

BJØRN THORSEN GROUP SUSTAINABILITY REPORT 2022/23



BJØRN THORSEN
Local distributor... and truly global solution provider!



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CHAIRMAN FOREWORD

Dear readers,

Bjørn Thorsen Group (BTG) is an important part of other companies' value chains. We bridge the gap between global producers of raw materials and their customers in many markets across the world. We add value by buying, storing, developing and distributing the right products, in the right quantities, to the right place, at the right time.

Together with our suppliers and customers, we have a common ambition to do this in the most sustainable way. This means always meeting customer needs with the least possible adverse impact on the environment, the people involved and the society around us.

For us, sustainability is tightly linked to the quality and efficiency of our operations. We choose the most efficient mode of transportation which both lowers the cost and the CO₂e¹ emissions. We focus on the well-being of our employees which both increases their engagement and the service we give to our customers. We uphold high ethical standards to mitigate potential business risks, to comply with all requirements and to re-enforce the trust between us and our customers and suppliers. And we develop new products which increases the opportunities of recycling to the benefit of our customers' business, as well as the environment.



Our sustainability efforts have a direct impact on our customers and suppliers. Sustainability improvements in BTG translates into sustainability improvements in their value chains. Therefore, we have a common interest in constantly raising the bar and striving to do better. This year, BTG has taken ambitious steps to lift our organizational capabilities and increase the level of sustainability reporting. We are happy to share the results for 2022/23 with you in this report.

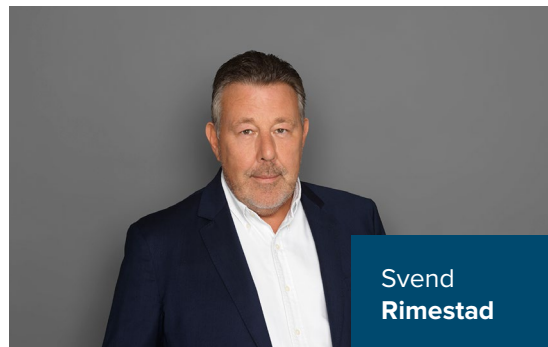
Claus Adser
Chairman of the Board

1) CO₂e - Greenhouse Gases as CO₂ Equivalent - a term describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO₂e signifies the amount of CO₂ which would have the equivalent global warming impact.

LETTER FROM MANAGEMENT



Lars
Rønsholt



Svend
Rimestad

During the financial year 2022/23, BTG took important steps in the area of sustainability, to the benefit of our customers, our suppliers and our employees.

In January 2023, BTG was re-audited under **ISO 9001:2015** and **ISO 14001:2015**. This was our first re-audit and an important milestone, endorsing our commitment to quality, continuous improvement and environmental responsibility.

In Autumn 2022, we launched our **Supplier Code of Conduct**, stating the requirements for suppliers related to their responsible business conduct, and their duties towards the communities where they operate. The Code covers areas such as business ethics, health & safety, working conditions and labor practices, environment and quality. The Code was presented to main BTG suppliers during 2022, and hereafter compliance with the Code became a condition for agreements between BTG and the suppliers.

We also reinforced internally our **Employee Code of Conduct**, setting the standards for our behavior and governing how each employee within BTG engages with suppliers, customers, colleagues, authorities and other stakeholders.

In relation to the **environmental impact** of our operations, most CO₂e emissions derives from

our third-party logistics providers. We have an opportunity to influence these via our choice of transport and distribution solutions, thereby meeting the requirements from our customers with less environmental impact compared to alternatives.

This ability and the documentation of results becomes increasingly important. We have decided to include an overview of BTG's total CO₂e emissions from operations in this report, covering our scope 1, 2 and 3 emissions, thereby providing transparency of our emissions, their sources and the result of our initiatives.

Our focus for the coming years will be on lowering CO₂e emissions from transports, supporting circular economy via product development, and maintaining high standards in relation to business ethics as well as to our people, their well-being and engagement. Conducting our business in an environmentally, socially and ethically responsible way is essential for BTG to maintain the trust of our suppliers, customers, employees and other business partners and, thereby, continue the successful progress of BTG.

Lars Rønsholt and Svend Rimestad
Managing Directors of Bjørn Thorsen A/S

ABOUT US

Bjørn Thorsen Group (BTG) is an expanding group of companies specialized in the distribution of specialty raw materials with a focus on an extensive range of thermoplastic polymers and elastomers, alongside binders, pigments, fillers and additives.

