

# BJØRN THORSEN

*Local distributor... and truly global solution provider!*

## SUSTAINABILITY REPORT 2023/24





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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 CO<sub>2</sub>e<sup>1</sup> 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 increase the opportunities for 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 translate into sustainability improvements in our 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 2023/24 with you in this report.

**Claus Adser**  
*Chairman of the Board*

<sup>1</sup> Carbon dioxide equivalent or CO<sub>2</sub>e means the number of metric tons of CO<sub>2</sub> emissions with the same global warming potential as one metric ton of another greenhouse gas. See: Glossary: Carbon dioxide equivalent - Statistics Explained (europa.eu). Accessed: 13/08/2024

# LETTER FROM MANAGEMENT



During the fiscal year 2023/24, we have witnessed extraordinary challenges around the world, both geopolitically and environmentally. These geopolitical challenges and the record-setting weather events require companies with international operations such as ours to be resilient and evolve with the changing conditions.

As a response to these events, the international requirements for sustainability - such as the [2030 Agenda for Sustainable Development](#), the [Nature Restoration Law](#) or the [Corporate Sustainability Reporting Directive](#) - are driving companies to take stronger approach and step up their actions in managing and disclosing impacts and risks related to ESG not only in their operations, but across their value chain as well.

At BTG, we are ready to raise our sustainability game and increase our ambitions by incorporating a holistic ESG strategy into our business operations. As one of the first steps on our strategic ESG journey, we have prepared our 2023/24 Sustainability Report with an ESG framework, and we created a more in-depth disclosure of operations, impacts and ambitions.

We encourage you to explore this report and learn more about our progress in 2023/24 and to follow us on this exciting adventure during the coming years, to see where sustainability due diligence will lead us.

**Lars Rønsholt and Svend Rimestad,**  
*Managing Directors*





# OUR BUSINESS

Bjørn Thorsen A/S is an expanding group of companies (Bjørn Thorsen Group or BTG) aiming to achieve long-term sustainability and profitability, while anchored on competitive distribution of specialty raw materials with additional customized own product solutions. Our core activity is distribution of raw materials from leading chemical manufactures to customers in different industries.

Bjørn Thorsen A/S was established in Denmark in 1952 as a traditional distributor company of chemical products. In 1993, the company's strategy was changed to focus on specialties and to grow around four distinct business

units: Advanced Polymers, Coatings, Adhesives, Bitumen & Road Marking.

Today, BTG is an expanding group of companies specialized in specialty raw materials with a focus on an extensive range of thermoplastic polymers and elastomers, alongside binders, pigments, fillers and additives. We are representing globally leading chemical manufacturers such as BYK, Lubrizol, Celanese, ExxonMobil, Sun Chemicals, Venator, DRT, Cabot and others; and we supply to customers within automotive, coating, construction, industrial, medical, and consumer industries.

*BTG head office  
in Hellerup, Denmark*



## *Distribution product groups*

### Advanced Polymers



### CAS (Coatings, Adhesives & Sealants)



### Construction & Industrial



### Bitumen & Road Marking



### Composites



### Instruments for Coatings & Plastics



## *Distributing innovation*

To support our distribution business and high shares in key markets, we have created several affiliated companies with the aim of delivering innovation, sustainability, and overall extra value to the market.

In 2015 and 2016, we signed two license agreements with ExxonMobil Chemical, which enabled the creation of two affiliates: [Customized Compound Solutions A/S \(CCS\)](#) developing proprietary alloys, compounds and customized formulations tailored to customers' specific needs; and [Nordic Grafting Company A/S \(NGC\)](#) for grafted performance polymers like compatibilizers.

Given the benefits these affiliates brought in supporting our solution provider strategy, we decided to duplicate the concept from solid to liquid formulations. Consequently, in 2017, Nordic Formulation Technologies A/S (NFT) was established to support customers with tailor-made liquid formulations.

To capture the synergies between three of our business units: coatings, adhesives and advanced polymers, while strengthening the collaboration with key suppliers, [Digital Serigraphic Technologies A/S \(DST\)](#) was acquired in 2020. DST provides consumables for heat transfers for textile and apparel decorations created via digital/ DST/ hybrid screenprinting and traditional screenprinting technologies.



Klarsø was established in 1987 and is a supplier of plant protection products and biocides for use in agriculture and the non-professional market in the Nordic countries.

Through our affiliates, we have access to in-house lab facilities and R&D expertise

