



Communication on Progress (COP)



Period covered by your Communication on Progress (COP)

From: 2019-04-17 to 2021-04-17

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

2021-04-08

To our stakeholders:

I am pleased to confirm that BIM Kemi reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Due to the COVID-19 pandemic, this Communication on Progress covers the two-year period April 2018- March 2020. The report describes our actions to continuously 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 yours,

Anders Rietz
CEO

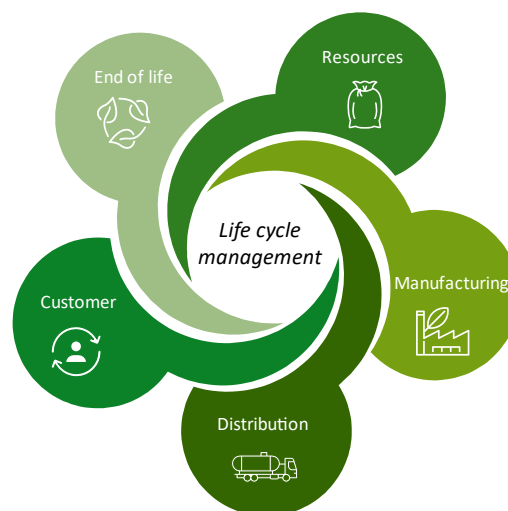
2. INTRODUCTION AND BACKGROUND

BIM Kemi is an entrepreneur driven company that provides specialty chemistry applications to the pulp and paper industry. It was founded in 1973 by Peter Wällberg, one of the present owners in the Wällberg family, and has grown to about 220 employees worldwide. BIM Kemi has a history of successful innovations and has received many awards during the years, e.g. for most prosperous SML business in Sweden. Several of the innovations have contributed to a more sustainable future, such as the concepts Bimogard and Bimbright as well as the development of renewable barriers. BIM Kemi Sweden was also one of the first chemical companies in Sweden to implement ISO systems for quality and environmental management.

In 2016 BIM initiated a more structured way of approaching the modern sustainability concept. The strategy was based on the UN Global Compact Principles and the UN Sustainability Goals for 2030, as well as interviews with customers and internal analysis. We are specifically focusing on four of the UN goals, that are most important to us and our stakeholders: **good health and well-being, decent work and economic growth, responsible consumption and production, partnerships for the goals.**

In April 2018 BIM joined global compact and thus, this is our second COP. Due to the pandemic, the report is covering a two-year period from April 2019 to March 2020. Our current focus in the sustainability work is improving **sustainability reporting**, the **sustainable product portfolio** and **waste management** in supply chain.

BIM's responsibility in the value chain and life cycle approach to a sustainable development of our products is visualized by the **Green chemistry** concept. Green chemistry at BIM is about having a life cycle perspective and sustainability focus in everything we do, from sourcing of raw materials to the manufacturing at BIM, application at our customers, and the reuse of our products. It is about defining the sustainability profile for a product, be able to communicate it to our customers, but also use it to improve data gaps and crucial sustainability aspects.



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Finally, during 2020 **BIM Kemi was awarded a top 5 % Gold rating for Sustainability by EcoVadis**. BIM Kemi was once again awarded a Gold medal in recognition of sustainability achievements from EcoVadis. Ecovadis is an independent sustainability assessment agency, assessing companies globally and across several business sectors. The EcoVadis rating reflects the quality of the company's sustainability management system regarding policies, actions and results. We were evaluated across four themes of Environment, Labour & human rights, Ethics, and Sustainable procurement. Some of our policy strengths that were stressed by EcoVadis were:

- Quantitative objectives set on relevant issues within Environment, Labour & Human rights and Sustainable procurement
- Endorsement of the United Nations Global Compact (UNGC) and Responsible Care Global Charter
- Comprehensive policies on Labour & human rights issues, Information security, and Corruption

3. DESCRIPTION OF ACTIONS & MEASURES OF OUTCOME

Human Rights

During the last year BIM has worked with creating a **plan for equal treatment** to counteract discrimination, harassment, and abusive treatment. Everyone who works at BIM must promote respect for the equal value of all people, equality and solidarity between people. The plan investigates the level of equality at BIM regarding the areas sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, age. If the investigation leads to the conclusion that BIM must do more in a specific area to reach equal treatment, there are goals set which are followed up at a yearly basis. The plan is renewed each year. As a result of the 2020 plan, we created a tool for follow up actions taken regarding increasing competence in the company. We have also increased the level of information to the employees regarding the work we do when it comes to improving the work environment.

In line with this we also did a **complementary survey** to the **yearly employee survey** that we send out the employees in BIM Sweden. The survey was about answering the question “Everyone has an equal chance to make a career at BIM Sweden, regardless of gender or background” and we also asked for suggestions to what we can do to improve the chances of everyone having equal chances of making a career at BIM. As a result of the survey, we created a process for job-rotation at BIM to increase the chances for employees to do an internal carrier and in order to give the employees opportunities to try another job internally.

In the **yearly employee survey** for 2021 we have included five questions regarding the special situation with Covid-19 and the consequences it has brought. The questions are about how our employees have perceived the circumstances and if they think that they have gotten the right and enough support from BIM to do a good job and maintain their health when a lot of their worktime have been spent working from home.

Since 2020 **HR** is a permanent member of the **BIM Group Management Team** to have the HR perspective upon all questions in the company.