The family-owned parent company, Bjørn Thorsen A/S, was founded in Denmark in 1952 as a traditional distributor of chemical products. Today, we are an international group of companies representing globally leading chemical manufacturers (our principals) such as BYK, Lubrizol, Celanese, ExxonMobil, Sun Chemicals, Venator, DRT, Cabot and others.

We supply to customers within automotive, coating, construction, industrial, medical and consumer industries, and cover the following distribution areas: Nordic countries, Baltic

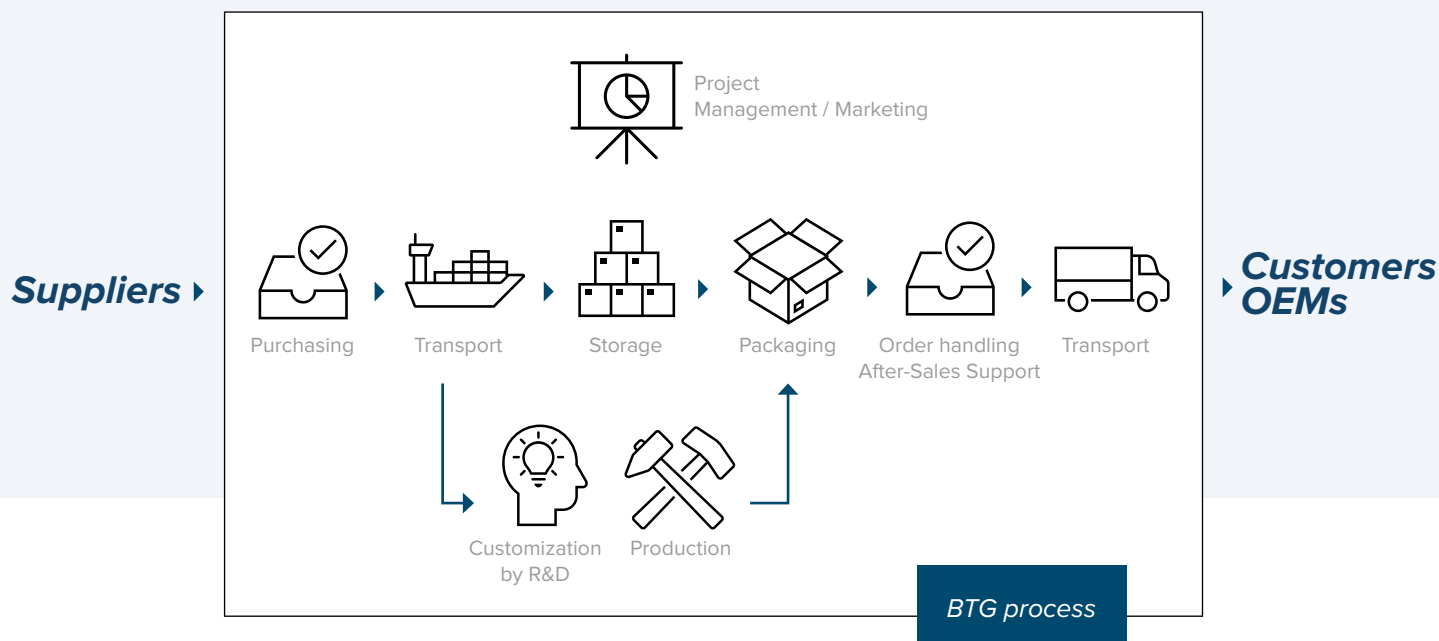
countries, UK, Ireland and France. In addition, we have set up an active presence in China by launching the joint venture BT Solutions Zhuhai Co., Ltd. (BT Solutions) in 2019.

We have offices in Denmark, Sweden, France and China. Our warehouses are strategically located in Denmark, Sweden, Finland, the UK, France, the US and China. The group's head office is located in Hellerup in the Greater Copenhagen area, Denmark.

To support our distribution business, we have invested in affiliated companies designed to bridge gaps in certain market areas, in close collaboration with strategic principals. These affiliates help us work as a complex solution provider, giving us additional technical competences and new opportunities to create more sustainable products for our customers.

*BTG head office in
Hellerup, Denmark*





Business model

BTG aims to bridge the gap between our suppliers and our customers. We are known for our ability to offer innovative technical and commercial solutions. We deliver added value by:

- » Buying, storing and delivering raw materials from suppliers to our customers
- » Pointing to the exact materials that fulfil our customers' individual requirements for e.g., medical use, food packaging, extreme temperatures, durability, etc.
- » Supporting our customers with deep technical knowledge and product expertise
- » Own R&D and production facilities offering innovative and customized solutions
- » Efficient global distribution setup optimizing quality, speed and efficiency
- » Ensuring responsible and sustainable business practices - environmentally, socially and ethically.