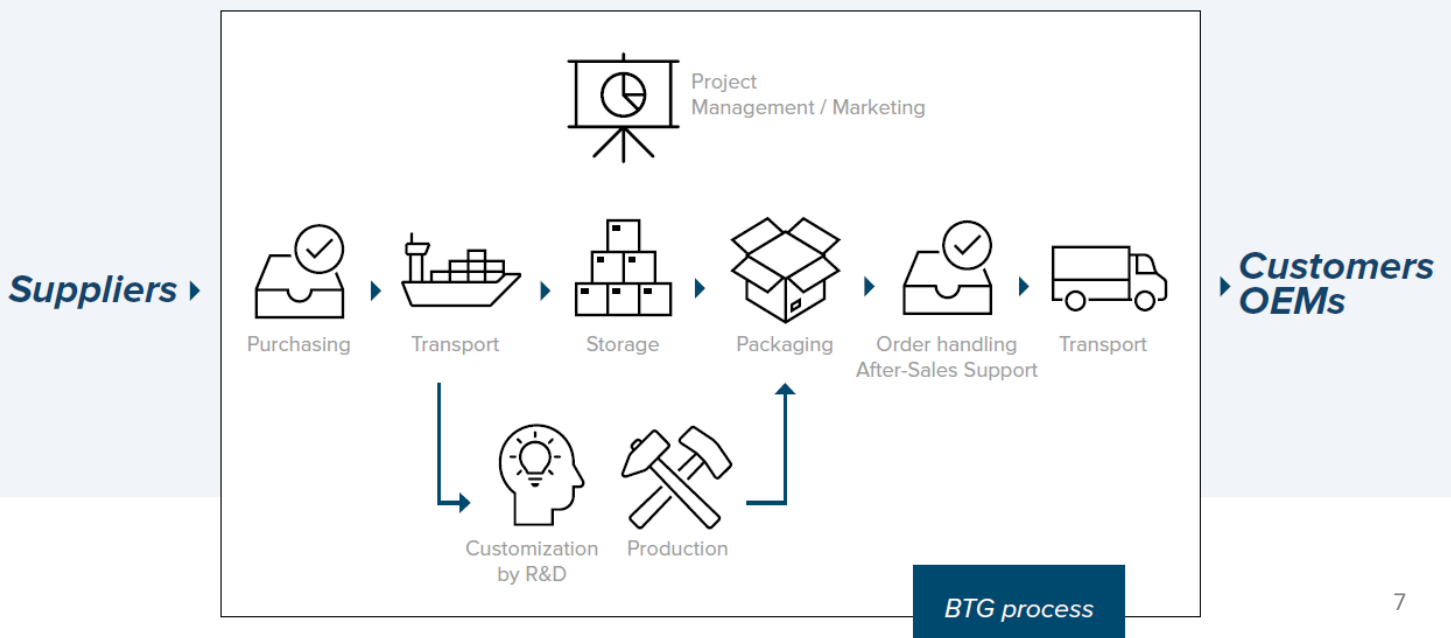
which complements our distribution offering. Today, we are a complex solution provider, giving customized solutions and technical support, while creating new opportunities and more sustainable products for our customers.



## 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:

- Supporting our customers with deep technical knowledge and product expertise
- Own R&D and production facilities offering innovative and customized solutions that fulfill our customers' individual requirements for e.g., extreme temperatures, high durability, recyclability, etc.
- Global distribution setup optimizing quality, speed, efficiency, and delivering supply security
- Pursuing responsible and sustainable business practices - environmentally, socially, and ethically.



## Business values



### People & Culture

- People are our greatest asset
- Strong company culture
- Healthy mix of experienced and young talents
- Highly professional, diverse and inclusive teams
- Active private ownership



### 5-Star Quality & Certainty

- Excellent service to customers & principals
- Anticipate customer needs
- ISO 9001:2015 certified
- Reliability and consistency for 70+ years



### Value for Money

- Local warehouse/global footprint
- Supply security
- Consignment stock as needed
- Payment terms options



### The Consultant

- Regulatory Affairs support/lead
- High technical competencies
- 3 lab facilities for customer support
- Strong connections with key OEMs



### Solution Provider

- Cross-tech approach
- Tailored solutions & Contract manufacturing
- Build business on partnerships
- Technologies for re-compounding plastic waste



### Sustainability

- Top management attention
- ISO 14001:2015 and ISCC+ certified
- Yearly Sustainability Report
- Commitment to develop comprehensive ESG strategy in 2024/25

## Our geography

Today, we are covering the following distribution areas: Nordics, Baltics, 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. in 2019.

We have offices and employees in Denmark, Sweden, Finland, UK, France, China and USA. The group's head office is located in Hellerup in the Greater Copenhagen area, Denmark.

Our warehouses, tollers and production sites are strategically located in Belgium, China, Denmark, Finland, France, Germany, Norway, Poland, Portugal, South Korea, Spain, Sweden, UK, and USA.

During the fiscal year 2024/25, as part of the pan-European expansion, the group will also launch distribution activities in Germany and Poland.





## OFFICES AND EMPLOYEES

- Denmark
- UK
- France
- Finland
- Sweden
- China
- USA



## LABORATORIES

- Denmark (2)
- France (1)



## WAREHOUSES, TOLLERS, PRODUCTION, CONSIGNMENT

- Belgium (1)
- China (2)
- Denmark (10)
- Finland (4)
- France (10)
- Germany (2)
- Norway (1)
- Poland (1)
- Portugal (1)
- South Korea (1)
- Spain (2)
- Sweden (9)
- UK (1)
- USA (2)

# BTG KEY FIGURES IN 2023/24

**€ 76 M**

Total BTG revenue

**18+ M**

KG goods sold

**€ 1,8 M**

Total BTG pre-tax net profit

**70+**

Suppliers

**816,8 T**

CO<sub>2</sub>e

**1000+**

Customers

**52**

Employees

**2000+**

Products

Transported KM:



**2447068**



**1680272**



**18494**



**565813**





## PROGRESS ON ESG

BTG is developing a holistic and comprehensive strategy for corporate sustainability with the aim of distributing special raw materials through customized offerings, providing solutions and technical support, while achieving long-term environmental, social, ethical, cultural and economic sustainability throughout our whole value chain.

