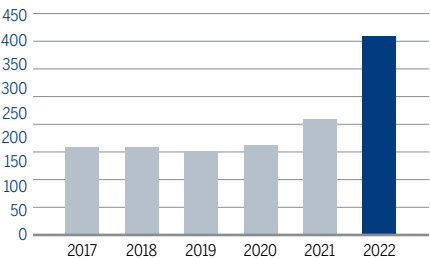
Balance sheet

Board of Directors

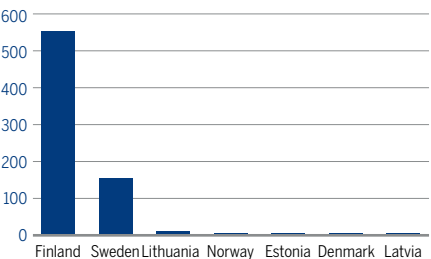
Executive Board

Key Indicators

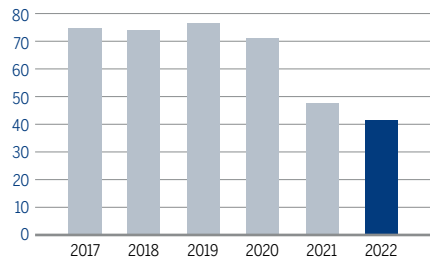
Turnover, meur



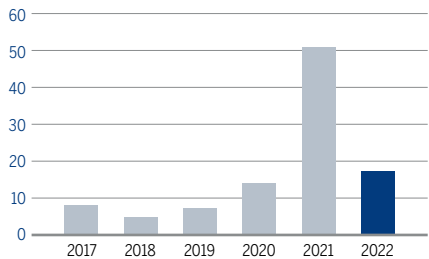
Net sales by country



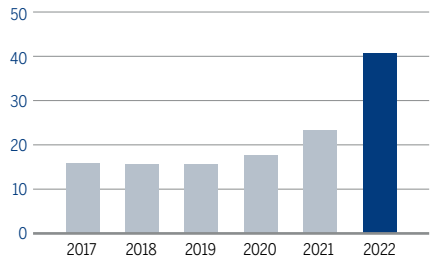
Equity ratio, %



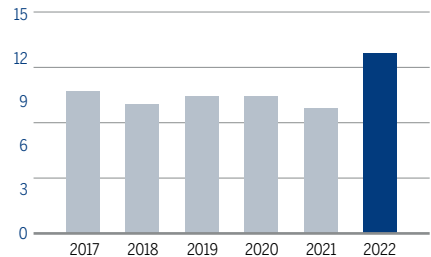
Investments, meur



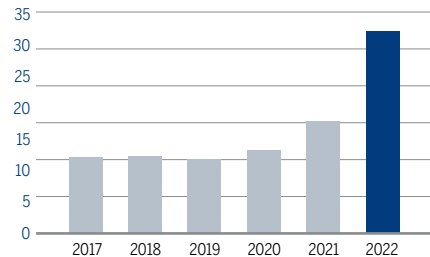
Operating profit, meur



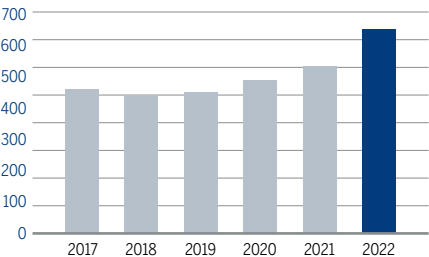
Return on invested capital, %



EBITDA, meur



Personnel (on average)