Key figures

€ 81 M
Total BTG revenue

€ 2.4 M
Total BTG Pre-tax net profit

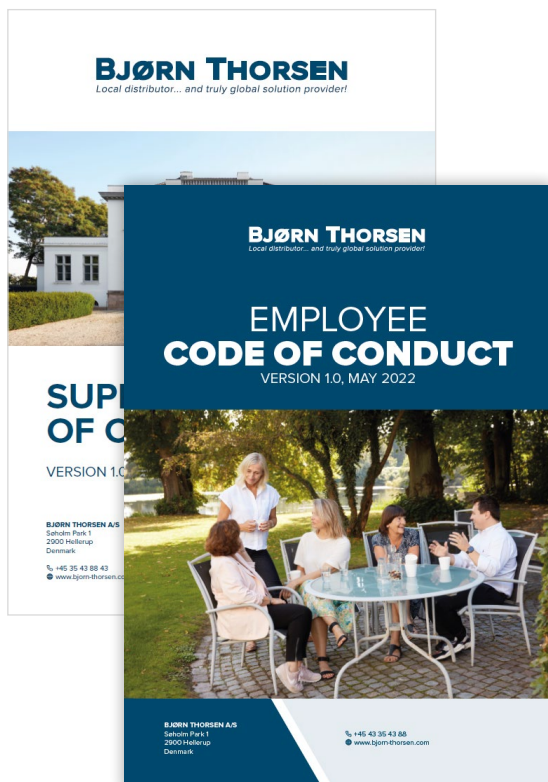
COMMITMENTS

ISO Certifications

Bjørn Thorsen and all affiliates became ISO 9001:2015 and ISO 14001:2015 certified in February 2022, thereby underlining our commitment to quality, continuous improvement and environmental responsibility. BTG was re-audited in spring 2023 without any major findings.

ISO 9001:2015 is among ISO's best-known standards. It defines the criteria for meeting several quality management principles. It helps our business to be more efficient in daily activities and improve customer satisfaction.

ISO 14001:2015 certification is an environmental management standard. By integrating ISO 14001:2015 with the management system standard ISO 9001:2015, we will be able to add further value to our suppliers and customers whilst minimizing adverse environmental impact.



Codes of Conduct

During 2022/23, we have been formalizing policies and procedures, as well as further developed and reinforced BTG's Supplier Code of Conduct and Employee Code of Conduct. These codes state our requirements for responsible business conduct and are rolled out to all employees, suppliers and other business partners.