To achieve this goal BTG set a target to develop an overarching ESG strategy during fiscal year 2024/25. This report covers the activities in the financial year 2023/24, and although the holistic ESG strategy has not been implemented yet, we have already conducted our operation with the mindset and commitment to sustainably progress, integrating awareness, and responsible actions in our daily operations.

We comply with international and local environmental legislation, standards,

conventions and agreements in all countries where we operate.

We are aiming to reduce our emissions in all aspects, be it GHG, hazardous or any other waste, pollution, wastewater; to enhance the efficiency of our energy and water consumption by improving our production and implementing energy efficient solutions.

The company's greatest assets are the people who choose to be part of our business and bring their expertise and commitment daily. They are the foundation of our success. That is why we ensure a safe, fair and inclusive workplace environment for all our colleagues. Furthermore, we are deeply committed to conducting our business with high ethical standards, transparency and accountability. To comply with laws and regulations is one of the highest priorities in BTG.

# COMMITMENTS

## *REACH*

BTG is committed to meeting our obligations under the REACH regulation (EC 1907/2006) by ensuring that both our suppliers and our affiliates comply and register all substances that we are distributing. 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). These requirements are also stated in our Supplier Code of Conduct (see below in Governance).



## *Responsible Mineral Sourcing*

In line with being committed to respecting and protecting human and labor rights, we are working to ensure the well-being of people throughout the value chain. Although BTG does not directly purchase raw minerals from mining sites, we are recognizing our responsibility to increase transparency and traceability of Conflict Minerals contained in the supply chain.

Therefore, BTG expects all suppliers to ensure that their products do not contain Conflict Minerals. The responsibility and compliance expectations are included in the company's Supplier Code of Conduct.



## *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.





## *Agenda 2030 and SDGs*

The Sustainable Development Goals (SDGs) 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.

### *SDG 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.

### *SDG 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.



### *SDG 13: Climate action*

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

# CERTIFICATES



## *ISO Certifications*

Bjørn Thorsen and all affiliates: Klarlø A/S, Customized Compound Solutions A/S, Nordic Grafting Company A/S, Nordic Formulation Technology A/S, Digital Serigraphic Technologies A/S, and Bjorn Thorsen Distribution France SAS 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 improves 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 are able to add further value to our suppliers and customers whilst minimizing adverse environmental impact.

The next ISO certification re-audition will be in January 2025, and BTG is ready to comply.

## *ISCC+*

Today, manufacturers are facing the need to transition towards materials from recovered or renewable sources to foster a circular economy and to reduce their environmental footprint.

To increase the sustainable product offers and incorporate circular value chains, BTG has adopted the ISCC Plus certification. ISCC Plus provides third-party verification of supply-chains integrity and ensuring ecological and social compliance for sustainable materials. The certification allows us to offer more sustainable products from 12 of our also ISCC Plus certified suppliers.

For more information and the list of certified companies, see [ISCC Certificates](#).

## *EcoVadis*

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.

BTG has been a member of EcoVadis since 2017 and has been re-audited regularly since. The company was last reassessed in April 2024, when the results moved from 60 to 64 points and earned a bronze medal. The company also received a list of corrective action plans for improvement areas. BTG is committed to implementing all high priority actions and to create an action plan to address medium and low priority actions during the fiscal year 2024/25<sup>2</sup>.

## EcoPassport by Oeko-Tex®

During the financial year 2023/24, our affiliate DST renewed and extended its EcoPassport by Oeko-Tex® Certificates. This EcoPassport by Oeko-Tex® certification ensures that each ink and chemical product of DST portfolio meets ZDHC level 1 environmental and safety standards. With this renewal and extension, the company reinforces its dedication to providing customers with high-quality, sustainable consumables that prioritize human health and the environment.



**ECO  
PASSPORT**

## Green power source certificates



We are aiming to continuously improve our environmental footprint. Besides looking for solutions to reduce our energy consumptions, we are also looking for opportunities to ensure energy supply from renewable sources. That is why we made sure that the electricity consumption is covered 100% from wind power both at our head office in Hellerup, and at our production site in Svendborg, Denmark. Furthermore, we have made a commitment to continue sourcing our electricity from wind power at both locations.

<sup>2</sup> The BTG scorecard is available on the EcoVadis account.

