



COMMUNICATION ON PROGRESS (COP)

STATEMENT OF SUPPORT

January 1, 2019 through January 31, 2019

In 2019, we continued to bring value to our stakeholders by affirming our support for the UN Global Compact and our ongoing commitment to achieving the UN Sustainable Development Goals (SDGs). We also achieved a Gold rating from EcoVadis and began our journey to ISO 14001 certification. We invested in research to bring our clients the latest technology and sustainable materials on the market to aid them in lessening their impact on the environment. We also encouraged our supplier partners to adopt the Bernard Group's social responsibility principles.

Our association with the Global Compact began in 2018 and in this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely,

DocuSigned by:
Matthew Hanson
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Matthew Hanson

Chief Executive Officer



DESCRIPTION OF ACTIONS

Human Rights

We respect and support the promotion and protection of human rights within our operations, within our value chain and in the communities where we operate. We comply with the employment laws in every location in which we do business. It's essential that our business partners; our suppliers, vendors, contractors, consultants, and other providers of goods and services uphold these same standards. We will not knowingly do business with those who do not comply with local employment laws.

Giving Voice to Employee Concerns:

We proactively attract world-class talent because we recognize our employees' contributions to our success and to our position as an industry leader. We value each of our employees, as illustrated by our longstanding commitment to fairness and equity in the workplace and by our efforts to foster an atmosphere of inclusion. However, even productive and skilled employees might encounter work-related concerns. For those employees, our 24-hour Ethics Helpline offers the opportunity to report work-related problems confidentially and without fear of retaliation. These programs support the consistent and fair treatment of employees, improve communications, and encourage a positive workplace. Although some reports require no action, we investigate and resolve employee suggestions, questions, and concerns to help us maintain our commitment to ethics and integrity in all that we do. Area managers and human resources business partners typically serve as facilitators to resolve employee concerns. This provides employees the opportunity to bring employment issues and concerns to the attention of management and/or human resources, ensures communication between the parties involved, and facilitates the prompt resolution of workplace problems and disputes.

- We value the diversity and inclusion of the people with whom we work, are committed to equal opportunity and are intolerant of discrimination and harassment.
- We are committed to workplace safety and maintaining a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal and external threats. Security safeguards for employees are provided, as needed, and are maintained with respect for employee privacy and dignity.

Community Involvement:

The Bernard Group sponsors and host events that focus on meeting the needs of those who are most vulnerable in our community, particularly children, teens and women.

The Bernard Group provides volunteer opportunities for employees to give back to the community.



Community Performance Highlights:

- Hosted a clothing drive for “Dress for Success”, a non-profit charity. Employees donated over 40 bags of clothing, shoes, handbags and accessories to disadvantaged women to help them achieve career advancement, career stability and economic sustainability
- Title print and display sponsor for the St. Jude Red Carpet for Hope 2019 Gala benefitting St. Jude Hospital. We donated 2,673 pieces of collateral for this event
- Title Sponsor for the David Bigham golf tournament benefitting the University of Minnesota Masonic Children’s Hospital. Two foursomes were raffled off to employees and they were able to enjoy a beautiful summer day of golf at Windsong Farm Golf Club
- Hosted the 2nd annual TBG Open where we partnered with our vendors to raise \$60,000 for three charities
- Sponsored the 4th annual PROP (People Reaching Out to People) charity fashion show benefitting PROP food shelf, raising over \$50,000
- Hosted a company sponsored food packing event at Feed My Starving Children, packing 172,083 meals for children in Haiti
- Partnered with a local charity, Neighbors Inc., and sponsored five families in need. Employees formed five teams and bought Christmas gifts so children would have a great Christmas
- Partnered with Samaritan’s Purse - Employees packed shoe boxes full of needed items and gifts for children in need

Labor

Our success depends upon the success of our employees. We provide them with meaningful work, opportunities for professional growth and to be part of a talented team of people who care. We offer benefits to enhance our employees’ quality of life with packages that include major medical, dental, vision, and life insurance. We also offer employee assistance and wellness programs, and we support a healthy work-life balance by providing paid holidays and paid time off.

Employee Assistance Program:

TBG established an all-employee assistance program offering employees and their families personal counseling, family and caregiving guidance, safety and crisis planning resources, self-improvement tools, life-learning opportunities, and chronic-conditions support. TBG is committed to providing our employees with tools, information, and services that help manage everyday challenges and their wellness for life.

- We prohibit the use of all forms of forced labor, including child labor, prison labor, indentured labor, bonded labor, military labor, modern forms of slavery and any form of human trafficking.
- We compensate employees competitively relative to the industry and local labor market. We work to ensure full compliance with applicable wage, work hours, overtime and benefits laws.



- We are committed to complying with applicable labor and employment laws wherever we operate. The Company also ensures employees are aware of the Human Rights Policy through training and an annual certification process.