EcoVadis

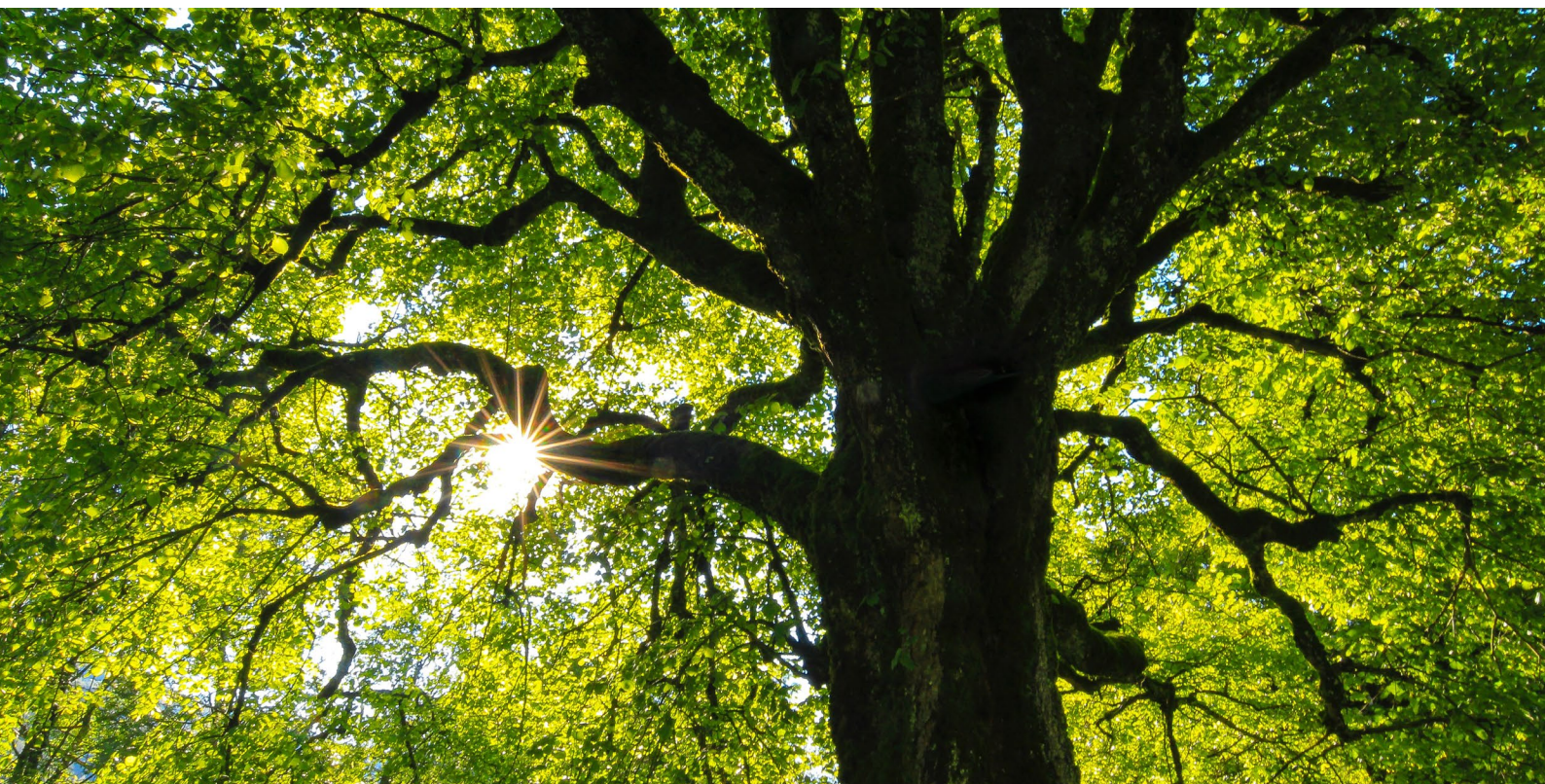
BTG has been a member of EcoVadis since 2017.

EcoVadis is the world's largest provider of business sustainability ratings, with more than 90,000+ rated companies. The EcoVadis methodology is built on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact and the ISO 26000. The Sustainability Scorecard illustrates performance across 21 indicators in four themes: Environmental, Labor & Human Rights, Ethics and Sustainable Procurement.

It gives BTG a platform to share information with suppliers and partners of our sustainability initiatives and progress. The BTG scorecard is available for all via an EcoVadis account.

REACH

BTG is committed to meet our obligations under the REACH regulation (EC No 1907/2006) or (Regulation (EC) No 1907/2006). In that sense, we are ensuring that our suppliers register the substances that we distribute. It is the responsibility of the manufacturer and the importer to register the chemical substances, to identify all uses, to develop exposure scenarios, to recommend appropriate risk management measures and to communicate all exposure scenarios down the supply chain via safety data sheets (SDS). As a distributor, BTG makes sure to pass on these SDS to our customers. These requirements are stated in the Supplier Code of Conduct, which every supplier is asked to comply with.



UN Global Compact

BTG is committed to doing business responsibly and in alignment with the UN Global Compact's ten principles on human rights, labor, environment and anti-corruption. These are derived from: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption.

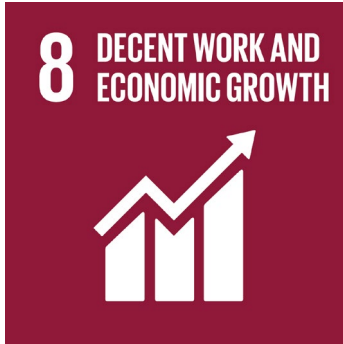


UN Sustainable Development Goals (SDGs)

The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 goals were adopted by all UN Member States in 2015, as part of the 2030 agenda for Sustainable Development which set out a 15-year plan to achieve the goals.

BTG has chosen to focus on the three goals where we believe we can make the greatest difference as a company. These include Decent Work & Economic Growth, Responsible Consumption & Production and Climate Action.





No. 8: Decent work and economic growth

We believe in offering rewarding work opportunities and high-level working conditions to our employees. This results in higher employee engagement as well as superior customer service and contributes to economic growth, directly and indirectly.