# ESG PERFORMANCE<sup>3</sup>

	Unit	2021/22	2022/23	2023/24 <sup>4</sup>
<b>ENVIRONMENT</b>				
<b>CO<sub>2</sub>e</b>	<b>Metric tons</b>	<b>1093,8</b>	<b>875,0</b>	<b>816,8</b>
Scope 1 CO <sub>2</sub> e	Metric tons	57,9	71,3	88,1
Scope 2 CO <sub>2</sub> e	Metric tons	125,7	81,9	38,3
Electricity consumption	MWh	96,7	107,2	280,4
Renewable energy share for electricity consumption	%	38,0	87,7	94,9
Heating consumption total	MWh	421,7 <sup>5</sup>	335,3 <sup>6</sup>	250,2
Natural gas used for heating consumption	MWh	421,7	335,3	213,1
Scope 3 CO <sub>2</sub> e	Metric tons	910,2	721,8	690,1
Transportation on road	Total distance (km)	1994100	2170854	2447068
	Total weights (tons)	14003	13685	12973
	CO <sub>2</sub> e WtW (tons)	811,5	491,6	389,2
Transportation on sea	Total distance (km)	569907	1353246	1680272
	Total weights (tons)	N/A	6799	5736
	CO <sub>2</sub> e WtW (tons)	93,9	198,7	202,4
Transportation via air	Total distance (km)	36997	52203	565813
	Total weights (tons)	0,7	7	20
	CO <sub>2</sub> e WtW (tons)	4,8	31,4	73,8
Transportation via railway	Total distance (km)	0	0	18494
	Total weights (tons)	0	0	8,1
	CO <sub>2</sub> e WtW (tons)	0	0	0,2
Business-related air travel	Metric tons CO <sub>2</sub> e	N/A	N/A	24,4
Water consumption	m <sup>3</sup>	1687	840	1133

<sup>3</sup> For detailed description of data sources and calculation methodologies, see chapter Accounting Principles.

<sup>4</sup> Data is collected from our financial year which is between 1st May to 30th April each year. On some occasions the data was not available for our financial year, in these cases the different scope is noted accordingly. For more information on data sources and calculation methods see section Accounting Principles.

<sup>5</sup> Data is per calendar year 2022.

<sup>6</sup> Data is per calendar year 2023.

	Unit	2021/22	2022/23	2023/24
<b>ENVIRONMENT</b>				
Waste generated	Metric tons	73,8	54,1	70,6
Paper and cardboard	Metric tons	3,2	3,9	5,9
Metal	Metric tons	3,6	3,6	10,9
Plastic	Metric tons	6,8	8,1	1,3
Hazardous waste	Metric tons	53,4	29,2	22,3
Mixed waste	Metric tons	6,8	9,3	30,2
Waste incinerated	%	81,5	71,2	74,4
Waste recycled	%	18,5	28,8	25,6
<b>SOCIAL</b>				
Full-time employees	FTE	50	55	52
Gender diversity	Male/female, %	58/42	62/38	60/40
Gender diversity in management team	Male/female, %	80/20	86/14	86/14
Employee turnover ratio	%	14,7	13	4,2
Number of different nationalities		9	9	10
Number of reported serious accidents in offices and production site		N/A	N/A	1
<b>GOVERNANCE<sup>7</sup></b>				
Number of reports related to whistleblower procedure		N/A	N/A	0
Number of confirmed corruption incidents		N/A	N/A	0
Number of confirmed information security incidents		N/A	N/A	0
Ratio of employees completed IT security training <sup>8</sup>	%	100	100	100
Suppliers committed to BTG Supplier Code of Conduct	%	N/A	N/A	54,5

<sup>7</sup> Data is from the complete and full report of all known incidents in the period 1st January 2023 – 31st December 2023.

<sup>8</sup> By the end of April 2024.





# ENVIRONMENT

## Climate Change

We live in a world of rapid and constant change. Some changes are positive, others have grave consequences - such as climate change. As 2023 was the hottest year on record<sup>9</sup>, no one is exempt from its effects, and we are all responsible for bringing about the urgently needed positive change in our emissions and climate-conscious actions.

In this report, we have decided to include an overview of BTG's total CO<sub>2</sub>e emissions from operations, covering our total Scope 1, 2 emissions; and for our Scope 3 emissions we included all available data at the current phase of our progress on collecting comprehensive ESG data throughout the entire value chain (see below). We aimed to provide transparency of our emissions, their sources and the result of our initiatives.

The emission report numbers are presented above, in the table ESG Performance, the description of the data sources and calculation methodology is described below in Accounting Principles.

Our Scope 1 emissions are derived from the fuel (diesel and gasoline) consumption of our company cars.

For our Scope 2 emissions, the data is derived from the electricity and heating consumptions from our head office in Hellerup, our production site and main warehouse in Svendborg, and our office and laboratory space rented in Lyon, France.

The building of our head office in Hellerup is the only property which is owned by the company. We are renting the warehouse, production and laboratory spaces in Svendborg and in Lyon. We also rent two offices in Gothenburg, Sweden and one office in Milton Keynes, England. The consumption of electricity and heating is directly linked to our business activities, and it is for our own use, thus, these data fit under Scope 2.

Both at our head office in Hellerup and at our production site in Svendborg, we use 100% wind power to cover our electricity consumption.

During the last year, we switched to district heating in our head office in Hellerup. At our production site in Svendborg (located in Alti Erhvervspark), we refurbished older high-power-consuming equipment.

<sup>9</sup> Source: NASA Analysis Confirms 2023 as Warmest Year on Record – NASA. Accessed 08/08/2024



Furthermore, during 2023, we changed our heat from gas to heat pumps in one of the largest units, heating up to 582 m<sup>2</sup> of warehouse and production area.

In Lyon, we are part of Axel'One, which is a collaborative innovation platform dedicated to chemistry and the environment. We are renting one office and laboratory space, and we have access to the technology hall. At the office site, the heating is provided by an electrically powered heat pump, the consumption of this is included in the electricity consumption data. At the laboratory site, the heating is provided by district heating with an estimated consumption for space heating and a percentage for common areas. At Axel'One, the source of electricity is 66,6% nuclear, 13,7% renewable and 19,7% fossil-based<sup>10</sup>. Our consumption was estimated to be 19 MWh for electricity, of which 3,7 MWh was covered from fossil-based energy source at Axel'One.