Workplace Performance Highlights:

- Conducted quarterly all-employee town halls hosted by our CEO
- Conducted our second annual Gallup employee engagement survey with 88% participation and our overall score went up from 3.8 to 3.97
- Created a cash bonus plan that rewarded each employee based on our company's annual performance goal
- Removed requirement for new employees to wait 90 days to request PTO
- Launched LinkedIn Learning free to all employees to help them develop personally, and to offer skills and other competencies that will be integrated into job descriptions and our overall career progression and development
- Invested in Clifton Strengths assessments and workshops to give employees the opportunity to better understand the value of their personal strengths and each other's strengths as we work together in teams
- Surveyed all TBG employees to find out what Total Rewards are most important and integrated this feedback to improve current and future Total Rewards
- Re-introduced the WOW program along with new recognition cards allowing colleagues to more easily communicate their appreciation of each other
- Held an annual Health + Financial Wellness Fair, including exhibitors, several new classes that were well-attended, and a popular food truck offering healthy food options
- Increased paternity benefits
- Installed a community garden where employees plant vegetables and herbs and donate what they don't consume to a local food shelf
- Rolled out the "Cardboard Initiative" to promote cardboard recycling where employees may bring in all of their cardboard and recycle it at our facilities

Workforce Distribution:

Employment type - Full time 662, Part time 4

Gender - Male 424, female 242

Managers by Gender - Male 63, Female 22

By Ethnicity - White 529 (79.4%), African American 21 (3.1%), Asian 24 (3.6%), American Indian or Alaskan Native (3.5%), Two or more races 10 (1.5%), Hispanic/Latino 79(11.9%)

Employee Turnover - 16.6%



Environment

The health and safety of employees and others on Company property are of critical concern to The Bernard Group. The Company intends to comply with all health and safety laws applicable to our business.

We have implemented an environmental management system (EMS) with the aim of contributing to the environmental component of sustainability.

Our EMS has been developed in compliance with the ISO 14001:2015 standard which provides us with a framework to protect the environment and respond to changing environmental conditions in balance with socioeconomic needs.

Environmental Policy:

The Bernard Group is committed to leading the industry in minimizing the impact of its activities on the environment.

The key points of its strategy to achieve this are:

- Maintain a commitment to the protection of the environment, including prevention of pollution
- Minimize our waste and then reuse or recycle as much of it as is possible to prevent pollution
- Minimize energy and water use in order minimize the consumption of natural resources
- As far as is possible, purchase products and services that do the least damage to the environment
- Promote environmental awareness among our employees and encourage them to work in an environmentally responsible manner
- Ensure compliance with all applicable environmental laws and regulations
Continuously improve the performance of our Environmental Management System (EMS)

Performance Highlights:

- Began the ISO 14001 Environmental certification and received Stage 1 certification
- Developed a formal Environmental Management System that allows for consistent implementation of our environmental initiatives
- Greatly increased the recycling efficiency and the amount of material being recycled by adding clearly labeled designated recycling bins in our production areas
- Celebrated Earth Day by giving each employee a reusable utensil set to divert single use plastic from our waste stream
- Removed all plastic bottles from our vending machines and mini marts
- Educated and encouraged our clients to integrate sustainable materials into their projects
- Formed an environmental team to engage employees on environmental matters and advance our waste reduction and conservation program



- TBG partnered with Trees, Water, People, a non-profit reforestation company. In 2019 TBG planted over 7,500 trees on a Native American Reservation located in South Dakota. The Pine Ridge Indian Reservation is experiencing a wide range of environmental challenges due the rapidly changing

climate, land rights issues and poverty. Reforesting this land combats climate change through carbon sequestration and develops income opportunities for the local natives

Future Focus:

- ISO 14001 Certification
- Develop a Carbon Offset Program
- Identify greenhouse gas (GHG) reduction opportunities
- Continue to embed sustainability into our culture through our environmental team employee engagement program

Waste Management:

Solid Waste to Landfill – 713 Tons (31%)

Solid Waste to Recycler – 1577 Tons (69%)

Greenhouse Gas Emissions:

Scope 1

2019 – 957 Tons CO₂

2018 – 750 Tons CO₂

2017 – 543 Tons CO₂

Scope 2

2019 – 3830 Tons CO₂

2018 – 3490 Tons CO₂

2017 – 3600 Tons CO₂

Electricity Usage in KWh:

7,418,524 KWH 2019

6,758,000 KWH 2018

6,971,700 KWH 2017

Natural Gas Usage:

163,524 THM 2019

54,777 THM 2018

47,883 THM 2017

Fleet Mileage:

48,807

Water Use:

3,216,600 Gallons 2019

2,554,000 Gallons 2018

1,892,000 Gallons 2017



Employee Business Travel:
Round Trip Airfares – 344
Hotels Nights – 809

Rental Cars – 129

Anti-Corruption

The Bernard Group is committed to conducting business in an ethical and honest manner, and implementing and enforcing systems that ensure bribery is prevented. The Bernard Group has zero-tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever in the country we operate.

The Bernard Group will constantly uphold all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate. All employee of The Bernard Group must read, understand, and comply with the anti-bribery, anti-corruption policy and with any training or other anti-bribery and corruption information they are given.

The Bernard Group has a whistleblower policy in place that is intended to encourage TBG employees, managers, senior leadership, board members and others to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) without retribution. The Whistleblower can report the event with his/her identity or anonymously by calling the anonymous 24-hour Ethics Helpline.

At The Bernard Group (TBG), we are accountable to our stakeholders for acting with integrity, openness and responsibility, and for obeying the laws and regulations of the states and countries where we do business. When sourcing, we not only focus on the vendor's ability to provide a quality product and/or service, but also on their environmental and social practices. TBG also aims to source from small and mid-sized businesses, minority and women owned businesses and companies that provide work to economically disadvantaged people.

We require all outsourced vendors to comply with our Code of Conduct extends that accountability to vendors with whom TBG does business and outlines our expectations of our supplier partners to act in a professional, ethical, and legal manner in all of their dealings.