No. 12: Responsible consumption and production

We promote responsible consumption and production patterns. Our Supplier Code of Conduct requires our suppliers to comply with our standards as well as laws, regulations and internationally recognized conventions. In our own production companies, we focus on process efficiency as well as the development of products supporting the circular economy.



No. 13: Climate action

We aim to minimize the environmental impact of production and distribution operations, with a special focus on transport and logistics services.



KEY FIGURES

The ESG key figure overview presents several KPIs reflecting BTG's performance related to environmental impact, social impact and governance.

	Unit	2021/2022	2022/2023
Turnover	€ M	86	81
CO ₂ e scope 1 ¹⁾	Metric tonnes	57.9	71.3
CO ₂ e scope 2 ²⁾	Metric tonnes	125.7	81.9
CO ₂ e scope 3 ³⁾	Metric tonnes	910.2	721.8
Total CO ₂ e emissions	Metric tonnes	1,093.8	875.0
Total CO ₂ e emissions / turnover	Metric tonnes / € M	12.4	10.8
Electricity consumption	kWh	96,698	107,178
Renewable energy share ⁴⁾	%	38	87.7
Heating (natural gas)	GJ	1,518	1,207
Total Energy consumption (scope 1 & 2)	GJ	2,814	2,751
Water consumption ⁵⁾	m3	1,687	840 (50.2% reduction)
Full-time workforce	FTE	50	55
Gender diversity, all employees	Male/female, %	58/42	62/38
Gender diversity, management team	Male/female, %	80/20	86/14
Employee turnover ratio	%	14.7	13.0
ISO certifications (Both certified in 2022)	Type of certification	ISO 9001:2015 ISO 14001:2015	Re-audited

¹⁾ Includes all company emissions during the financial year 2023/22. It increased compared to previous FY due to added company cars for new employees, generating higher Diesel consumption by our company cars.

²⁾ Includes energy consumption at company locations. Electricity data per financial year, but heating data is per calendar year 2022. GHG energy conversion factors for natural gas and electricity are from 2018. Offices in Sweden and France are not included.

³⁾ Includes CO₂ emissions on transport of goods arranged by BTG during calendar year 2022. Toll manufacturing or transport arranged by customers and suppliers are not included.

^{4), 5)} Data is per calendar year 2022.

ENVIRONMENT

At BTG, we are committed to continuously minimize our environmental footprint. We adhere to all relevant environmental legislation in countries where we operate, as well as international standards, conventions and agreements. Our policy regarding environment and quality emphasizes our commitment. We integrate environmental awareness and responsible actions in our daily operations.

Bjørn Thorsen A/S and our affiliates Klarsø A/S, Customized Compound Solutions A/S (CCS), Nordic Grafting Company A/S (NGC), Nordic Formulation Technology A/S (NFT), Digital Serigraphic Technologies A/S (DST), and Bjørn Thorsen Distribution France SAS (BTDF) are ISO14001:2015 certified, and we give preference to companies with Environmental Management Systems certification (e.g., ISO14001) when we select suppliers, logistics service providers and other partners.

BTG's CO₂e emissions

BTG's operations result in scope 1, scope 2 and scope 3 emissions as defined by Greenhouse Gas Protocol standards.

Scope 1 emissions derive from the fuel consumption of our company cars. Emissions from 2022/23 are shown in the table above.

Scope 2 emissions derive from the electricity purchased and used at our head office and our production facility in Denmark. It is the intention of BTG to bring down the CO₂e emissions by green Corporate Power Purchase Agreements. The percentage of green power, i.e., electricity based on renewable energy sources, in relation to total power purchased in 2022/23 is shown in the table above.



Scope 3 emissions are the emissions from all other indirect sources related to BTG's value chain. However, energy consumption from external toll manufacturing is not included (data not available). Furthermore, the energy consumption at our French and Swedish offices is not included.

It is our assessment, that most CO₂e emissions derives from our third-party logistics providers, transporting goods from our suppliers to our warehouses and from there to our customers. We have an opportunity to influence these via our choice of transport and distribution solutions, combining shipments and using own warehouses, whereby we can meet the requirements from our customers with less environmental impact compared to alternatives. This ability and the

documentation of results becomes increasingly important. BTG's scope 3 CO₂e emissions from third-party logistics providers in 2022/23 are shown in the table below, split according to modes of transport. In the table, we have included the emissions from transports arranged by BTG, where we have direct control over modes of transport, routes etc. - and not where transport is arranged by the supplier or customer.