In Gothenburg, we are located at the office building FirstOffice (Kontorshotell Sävåån), and in Milton Keynes, at the office building Regus Exchange House. For these locations we do not have individual consumption data, since we are only renting small office spaces for a fixed, monthly rental fee, and the office building's consumption information is not possible to be broken down by office rooms. However, we know that at FirstOffice in Gothenburg, the electricity is sourced from hydropower and the heating is district heating.

We do not have access to consumption data regarding electricity and heating for our leased warehouse and toller areas.

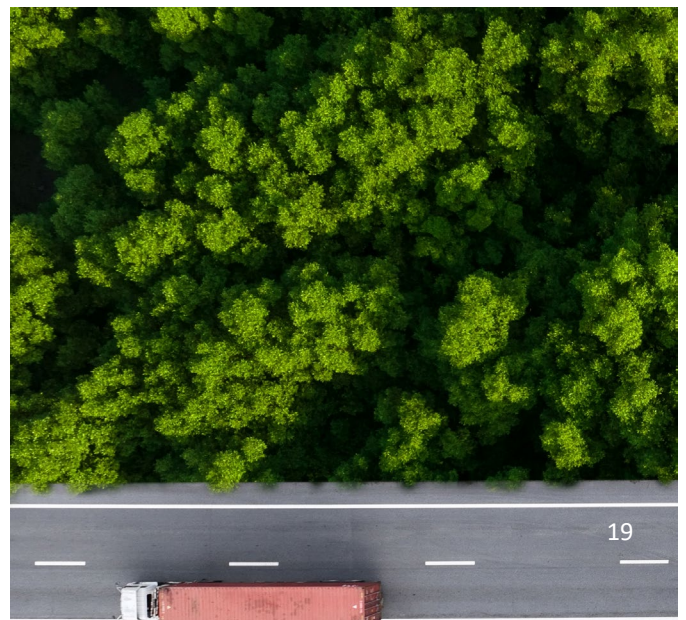
**Scope 3** emissions are the results of activities which our organization indirectly affects throughout our value chain.

<sup>10</sup> Information is based on 2022 data.

<sup>11</sup> See ESG Performance table for quantitative data.

Most CO<sub>2</sub>e emissions derive from our third-party logistic providers<sup>11</sup> and the emissions related to our distributed and produced products' environmental impact throughout their life cycle. This year, under Scope 3, we also included the emission derived from business-related air travel. Regarding the environmental impact of our products, BTG is highly dependent on data provided by our suppliers, and the availability of the data increases gradually.

Currently, we are in the stage of developing a strategy for collecting such data and implementing Life Cycle Assessment and/or Material Flow Analysis for our own products. However, at this stage we do not have access to sufficient data regarding emissions linked to product life cycles, thus, this is currently not included in Scope 3 emissions. Even without the explicit qualitative data linked to our life cycle emissions of our products, it is clear that our Scope 3 emissions are the major sources of our CO<sub>2</sub> release; thus, it is the most critical area to focus on finding innovative ways to emission reduction. At BTG, we are committed to exploring opportunities addressing this challenge, both internally and externally, by strengthening the relationship with our suppliers and customers.





## Resource Use

Humanity is currently using more resources in a year than our planet's biocapacity can support. During 2023, the Earth Overshoot Day was on 2nd August. However, in Western countries the date was much sooner. For example, if all the world's population would live like we live in Denmark, we would have consumed all resources by 28th March - just in under 3 months within a year<sup>12</sup>. Therefore, we all have a responsibility in finding ways for responsible resource use and reducing waste generation.

At BTG, we are continuously looking for solutions to optimize resource use and waste reduction. During our financial year 2023/24 at our production site in Svendborg, we changed the design of some of the pumps within the factory with the aim of reducing waste during filling procedure. This led to a reduction from 40kg to 5kg waste generation per batch. Furthermore, we have applied for a wastewater permit for the same production site, which will reduce the amount of waste needed to be incinerated. Starting from October 2023 we installed separate plastic collection containers at Svendborg. Prior to this date the collection company collected plastic and cardboard together, and they were responsible for the selection process as well. We acknowledge that this year's data shows a significant difference as the generated plastic waste was reduced by 16%, however,

the generated mixed waste was increased by 30% compared to the fiscal year 2022/23. Although we have not been able to pinpoint the cause for the difference, we have a special focus on generated waste amounts during the fiscal year 2024/25 at the Svendborg production site.

We are also looking for creative ways to share resources whenever possible. For example, in Lyon, at Axel'One we have access to the site's technology hall, which is a laboratory space based on the sharing economy concept. Here, several multinational companies have high-quality equipment which Axel'One partners have access to whenever the owner company is not using them. This solution enables smaller companies to have access to high-quality equipment, and it saves economic and environmental resources by eliminating the need to purchase the equipment themselves.

To optimize the need for transportation, we appointed two new production tollers in France, located less than 100 km from our warehouse and less than 50 km from our office with the aim to reduce CO<sub>2</sub> emissions during back-and-forth transportation.