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	GROUP		PARENT COMPANY	
	1.1.–31.12.2022	1.1.–31.12.2021	1.1.–31.12.2022	1.1.–31.12.2021
<b>TURNOVER</b>	<b>717,470,010.49</b>	<b>417,694,534.49</b>	<b>379,167,759.99</b>	<b>244,018,565.77</b>
Variation in stocks of finished and semifinished goods	9,209,154.10	851,492.78	526,995.56	1,354,353.32
Other operating income	2,158,079.12	2,737,142.14	1,912,703.35	2,815,946.18
Materials and services				
Raw materials and consumables				
Purchases during the financial year	-619,320,350.55	-310,983,520.97	-355,645,037.26	-176,837,157.89
Variation in stocks	87,234,287.00	15,716,717.69	63,064,953.55	4,403,416.49
External services	-6,346,421.40	-2,694,984.66	-2,013,272.63	-1,085,876.03
	-538,432,484.95	-297,961,787.94	-294,593,356.34	-173,519,617.43
Employee expenses				
Wages and salaries		-34,558,281.55	-26,051,957.04	-23,057,381.28
Social security costs				
Pension costs	-8,526,545.47	-6,393,524.27	-4,487,562.65	-4,014,702.06
Other social security costs	-4,053,421.61	-2,307,466.61	-954,636.54	-859,236.69
	-61,499,559.88	-43,259,272.43	-31,494,156.23	-27,931,320.03
Depreciation, amortization and impairment				
Depreciation according to plan	-14,061,213.66	-7,322,661.76	-5,355,957.44	-4,067,054.06
Other operating expenses	-74,253,958.99	-49,555,578.77	-41,731,387.14	-36,340,217.44





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	GROUP		PARENT COMPANY	
	1.1.–31.12.2022	1.1.–31.12.2021	1.1.–31.12.2022	1.1.–31.12.2021
OPERATING PROFIT	40,590,026.23	23,183,868.51	8,432,601.75	6,330,656.31
Financial income and expenses				
Income from other investments of non-current assets				
From Group companies			13,000,045.78	13,564,440.58
From others	206,313.20	256,747.67	206,313.20	256,373.50
Other interest and financial income				
From Group companies			1,758,649.42	442,220.69
From others	854,983.87	599,934.83	425,839.29	351,019.24
Impairment of investments held as current assets		2,140.29	-16,964.64	2,140.29
Interest and other financing expenses	-16,374.92			
To Group companies			0.00	0.00
To others	-3,540,929.71	-879,148.29	-2,138,744.46	-465,053.71
	-2,496,007.56	-20,325.50	13,235,138.59	14,151,140.59



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	GROUP		PARENT COMPANY	
	1.1.–31.12.2022	1.1.–31.12.2021	1.1.–31.12.2022	1.1.–31.12.2021
Profit before appropriations and taxes	38,094,018.67	23,163,543.01	21,667,740.34	20,481,796.90
Appropriations				
Difference between depreciation according to plan and depreciation in taxation			-1,274,783.19	136,639.99
Group contribution			-189,340.79	-80,000.00
Income taxes				
For the financial year	-8,294,807.00	-5,660,211.09	-1,547,844.97	-2,429,401.28
For previous financial years	22,438.63	1,326.00	192.85	0.00
Deferred taxes	-373,194.73	-298,352.63		
	-8,645,563.10	-5,957,237.72	-1,547,652.12	-2,429,401.28
Profit for the financial year	29,448,455.57	17,206,305.29	18,655,964.24	18,189,035.61
Minority share of the profit	-1,679,622.30	281,471.96		
Consolidated profit in the financial year	27,768,833.27	17,487,777.25		



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	GROUP		PARENT COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
ASSETS				
Non-current assets				
Intangible assets				
Research and development expenses	1,618,824.15	137,233.59		
Intangible rights	1,038,870.21	754,981.81	1,007,686.85	754,981.81
Goodwill	51,785,083.37	53,317,811.16	34,835,707.88	1,220,335.59
Other long-term expenditures	7,631,432.71	8,234,039.54	5,888,944.56	6,030,963.39
Advance payments	1,304,579.42	1,160,110.48	504,940.69	463,569.50
	63,378,789.86	63,604,176.58	42,237,279.98	8,469,850.29
Tangible assets				
Land and waters	402,713.68	10,491.00	0.00	0.00
Buildings and structures	9,138,545.86	5,228,092.34	2,778,422.72	1,770,705.20
Machinery and equipment	22,899,934.25	18,626,920.37	8,171,283.82	8,335,001.85
Advance payments	9,738,287.74	1,480,255.89	586,488.85	0.00
	42,179,481.53	25,345,759.60	11,536,195.39	10,105,707.05
Investments				
Shares in Group companies			35,111,809.50	69,862,923.54
Shares in associated companies	101,565.64	5,045.64	5,045.64	5,045.64
Other shares	6,429,920.19	6,156,201.46	6,246,201.46	6,156,201.46
	6,531,485.83	6,161,247.10	41,363,056.60	76,024,170.64