An increase in activity levels in BTG or a future acquisition of a company will inevitably push the total CO₂e emissions figure up. However, we are determined to lower our both total and relative emissions over time, using our network and years of experience in finding the most cost and environmentally efficient solutions.

Mode of transport	Total CO ₂ e emissions (tons)	Total distance (km)	Total weights (tons)
Road	491.6 (811.5) ¹	2,170,854 (1,994,100)	13,685 (14,003)
Rail	-	-	-
Sea	198.7 (93.9)	1,353,246 (569,907)	6,799 (N/A)
Air	31.4 (4.8)	52,203 (36,997)	7.0 (0.7)
Total	721.8 (910.2)	3,576,303 (2,601,004)	20,491 (N/A)

¹⁾ The numbers in parentheses are from FY2021/22.

Main accomplishments during 2022/23

- » Eliminated use of cooling water in current processes (NFT Svendborg production site) resulting in 50.2% reduction in overall water consumption;
- » Increased use of sea transport with lowest CO₂e. However, air transport with highest CO₂e also increased but the tons transported here are very limited;
- » Switched to certified wind electricity source at Head office and NFT Svendborg production site;
- » Implemented LED lights in offices and production areas. Initiatives in Head office resulted in savings of 29.0% of total electricity;
- » Installed dust cyclone filter, heat pump, changed production and storage area to save heat energy, improved workflow and working conditions at NFT Svendborg production site;
- » Concentrated operations on only two sites in France (instead of four), generating savings in gasoline consumption (estimated 550 L gasoline/year).

Initiatives for 2023/24:

- » Setup a BTG sustainability committee (4-5 persons with senior management representation);
- » Management to approve sustainability targets for short (3-5 years) and long term (10 years);
- » Switch from natural gas to district heating in the Head office;
- » Application for ISCC+ certification in autumn 2023, enabling BTG to offer ISCC+ certified products to our customers;
- » **NFT:** Wastewater permit for production site in Svendborg which will reduce the need to incinerate waste;
- » **NFT:** Refurbishment of older high-power-consuming equipment at Svenborg production site;
- » **CCS:** Appointment of two new production tollers in France, located less than 100km from our warehouse and less than 50km from our office, minimizing CO₂ emissions during back and forth transportation;
- » **CCS:** Launch life cycle analysis on some compounds, to evaluate the kg CO₂eq/kg and the GHP of these products;
- » **NGC:** Launch a range of products based on 50% post-consumer recycle, (PCR), instead of post-industrial recycling (PIR) today, to ensure waste reduction.

Certifikat
VE-certificeret strøm til:
Bjørn Thorsen
A/S
Søholm Park 1
2900 Hellerup
Cvr-nr.
89810418
I perioden 1.11-2022 til 31-10-2023
Her bruger vi grøn strøm fra OK
Grøn strøm fra OK betyder, at OK køber certifikater fra danske vindmøller.
På den måde støtter du den grønne omstilling i Danmark.
Michael Løve
Adm. direktør
OK a.m.b.a., Åhave Parkvej 11, 8260 Viby J

CERTIFIKAT
SEF ENERGI
Certifikates for Danish sourced wind energy supplied at Head office and NFT Svendborg production site
KØB AF VINDSTRØM
Dette certifikat er bevis for, at aftagerens forbrug kommer fra vedvarende energi.
SEF Energi A/S bekræfter hermed, at:
Nordic Formulation Technology A/S
Søholm Park 1
2900 Hellerup
køber sit årlige elforbrug i form af vindproduktion af el.
Beviset er gældende fra:
01.07.2022
Claus Holm Andersen - Kunde- & Markedschef
ENERGI TIL HANDLING...
SEF ENERGI A/S HÅNDTÆKET 44 1700 SVENDBORG TLF 62 20 11 20 SEF@SEF.DK WWW.SEF.DK

Circular economy initiatives

The increased focus on sustainability combined with product innovations create new business opportunities within Advanced Polymers, CAS (Coatings, Adhesives, Sealants), Bitumen & Road Mark and other industries.

Today, BTG's product offering includes several environmentally friendly alternatives to conventional polymers and liquid formulations. We are no longer selling thermoset EPDM rubber, instead, we are providing recyclable TPV alternatives, which can be reused after many years, maintaining almost all the physical properties of the virgin material.

Our affiliated companies have a prominent contribution to BTG's circular economy initiatives.