Finally, a small positive story in our Hellerup office was that we purchased 16 chairs for our dining room, made from post-consumer recycled PET bottles. <sup>20</sup>





## Sustainable Product Portfolio and Innovation Projects

Innovation is essential for environmental sustainability. That is why our product innovation projects are our main assets in our sustainability agenda. With our developing Sustainable Product Portfolio, we are offering solutions for our customers with important sustainability benefits. We are committed to developing innovative products which improve performance through, for example, extending product lifespan and optimizing resource use. We are also looking for opportunities to enhance the circular economy by using waste or byproducts as raw materials. We wish to prove both to ourselves and to our customers that our products and solutions are indeed a choice to reduce their environmental impact, therefore we make sure that our activities and products have third-party certification (see more above in Certificates) whenever it is possible.

Our affiliate NGC developed the [Acti-Tech™ compatibilizer](#), used as impact modifiers of stiff polar engineering thermoplastics, coupling agents enabling higher filler loadings, adhesion promoters on metal and polar substrates, as well as performance booster of recycled feeds, among other purposes.

The manufacturing of Acti-Tech™ compatibilizer uses a highly efficient melt grafting process. As a result, it is capable of high functionalization with maleic anhydride (MA) monomer and low volatile organic compound (VOC) content. Acti-Tech™ compatibilizer offers both compatibilization and toughening of recycled plastics. The elastomeric nature of Acti-Tech™ compatibilizer helps compensate for loss of impact properties and increase tensile strength by compatibilization.

Biobased materials from renewable resources, such as wood, play a growing role in the sustainable development of society. Wood-plastic composites (WPCs) have emerged in the polymers industry as a solution to use wood processing residues in combination with a thermoplastic matrix, usually a polyolefin, recycled or not. Main challenges of WPC are their inherent moisture sensitivity, dimensional instability and service life. Thanks to their polymer backbone, Acti-Tech™ compatibilizer significantly enhances bonding of wood fibers with the polymer as well as mechanical properties of the resulting composite material, such as bending and impact strength.



Our affiliate CCS aims to be recognized as an innovative and reliable source of customized value-added solutions to various industries in the international plastic world. They have developed [their own products](#), such as recycled Opti-Pren™ TPV, low-CO<sub>2</sub> emissions Opti-Soft™ TPE, and the 100% recyclable in the PP stream Opti-Flex™ TPO.

Our affiliate DST is promoting its commitment to sustainability and product safety, with water-based inks, adhesives and range of hot peel liners featuring water-based coatings being part of their [sustainable product portfolio of consumables](#).

DST remains steadfast in their commitment to driving positive change within the printing industry while prioritizing the well-being of customers, end-consumers and the environment. Through ongoing innovation and adherence to strict environmental standards, the entire DST team aims to empower customers with sustainable solutions that make a meaningful difference.



Photo courtesy of WoodComposites Sweden AB

As a distributor, we are continuously looking for cutting-edge solutions and products also for reducing negative environmental impacts of our customers. In the beginning of 2024, [Bjørn Thorsen A/S has been granted European distribution rights](#) for the range of Biocomposites, also known as Woodcompounds or Durasense® products from WoodComposites Sweden AB. This is a range of bio-based alternatives to conventional polymers, which brings the good moldability of polyolefins together with the strength and sustainability of lignocellulosic fibers, resulting in a global reduced CO<sub>2</sub> footprint of up to 80%. These biocomposites are renowned for their exceptional blend of sustainability, strength, and versatility, making it a great addition to Bjørn Thorsen's circular solutions offering.





Photo courtesy of Swancor Holding Ltd.

A cutting-edge recyclable composite solution consists of [“EzCiclo” epoxy resin](#) and [“CleaVER” technology](#) by Swancor Holding Ltd. Pairing EzCiclo with CleaVER technology enables a transformative recycling process. End-of-life composites are broken down, with fibers and resins separated for reuse. The resin is recycled into an oligomer, ready to create new resin. These innovations enable recycling in composite applications like wind turbines, sporting goods, transportation, etc.

Santoprene<sup>®</sup> TPV from Celanese has a legacy of offering sustainability benefits that stretches back over 40 years. It is acknowledged as a highly effective rubber replacement in many elastomeric applications and has replaced carbon intensive and hard-to-recycle thermoset rubber because it offers a more sustainable solution. Now, the recently introduced Santoprene<sup>®</sup> TPV ECO-R platform is the next logical step to enabling further carbon footprint reductions.

Among many new developments, the new Santoprene<sup>®</sup> TPV 101-87 ECO-R grade with a minimum of 25% post-

consumer recycling (PCR) content is one of the latest innovations from Celanese.

We also offer ESTANE<sup>®</sup> RNW TPU and ESTANE<sup>®</sup> PIR TPU from Lubrizol Engineered Polymers, which are TPU with bio-based and recycled content.

BTG and some affiliates are involved in innovative projects for sustainable solution development. For example, BTG is taking part in a project aiming to [develop removable logos](#) for easier replacement of transfer prints on clothing to enhance textile recycling. Supported by the Environmental Technology Development and Demonstration Program (MUDP) of the Danish Environmental Ministry, the project “Reuse is Good Use” is a collaboration between the Danish Technological Institute (project leader and knowledge partner), NS System A/S (transfer print supplier), Bjørn Thorsen A/S (raw material supplier), and Fabricaid ApS (advisor in the circular textile value chain). It aims to develop methods for removing existing transfer prints from certain types of textiles and create a new type of removable transfer print that is easier to replace in the future.