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	GROUP		PARENT COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Current assets				
Inventories				
Raw materials and consumables	12,086,458.39	12,245,596.96	6,450,408.66	4,442,078.12
Semifinished products	659,117.75	510,558.07	659,117.75	482,560.58
Finished goods	169,411,364.25	73,718,431.33	102,076,559.74	40,669,498.34
Advance payments	4,767,534.51	5,365,619.78	484,010.65	2,755,425.32
	186,924,474.90	91,840,206.14	109,670,096.80	48,349,562.36
Receivables				
Long-term				
Receivables from Group companies			4,789,907.39	4,274,793.44
Other receivables	152,539.76	48,703.94	0.00	0.00
Loan receivables	735,780.36	842,451.05	200,000.00	200,000.00
	888,320.12	891,154.99	4,989,907.39	4,474,793.44
Short-term				
Accounts receivables	88,106,684.39	62,869,747.99	32,376,237.30	21,870,507.09
Receivables from Group companies			24,211,993.43	19,096,615.39
Loan receivables	270,000.00	141,118.44	270,000.00	140,000.00
Other receivables	2,575,010.08	2,413,032.19	430,025.32	1,637,639.98
Accrued income	2,805,978.35	2,290,903.77	2,545,903.63	1,942,316.72
	93,757,672.82	67,714,802.39	59,834,159.68	44,687,079.18
Investments				
Other investments	883,035.36	900,000.00	883,035.36	900,000.00
Cash and cash equivalents	10,813,399.52	39,057,696.68	359,992.29	18,990,293.94
	405,356,659.94	295,515,043.48	270,873,723.49	212,001,456.90



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	GROUP		PARENT COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
EQUITY AND LIABILITIES				
Equity				
Share capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Legal reserve	464,719.21	363,846.06	168,187.93	168,187.93
Retained earnings	123,526,301.64	117,235,457.41	81,168,899.72	70,146,824.11
Profit for the financial year	27,768,833.27	17,487,777.25	18,655,964.24	18,109,035.61
	152,759,854.12	136,087,080.72	100,993,051.89	89,424,047.65
Appropriations				
Depreciation reserve			7,588,468.43	6,313,685.30
Minority share of the profit	13,086,553.01	2,263,029.54		
Group reserve	3,291,577.38	0.00		



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	GROUP		PARENT COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Liabilities				
Long-term				
Capital loans	558,000.00	510,000.00	0.00	0.00
Loans from financial institutions	90,728,195.66	64,209,873.77	79,000,000.00	61,500,000.00
Deferred tax liability	5,053,777.48	4,684,769.55	0.00	0.00
Advances received	0.00	131,998.23	0.00	0.00
Other payables	543,530.40	1,488.00	0.00	0.00
	96,883,503.54	69,538,129.55	79,000,000.00	61,500,000.00
Short-term				
Loans from financial institutions	7,244,956.53	3,294,990.93	5,658,766.94	2,500,000.00
Advance payments	5,131,070.15	3,574,509.07	4,566,587.81	3,467,848.03
Accounts payables	84,915,812.88	41,188,764.75	44,708,997.16	21,173,475.90
Liabilities to Group companies			5,246,033.08	6,325,348.51
Other payables	15,472,919.85	13,035,849.61	5,816,152.20	5,672,351.70
Accruals and deferred income	26,570,412.48	26,532,689.31	17,295,665.98	15,624,699.81
	139,335,171.89	87,626,803.67	83,292,203.17	54,763,723.95
	405,356,659.94	295,515,043.48	270,873,723.49	212,001,456.90

**Auditor**  
Ernst & Young Oy Authorised Public Accountants  
Anders Svernnas KHT



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# Board of Directors

In the back row from the left  
**Hannes Berner**, Chairman of the Board, b. 1953, Master of Economics  
**Antti Korpiniemi**, CEO, b. 1961, MS Agriculture and Forestry, BS Agriculture, eMBA  
**Christina Harmia**, Member of the Board, b. 1965, Master of Economics

In the front row from the left  
**Ove Uljas**, Member of the Board, b. 1966, Master of Economics  
**Edward Björkenheim**, Member of the Board, b. 1970, Master of Economics  
**Nicolas Berner**, Member of the Board, b. 1972, LLB