The Acti-Tech™ compatibilizer product series from NGC have been developed to enhance properties of recycled plastics, thus expanding potential use of post-industrial (PIR) or post-consumer (PCR) recyclates. They allow the upcycling of non-recyclable waste, such as multilayer films found in food packaging. They are also used as coupling agents for wood or thermoplastic starch to manufacture biocomposites.

We have also developed a range of thermoplastic vulcanizates (TPV) based on 50% pre-consumer recycle, by recovering industrial waste from one of our supplier's factory and reusing it in our compounds. These products manufactured by CCS aim at offering a lower CO₂ footprint alternative to virgin plastics in various markets, such as automotive and consumer goods, thereby making the products of our customers more sustainable.

Waste management

Below table showcases summarized waste overview in BTG (France office not included - insignificant, <5 m3/year):

Waste type (tons)	FY 2021/22	FY 2022/23
Paper and Cardboard	3,180	3,900
Metal	3,620	3,620
Plastic	6,840	8,057
Hazardous waste (incinerated)	53,416	29,151
Mixed waste (incinerated)	6,750	9,325
Total	73,806	54,053

Percentage incinerated	81.5%	71.2%
Percentage recycled	18.5%	28.8%

Notice: Large amounts of hazardous waste in both FY 2021/22 and FY2022/23 are primarily due to cleanup of old storage material and a pending approval of a wastewater permit. BTG will work to increase the percentage of recycled waste significantly in the coming years and reduce the overall volume of waste per ton produced.



PEOPLE

Engagement

Our employees play a vital part in securing satisfied customers and partners. Therefore, we work hard to ensure the engagement of our employees, so that they can support our customers and partners the best they can in any given situation. We do so by providing an open, inclusive and inspiring workplace that provides equal opportunities and where everybody can thrive personally and professionally.

At the end of the financial year **2022/23**, we were a total of **55 fulltime employees** in BTG, all with different backgrounds, competencies and experiences. The average employee tenure is **7.8 years** and employee turnover rate was **13.0%**. This reflects the high level of experience accumulated in the company as well as the employees' high degree of loyalty to the company. The turnover rate shows the number of full-time employees who left BTG voluntarily, involuntarily or due to retirement, as a percentage of the average number of employees during the financial year.

Diversity & inclusion

Nine different nationalities are represented in BTG, reflecting our geographical footprint to a large extent. Working within different business areas and cultures, we believe that our company thrives when employing a diverse workforce.

We strive to foster an inclusive culture of all those with visible and hidden differences, but also with diverse backgrounds and mindsets. All decisions made regarding an employee should be based on objective and nondiscriminatory factors, and any form of discrimination is prohibited. This includes, but is not limited to, distinctions between race, color, religion, gender, national origin, age, marital status, military service, disability, sexual orientation, genetic information, citizenship, or social and economic status.

Currently, there is a balanced gender composition in BTG among employees (62/38%) while the management team has a male over-representation (86/14%).

Respectful treatment

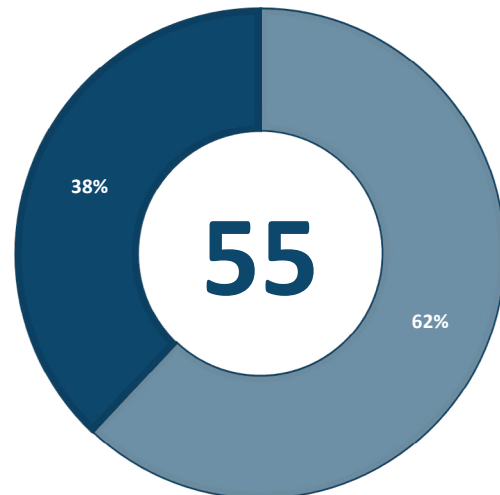
We want to create a working environment where everyone is heard and are allowed to voice their opinions without fear of retaliation. Open communication, teamwork and integrity are some of the elements of our company culture.

We support and respect the principles of the Universal Declaration of Human Rights and the United Nations Global Compact. We expect our employees, as well as suppliers, and other business partners to share this commitment. We do not accept violation of personal freedom of rights, or any form of degrading behavior and we will act against any breaches.

We are committed to upholding labor rights as defined by the International Labor Organization (ILO). These are the fundamental principles and rights at work that for instance include freedom of association and the elimination of forced labor and child labor.

