



# The Bernard Group

EXPERIENCE RETAIL DIFFERENTLY

## COMMUNICATION ON PROGRESS (COP)

### STATEMENT OF SUPPORT

January 1, 2020 through January 31, 2021

In 2020, 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 maintained Gold rating from EcoVadis and attained 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**

### **Labor and Human Rights - SDG's 3,4,5, 8,10,16**

The Bernard Group is committed to protecting the health and safety of our employees, reducing our impact on the environment, creating positive social change in our communities and respecting all human rights where we operate.

We continue to recognize that our employees are our biggest asset. We believe in the principles of equality and non-discrimination, are committed to treating all individuals with respect and dignity, and work to use our influence and business relationships to promote the opportunity for all people throughout our supply chain to exercise their fundamental human rights.

The Bernard Group's human rights policy outlines our commitment to respect human rights throughout our supply chain. We communicate our commitment to human rights to our employees and the public via our Code of Conduct, as well as our Supplier Code of Conduct, our health and safety policies, and our diversity and inclusion policies – including our discrimination and harassment policy.

Our human rights policy applies to all employees of The Bernard Group, including part-time and temporary workers as well as independent contractors. Our commitment to respect human rights also extends to all individuals throughout our supply chain, and we use our relationships with our suppliers and other business partners to encourage and promote the principles of this policy throughout their networks.

As a company, we abide by the laws where we operate. We expect our suppliers to share our commitment and standards by adopting similar policies within their business operations and, where possible, work with them to develop the capacity to do so. Our Supplier Code of Conduct further reinforces and clarifies this commitment.

### **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.

## 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.

## Performance Highlights

- Pandemic Response to COVID-19:
  - Employees were offered up to 2 weeks (72 or 80 hours based on standard work schedule) of Pandemic Leave to use for COVID-related needs, such as illness, caring for another, quarantine or daycare/school issues related to COVID
  - Activated safety protocols to keep employees safe at work, such as: Wello temperature screening stations at entrances, increased cleaning procedures (including electrostatic) weekly and as-needed, company-provided face masks, plexiglass dividers in cubicles and on the production floor, directional and distancing signage, work from home practices, contact tracing process and a real-time COVID-19 dashboard reporting on-site exposure and on-site positive cases
- Conducted our third annual Gallup employee engagement survey with 82% participation and an overall score of 3.95

- Defined “How We Work” competencies for all employees aligned with our Core Values to set the standard for ideal work behaviors
- Created meaningful succession management tools to be used by Sr. Leaders to develop a strong succession plan for key leadership positions within the company, to identify high potential individual contributors and talent action plans for 2021
- Revised our Mission, Purpose and Core Values to include language that supports a more inclusive environment
- Surveyed all TBG employees to learn what Total Rewards are most important to them and integrated this feedback to improve our Total Rewards offerings, such as lowering medical premiums, simplifying medical plan offerings to two options with one network and changing our benefit eligibility period for newly hired employees to the first day of the month following or coinciding with their date of hire
- Successfully completed Benefit Open Enrollment for the 2021 plan year remotely with 93% of our employees entering their elections in ADP. We launched a Benefits Google site with resources & tools for our employees to access on-demand while working remotely
- Hosted an on-site blood drive with the American Red Cross abiding by pandemic restrictions
- Re-introduced the WOW recognition program along with new electronic recognition cards allowing colleagues to more easily communicate their appreciation of each other when working remotely

## **Future Focus**

- Employee Development:
  - Design and implement a Manager Development training program for our people leaders
  - Revamp our Onboarding program for new hires to ensure a successful experience over the first year of employment
  - Roll-out suggested learning paths along with standard development tools to all employees
  - Design and rollout interview skills training for all people leaders
- Create a brand/story for TBG as an employer of choice for recruitment related communications
- Conduct an organizational assessment in regards to diversity, equity and inclusion. Based on results of assessment, create related strategies and action plans

- Develop an internship program for 2021 company-wide to provide opportunities for students in the community and to reach potential employees of the future

#### Workforce Distribution:

Gender: Male 437, female 246

Women in VP Positions: 22%

Ethnic Minorities: 20%

### **Community Involvement – SDG's 1,2**

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:

- Continue to fight hunger and meet the needs of the Fatherless; women, teens and children in need
- Provided work to economically disadvantaged people by partnering with Opportunity Partners
- Adopted a local store, Studiio 23, that was rioted during the George Floyd/Lake street riots – redesigned and installed entire store environment
- Hosted a Supply Drive for Support The Cities, an organization that brings support to the neighborhoods that were vandalized and people that were displaced from their homes during the Lake Street riots. TBG employees donated non-food items and non-perishable food items
- Hosted a clothing drive for “Dress for Success”, a non-profit charity. Employees donated over 35 bags of clothing, shoes, handbags and accessories to disadvantaged women to help them achieve career advancement, career stability and economic sustainability
- Partnered with a local charity, Neighbors Inc., and sponsored five families in need. Employees formed five teams and bought Christmas gifts so these kids would have a great Christmas
- Partnered with Samaritan's Purse - Employees packed shoe boxes full of needed items and gifts for children in need

#### **Future Focus**

- Expand our charitable giving beneficiaries

- Support the local economy by employing 670 employees
- Provide meaningful work to people in our community

## **Environment – SDG's 6,7,9,11,12,13,15**

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:**

- Achieved ISO 14001 Environmental certification
- Maintained our Environmental Management System that allows for consistent implementation of our environmental initiatives
- Enhanced efficiencies in our four facilities

- Greatly increased the recycling efficiency and the amount of material being recycled by adding clearly labeled designated recycling bins in our production areas
- Gifted each employee with a reusable utensil set to divert single use plastic from our waste stream
- All vending machines and mini marts are void of any plastic bottles
- Developed styGreen™, a proprietary plant based styrene
- Utilized our EcoDesign checklist to assist our clients in integrating sustainable materials into their projects
- TBG partnered with Trees, Water, People, a non-profit reforestation company. In 2020 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
- Developed a pilot End-Of-Life Program to take back products for clients to recycle that they were unable to recycle at the store level

#### Future Focus

- Develop a Carbon Offset Program
- Eliminate all plastic packaging when shipping products
- Measure scope 1,2 & 3 greenhouse gases (GHG) and identify 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

2020 - 788 Tons CO<sub>2</sub>

2019 – 957 Tons CO<sub>2</sub>

2018 – 750 Tons CO<sub>2</sub>



#### Scope 2

2020 - 3215 Tons CO<sub>2</sub>

2019 – 3830 Tons CO<sub>2</sub>

2018 – 3490 Tons CO<sub>2</sub>

#### Electricity Usage:

2020 – 6,849,446 KWH

2019 - 7,418,524 KWH

2018 - 6,758,000 KWH

#### Natural Gas Usage:

2020 – 143236 THM

2019 - 163,524 THM

2018 - 54,777 THM

#### Fleet Mileage:

67,791

#### Water Use:

2020 – 5,953,000 Gallons

2019 - 3,216,600 Gallons

2018 - 2,554,000 Gallons

#### Employee Business Travel:

Round Trip Airfares 43

Hotels Nights 26

Rental Cars 20

### **Sustainable Procurement Practices**

TBG Is committed to responsibly sourcing the materials and products used in our operations. Our sustainability commitment extends beyond our own operations to include our entire supply chain. In order to address supply-related risks such as human rights violations, waste management and deforestation, The Bernard Group is continually searching for more sustainable materials that deliver the highest quality and performance, from businesses that reflect our environmental and social practices.

### **Materials and Resources**

TBG remains committed to providing our clients with eco-friendly options.

We have created a sustainability materials book that allows clients to touch and feel sustainable alternatives to conventional non-sustainable options.

TBG partnered with a local plastics company to develop styGreen™,

a proprietary plant based styrene that is made from renewable resources, thus greatly reducing its impact on the environment.

- Reduced greenhouse gases and carbon footprint
- Ocean safe – it is designed to dissolve in water
- Compostable
- Recyclable
- Degradable – will break down in landfills
- Renders colors well, including pastels

## **Sustainable Projects**

Many clients come to us for EcoDesigned solutions. We have been able to offer them a wide range of options and tools to assist them in producing sustainable projects. One way we do this is by using an EcoDesign checklist.

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