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## Executive Board

**Standing from the left****Ove Uljas**, Senior Vice President,  
b. 1966, Master of Economics**Satu Laakso**, Marketing Director,  
b. 1972, Master of Economics**Mika Pirhonen**, Director, Business  
Unit Berner Industries,  
b. 1970, Master of Engineering**Nicolas Berner**, CFO, b. 1972, LLB**Kalle Erkkola**, Director, Business  
Unit Farmer's Berner, b. 1974,  
MS Agriculture and Forestry,  
BS Agriculture**Pauliina Bovellán**, Director,  
Business Unit MedLab, b. 1973,  
Master of Social Sciences**Antti Tapionlinna**, Director,  
Business Unit Consumer Goods,  
b. 1975

Master of Engineering

**Sitting from the left****Tomi Virtanen**, Chief Analytics  
Officer, b. 1982, Master of  
Economics**Antti Korpiniemi**, CEO, b. 1961,  
MS Agriculture and Forestry,  
BS Agriculture, eMBA**Juha Starck**, Supply Chain  
Director, b. 1975, MBA



# GRI STANDARDS DISCLOSURE

		Location	Comments
GRI 2: General disclosures (2021)			
Organizational profile			
2-1	Organizational details	4, back cover	
2-2	Entities included in the organization's sustainability reporting		Berner Ltd., Bröderna Berner, ClaraLab, Berner Eesti, Ordior Eesti, Berner Lietuva -alakonserni , Berner Chemicals Oy, Suomen Medituote Oy, Chemigate Oy, Naviter Oy, Dolema AB
2-3	Reporting period, frequency and contact point	79	
2-4	Restatements of information	55.56	
2-5	External assurance	79	
Activities and workers			
2-6	Activities, value chain and other business relationships	4,6,9	
2-7	Employees	39	
2-8	Workers who are not employees	39	Organization's work is mainly carried out by its own employees. No big seasonal changes.
Governance			
2-9	Governance structure and composition	71	Reported partly.
2-10	External initiatives		Not reported.
2-11	Chair of the highest governance body		Chairman of Board of Directors does not work at the company.
2-12	Role of the highest governance body in overseeing the management of impacts		Boad of directors has approved the sustainability programme.
2-13	Delegation of responsibility for managing impacts		Marketing director has the overall responsibility for sustainability. She is a management team member.
2-14	Role of the highest governance body in sustainability reporting		CFO who is also a member in the Board of Directors approves sustainability report.
2-15	Conflicts of interest		Not reported.
2-16	Communication of critical concerns		CFO is also a member in the Board of Directors.
2-17	Collective knowledge of the highest governance body		CFO, a member in the Board of Directors, is a member in the sustainability steering group.
2-18	Evaluation of the performance of the highest governance body		Not reported.
2-19	Remuneration policies		a. not reported. b. sustainability targets not included in management team's remuneration.
2-20	Process to determine remuneration		Not reported.
2-21	Annual total compensation ratio	40	





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		Location	Comments
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	7.8	
2-23	Policy commitments	29, 30	
2-24	Embedding policy commitments	29, 30	
2-25	Processes to remediate negative impacts	32	
2-26	Mechanisms for seeking advice and raising concerns	32	
2-27	Compliance with laws and regulations		No violations.
2-28	Membership associations	33	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	33	
2-30	Collective bargaining agreements	40	
GRI 3: Material Topics (2021)			
3-1	Process to determine material topics	29	
3-2	List of material topics	28	
3-3	Management of material topics	31–60	
ECONOMIC STANDARDS			
GRI 201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	59.63	
GRI 204: Procurement practices (2016)			
204-1	Proportion of spending on local suppliers	44	Berner Ltd Finland reported.
GRI 205: Anti-corruption (2016)			
205-2	Communication and training about anti-corruption policies and procedures	32	Anti corruption is part of compulsory CoC training
205-3	Confirmed incidents of corruption and actions taken		No corruption cases.
GRI 206: Anti-competitive behavior(2016)			
206-1	"Legal actions for anti-competitive behavior, anti-trust, and monopoly practices"		No cases.
GRI 207: Tax (2019)			
207-4	Country-by-country reporting	60	