Our organization is made by our people through their dedication and skills; therefore, their well-being and growth is among our highest priorities. Every day we work towards providing a work environment with opportunities for personal and professional development to ensure our colleagues are able to make meaningful contributions, learn, grow, have inspiring leaders, and to encourage a culture which supports collaboration and innovation.

### *Diversity, equity and inclusion*

Diversity, equity and inclusion are the pillars on which our social strategy builds upon. Ten different nationalities are represented in BTG (Danish, Swedish, Finnish, Norwegian, French, Hungarian, Russian, Italian, Mexican, British), largely reflecting our geographical footprint. 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.

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. At the end of our financial year 2023/24 we were a total of 52 fulltime employees, with a balanced gender composition of 60% male and 40% female colleagues, while the management team had a male over-representation of 86/14%.



## *Fair employment practices*

We encourage our employees' professional and personal development by building a culture of mutual trust, respect, collaboration, and teamwork. We are committed to training, educating, and developing our employees on an ongoing basis to facilitate their accomplishment of high-quality work. Every year, each employee undergoes an Employee Development Session with their manager to discuss their current position, tasks and responsibilities, as well as growth opportunities within the company.

## *Environment, health and safety*

We want to create a working environment where everyone is heard and is 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. 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.

Every two years, we conduct a comprehensive Workplace Assessment, and the last assessment was conducted during our financial year 2023/24. The Workplace Assessment analyzes the working conditions of our colleagues working from our main office in Hellerup, and it was done by surveys among the employees. The study is focused on risk of accidents, physical conditions (ergonomics, indoor climate, noise pollution), mental well-being and sick leave. Besides the description of the working environment, the Assessment also provides an action plan with a prioritization of action areas. In summary, the Assessment has not found any major issues, and we are making sure to address all discovered matters to ensure our continuously evolving work environment.

Our Health and Safety representatives are making sure that the working conditions follow protocols in our production facility in Svendborg. We are always looking for ways to improve our safety and security measures to ensure our colleagues are safe and secure while they perform their work responsibilities. We also promote adequate Health and Safety training and education for our personnel.





## *Flexible organization*

We wish to provide an open, inclusive, inspiring, and attractive corporate culture for all employees. In this context, creating a flexible organization is an important pillar of a modern and motivating working environment. BTG supports the employees in achieving a sound balance between their personal and professional lives, by offering flexible working arrangements, such as remote work, telecommuting, and part-time or variable working schedule, to employees when needed, considering the needs of the company and the requirements to the specific job position. The individual arrangements are agreed upon signing the employee contract and are reviewed during yearly Employee Development Sessions with the employee's manager.

## *Healthy body, healthy mind*

We regularly evaluate the physical and mental environment, and we strive to address all emerging issues and improve work conditions continuously.

We also encourage our employees to come up with initiatives of their own. For our employees at our head office in Hellerup, we have a Sports Club, initiated by one of our colleagues. The Club meets every Monday afternoon in the headquarters' garden for an hour of refreshing, diverse physical exercises.

## *Nurturing talent*

We have been giving opportunities to students to develop and learn at our organization. During our financial year 2023/24 we have employed three student assistants who were quickly given responsibilities within their area of work with the support of our professionals. We also ensure that our student assistants are familiar with our company culture, requirements and expectations and that they feel secure, supported and empowered while they are working with us. We are continuously striving to attract the next generation of talent to our organization.







# GOVERNANCE

To conduct all of our business operations with compliance is one of the highest priorities for BTG. We strive to maintain meeting all local and international laws, regulations, policies and standards, and act ethically in all aspects at each of our operational locations. We also recognize that we operate in dynamic environments which require us to continuously adapt to evolving regulatory requirements, market conditions and geopolitical events.

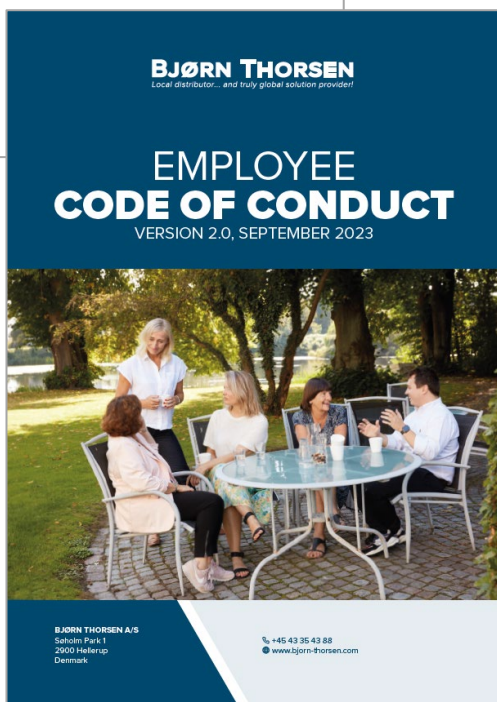
Bjørn Thorsen A/S and all our affiliates are ISO14001:2015 certified. To ensure a supply chain which is meeting at least an adequate environmental standard, we give preference to companies with Environmental Management Systems certification (e.g., ISO14001) when we select suppliers, logistics service providers and other partners.