We have also continued the work with improving the quality of our **yearly performance reviews** and have created a KPI that consist of an average score of the questions regarding the quality of the form and content of the **yearly performance reviews** in order not only to measure that they are done but also to ensure that they are made with quality.

We have also conducted several **training opportunities** regarding **communication and conflict management** within the departments ERA, R&D and Laboratory in BIM Sweden. We did this to give the employees tools to create a better working environment.

Labour

During the last year BIM has worked intensely with creating **job descriptions** for all positions in BIM Sweden and BIM Continental Europe. This has been to create a better work environment by having clear expectations about work tasks, responsibilities and authorities.

Due to the pandemic that has been going on the last year BIM has done **instructions** sent out to all employees with things to think about when **working from home, when having digital meetings and when having the yearly performance reviews digitally**. A guide for those who are managing employees working from home has also been sent out to all managers at BIM.

At BIM we have also continued to work with **safety index** and this time for our employees working in Continental Europe. We have conducted a survey about the level of knowledge about risks and reporting risks and also asked what kind of support they need from BIM regarding work safety with goals set to be done during the year. As a result of the survey, we have mapped the rules and regulations regarding work environment and work safety in the different countries where we have employees, created clearer reporting paths both externally and internally when it comes to accidents and we have also created a pocket formed risk assessment tool.

A **mapping of the Swedish salaries** has been performed at the HQ this year as well as last year, all according to Swedish law. The mapping resulted in a report which showed that there were no striking differences between salaries, considering sex and age.

Environment

The **Sustainability key performance indicators follow-up** for 2019 shows the following results:

RESPONSIBLE EVERYDAY LIFE

- The majority of goals in this area are on target level, except for the quality goal on Customer Complaints. However, the calculation models of the quality KPIs have been reviewed and changed to relative measures (%). According to this the delivery performance of good quality is > 99%, which is a very good result.
- The result of BIM employee survey shows an improvement from last year, e.g. in regard of participation in employee survey and performed development talks.

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RESOURCE EFFICIENCY

- The goals and KPIs for sustainable product development have been difficult to measure and follow up. Nevertheless, there have been many activities to increase the share of renewable materials.
- BIM is on-line regarding waste and energy goals.

COLLABORATION IN VALUE CHAIN

- A large proportion (95%) of BIM suppliers already comply with our code of conduct – a major increase from last year.
- A large improvement from 66% to 84% regarding feedback to our suppliers according to BIM Supplier Scorecard.
- Goal regarding Euro 6 engines need some further improvement.

The follow-up of KPIs for 2020 will be made in April 2021. The reporting will involve some new perspectives:

- New structure for reporting and follow up according to a generally accepted Balanced Scorecard format (BSC)
- BSC aim at including financial and customer perspective, to represent the whole BIM strategy
- Some goals will be prioritized in terms of progressive development, while others will be monitored to keep level of performance
- A quarterly follow up in Group Management will be introduced, with more clearly responsibilities

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The **climate report** for 2020 shows an improvement of 6,5% decrease of emissions from last year, in total almost 25% decrease from base year in 2017. The internal calculations are based on Scope 1 & 2 of the Green House Gas Protocol and it involves all four production sites in Europe. It is planned for a third-party review of the calculation, to prepare for external reporting of the climate footprint for BIM Group.

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Other **improvements on the production sites** during the period are:

BOLTON, UNITED KINGDOM

- Introduction of ice to cool batches, reducing the amount of water used in cooling, and the amount of effluent produced
- Company cars must now be electric or hybrid
- Electric forklift being tested in production
- New wastepaper and card recycler

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- Waste plastic recycler approved for using

DRAMMEN, NORWAY

- Switch to electric (from hydropower) heating for our hot oil boiler
- Increased our storage capacity for hot process water for reuse by 40%
- Switched 50% of our light sources to LED
- Installed heat pumps for heating in wardrobes, canteen, office and warehouse

KOUVOLA, FINLAND

- Introducing recycling system for plastics (clear, used in packaging)
- Improvements regarding the handling of oil based raw materials in terms of spills and leaks
- Improving work hygiene when handling dry raw materials
- Automatization of led lighting

STENKULLEN, SWEDEN

- Collected waste management at fewer waste suppliers, which in turn meant less waste to landfill and more for energy recovery (combustion)
- Introduced frequency control on the refrigeration compressor, which led to cooling water and hot water pump consuming less energy
- Installation of 4 more charging posts on site, for BIM and employees' cars
- Changed to LED lights in the cargo hold, warehouse, and in ship 2 of the production area
- The application for a state subsidy within the programme "Klimatklivet" to replace energy from oil boiler has been approved and the installation of a pellet boiler will begin during 2021

Anti-Corruption

In accordance with the spirit and the core values of BIM, it is of great importance to us all to maintain a good working environment, good business relations, ethical conduct, to do business in a long-term and sustainable way and to help our customers do the same.

We therefore have introduced a **Whistleblower System** so that stakeholders, as an employee or business partner, can act if they are exposed or find undesirable behavior or activity, including violations, discrimination, or harassment. Our goal is to eliminate irregularities and misconduct.

BIM Kemi AB's Whistleblower System enables all employees and external stakeholders to report irregularities openly or anonymously. All incoming notifications will be thoroughly investigated. It is possible to use the reporting tool on our web site. The application remains anonymous and goes to the Chairman of the Board, who has a responsibility to

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investigate each case. It is also possible to write a letter to the Chairman of the Board. As an employee, you can contact your manager, your manager's manager, HR or in countries where applicable, your union representative.

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