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		Location	Comments
ENVIRONMENTAL STANDARDS			
GRI 301: Materials (2016)			
301-1	Materials used by weight or volume	56	
301-2	Recycled input materials used	56	
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	52	
GRI 303: Water and Effluents (2018)			
303-1	Interactions with water as a shared resource		The water used at our production facilities in Heinävesi is groundwater that is filtered through calcareous gravel for pH regulation and channelled through a UV filter before use. Water quality is monitored by means of samples taken by both the company and the municipality. Our production facilities in Heinävesi are not located in a groundwater area.
303-3	Water withdrawal	55	
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		No sites.
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	53	
305-2	Energy indirect (Scope 2) GHG emissions	53	
305-5	Reduction of GHG emissions	51.52	
GRI 306: Waste (2020)			
306-1	Waste generation and significant waste-related impacts	57	
306-2	Management of significant waste- related impacts	57	
306-3	Waste generated	55	
306-4	Waste diverted from disposal	56	
306-5	Waste directed to disposal	56	
GRI 308: Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria		Supplier self-assessment questionnaire includes questions on environmental responsibility.



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SOCIAL STANDARDS			
GRI 401: Employment (2016)			
401-1	New employee hires and employee turnover	39	Numbers reported.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Berner Ltd.. Finland: Monthly employees have all the same benefits as permanent employees, even if it is temporary or part-time. Hourly workers are not entitled to an ePassi and only the statutory share of occupational health care.
GRI 403: Occupational health and safety (2018)			
403-1	Occupational health and safety management system	35.36	
403-2	Hazard identification, risk assessment, and incident investigation	36	Reported partly.
403-3	Occupational health services		Berner Ltd offers comprehensive occupational health services to all of its employees in Finland. This includes preventive statutory occupational healthareas well as medical care. Statutory occupational healthcare includes health examinations, health advice, activities that support functional capacity as well as first-aid preparedness. Statutory occupational healthcare covers all employees right from the start of their employment. In addition to statutory occupational healthcare, we provide our employees in Finland with healthcare and medical services that are voluntary for employers to offer. Bröderna Berner in Sweden offers its employees occupational health care services. Every employee is entitled to heath check every year or every second year. Employees are also provided wih advice on pensionsaving investments.
403-4	Worker participation, consultation, and communication on occupational health and safety		"We conduct a "Healthy at work" survey in each unit in three-year intervals in Finland. The survey includes a risk assessment, health examinations and a development plan. In Sweden, employees have the possibility to participate in the formulation of personnel policies."
403-5	Worker training on occupational health and safety	36	We organise first aid trainings
403-6	Promotion of worker health		Supporting worker health is included in HR processes, whose tools supervisors can use.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		The coverage of occupational health care services (e.g. vaccinations and salmonella testings) has been clarified in certain roles due to the demands of business relationships and clients.
403-8	Workers covered by an occupational health and safety management system		Employees in Finland who receive a monthly salary are eligible for medical care provided by the company.
403-9	Work-related injuries	41	Reported partly. No fatalities. Group working hours 1 289 381,8.
403-10	Work-related ill health	36	Reported partly. No fatalities. Group working hours 1 289 381,8.





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GRI 404: Training and education (2016)			
404-1	Average hours of training per year per employee	40	Reported partly.
404-2	Programs for upgrading employee skills and transition assistance programs	37	
404-3	Percentage of employees receiving regular performance and career development reviews	40	
GRI 405: Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	40	
GRI 406: Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken		No cases.
GRI 414: Supplier social assessment (2016)			
414-1	New suppliers that were screened using social criteria		Supplier self-asement questionnaire in use for new risk-country suppliers.
414-2	Negative social impacts in the supply chain and actions taken	45	Reported partly.
GRI 416: Customer health and safety (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No cases.
GRI 417: Marketing and labelling (2016)			
417-2	Incidents of non-compliance concerning product and service information and labeling		No cases for own brands.
417-3	Incidents of non-compliance concerning marketing communications		Correction of the marketing claim for Rajamäki's product. The Advertising Ethics Council issued a notice regarding the influencer's social media post, which should have read "advertisement"



# REPORTING PRINCIPLES

This is the fourth sustainability report of Berner Group based on Global Reporting Initiative sustainability reporting framework. We have reported the information cited in the GRI content index for the period 1.1.-31.12.2022 with reference to the GRI Standards. We will report about our sustainability annually.

The report has not been externally assured.

The comparison of our reporting between the GRI Standards requirements is reported in the GRI index.

Contact for additional information: [sustainability@berner.fi](mailto:sustainability@berner.fi)



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