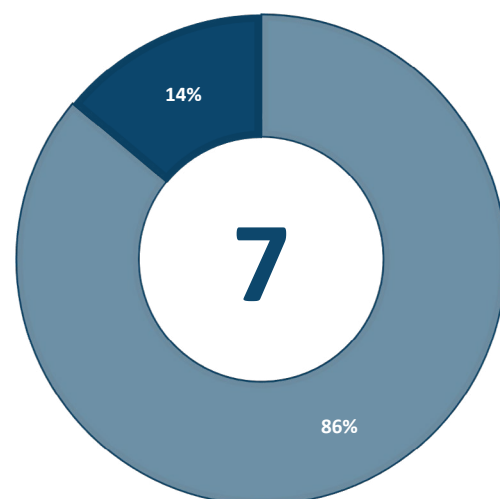
EMPLOYEES

■ Male ■ Female



MANAGEMENT TEAM

■ Male ■ Female





BUSINESS ETHICS

To operate as a law-abiding company is one of the highest priorities for BTG. We comply with applicable laws and regulations and strive to act ethically in all matters. Our Supplier Code of Conduct emphasizes our requirements for suppliers related to their responsible business conduct and their responsibilities towards the communities where they operate. We expect all our suppliers to read, understand and comply with our Supplier Code of Conduct to ensure ethical behavior in our supply chain. Our Employee Code of Ethics emphasizes our requirements for employees.

Corruption & Bribery

We are committed to working against corruption in all its forms, including extortion and bribery. We adhere to anti-bribery and anti-corruption laws and do not allow our employees, or people related to BTG, to engage in, offer or receive bribes in any form.

Fair Competition

We believe in fair competition and are committed to conduct business in compliance with all anti-trust and competition laws, such as the Danish Competition Act. We are committed to gathering competitive intelligence in an ethical and lawful manner. We make sure that all agreements are negotiated in compliance with fair competition principles.

Technology

We are increasingly focusing on IT security and strive to act proactively to protect information in our care. Our IT Policy ensures

that all employees know the agreed rules and guidelines related to IT systems, devices and networks. It describes our general security expectations and responsibilities within the organization, as well as guidelines for antivirus software. Our IT Policy is continually updated with evolving business and IT requirements.

Privacy & Personal Data

The protection of personal data is important for us, and we take the privacy rights of our employees, customers, suppliers and other business partners seriously. We are committed to collecting and using personal data in a professional, lawful and ethical way. Therefore, we treat personal data as confidential and use suitable physical and IT security safeguards. We do not keep data longer than necessary and they are securely deleted afterwards.



ACCOUNTING PRINCIPLES

The Sustainability Report and accounting principles cover the period 1 May 2022 - 30 April 2023, which is the same as the company's financial year. The accounting principles cover disclosures made in the key figures table on page 11.

The scope this reporting is the Bjørn Thorsen Group, i.e., Bjørn Thorsen A/S and all subsidiaries/affiliates over which Bjørn Thorsen A/S has control.

Acquisitions are included in the key figures from the following month of taking over control. Divestments are excluded from the key figures from the effective date of the transaction.

CO₂e emissions

Emissions are reported in Scope 1, 2 and 3 according to the definitions in the Green House Gas Protocol.

CO₂e emissions, scope 1

Scope 1 emissions refers to direct burning of fossil fuels – by either mobile (vehicles) or stationary (generators, heating systems, etc.) combustion. Emissions from BTG's company cars are based on reported fuel consumptions multiplied by emission factors from DEFRA UK database applicable per fuel type.

CO₂e emissions, scope 2

Our Scope 2 emissions are based on purchased electricity, heating and cooling in our buildings.

CO₂e emissions, scope 3

Emissions are calculated in accordance with the GHG Protocol. They are based on indirect emissions resulting from our value chain, including all our subcontracted transport (air, sea carriers, rail carriers and road haulers), if arranged by BTG.

Total energy consumption

Total consumption of relevant fuel types, electricity, district heating and cooling from Scope 1 and 2.

Renewable energy share

Total renewable energy share relative to the total energy consumption in Scope 2.

Water consumption

Total consumption of water at BTG buildings.



CONTACT BTG

We thank you for your continued support in our efforts to minimize any adverse impacts of our business on society and planet.

BJØRN THORSEN
Local distributor... and truly global solution provider!

Bjørn Thorsen A/S
Søholm Park 1, 2900 Hellerup, Denmark

☎ +45 35 43 88 43
✉ info@bjorn-thorsen.com
🌐 www.bjorn-thorsen.com



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