## *Code of Conducts*

We have implemented in our operations two Codes of Conducts, one specified for our suppliers and one for our own employees.

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. Our Code of Conduct aims to ensure that ethical and human right standards are always upheld. We expect all our suppliers to read, understand and comply with our Supplier Code of Conduct to ensure ethical behavior in our supply chain. In case of non-compliance, Suppliers are expected to take appropriate measures to prevent any reoccurrence. In case of serious or repeated violations, we reserve the right to terminate the partnership.

By the end of our financial year 2023/24, 54,5% of main suppliers signed or showcased their own equivalent Code of Conduct themselves.



Our Employee Code of Conduct emphasizes our requirements for employees. This Code of Conduct was updated during the last financial year with additions and specifications within business ethics, anti-corruption & anti-bribery and anti-harassment.

Both Supplier and Employee Code of Conduct are living documents, updated as necessary in accordance with new laws, regulations and internal standards or strategy changes.

## *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.

## *Human rights and anti-harassment*

We do not accept violation of personal freedom of rights, or any form of degrading behavior and we will act against any breaches. We expect our Suppliers to refrain from discrimination and harassment of any form.

## *Quality management*

At BTG, we strive to deliver high quality products, services and business processes. We meet this goal through efficient supply chain execution, careful attention to selection of our partners and constant personal development. We cooperate with Suppliers who value efficient and reliable manufacturing, additionally, we prefer working with Suppliers that are ISO 9001:2015 certified.



## *Working conditions and labor practices*

Suppliers are expected to provide their employees with a safe, secure, and healthy working environment regardless of geographical place and position. Suppliers must ensure compliance with applicable laws and regulations regarding the health and safety of employees. Additionally, we expect Suppliers to have all permits and licenses that are required to operate.

Suppliers are expected to prohibit any kind of forced or involuntary labor, including bonded labor, slavery, and human trafficking. They are expected to comply with local laws and regulations concerning minimum wage. Suppliers should operate fairly and appropriately in terms of employment and are expected to comply with all applicable laws and regulations regarding working hours, overtime, and days of rest.

Suppliers are expected to make sure that employees under the age of 18 do not carry out work that is hazardous or harmful to their physical or mental development. We expect our Suppliers to respect all employees' right to form and join unions of their choice and allow these to function without interference.

## *Anti-corruption & anti-bribery*

We have a zero-tolerance approach towards any form of direct or indirect bribery and corruption, whether committed by employees or any business partners. BTG is committed to working against bribery and corruption in all its forms, including extortion and kickbacks.

Suppliers are expected to formulate and implement anti-corruption standards and raise awareness through dialogue and information if needed. All actions against corruption should be in accordance with national regulatory requirements, international conventions, and agreements.

## *Data protection & privacy*

All business relationships should be based on mutual trust and respect. When conducting business with us, our business partners trust us with their personal information or personal information of third parties. We are committed to protecting personal information from possible loss, misuse, or disclosure.

## *IT Policy*

Our IT policy states all rules and guidelines to ensure all employees comply with safe and well performing IT systems. Furthermore, all employees must complete IT security training to reduce the risk of any security breaches.





# ESG AMBITIONS FROM 2024/25

Today, there is a general shift from transactional procurement of green solutions to more long-term, strategic planning for the sustainability agenda. This shift is also fueled by legislative actions, such as the EU's Corporate Sustainability Reporting, part of the European Green Deal and the 8th Environment Action Program, which is guiding the European environmental policy until 2030. Our customers are also increasingly looking into their partnerships and evaluating whether they are helping them meet their decarbonization commitments. Therefore, we are devoted to complying with all legislative requirements by meeting our reporting obligations (first time will be for our financial year 2025/26), developing a holistic ESG Strategy with OECD Due Diligence and setting Science-Based Targets to minimize our impact on the natural environment; and engaging with key external stakeholders to activate cross-industry partnerships and build alliances for developing solutions.

We aim to prioritize our efforts where we have the biggest impact and where it adds the greatest value, therefore during our financial year 2024/25 we will map our environmental related risks and opportunities, conduct double material assessment and investigate how we impact people and the environment across our operations and value chain.

As product developer and innovation engineer, BTG is constantly developing new raw materials and new ways to enhance both performance and recyclability of our products. Furthermore, we are continuously looking for opportunities to create partnerships and build streams to be able to reuse and/or recycle both pre- and post-consumer materials. We are highly conscious of having chemically and physically recyclable materials will not necessarily lead to reducing resource use if we are lacking the circularity in the material flows. Therefore, we are currently working on different take-back programs, building networks and partnerships with our customers to create circular material streams.

As a distributor, Bjørn Thorsen A/S is not only moving products but offering specialized solutions, which include solutions for lowering our customers' environmental impact. Therefore, we are dedicated to continuous learning and seeking out cutting-edge technologies and raw materials to be able to offer the most sustainable solutions for our customers. We also recognize that addressing the current environmental challenges requires new paths to partnerships and we are engaged in strengthening collaboration throughout our value chain.





# ACCOUNTING PRINCIPLES

The Sustainability Report and accounting principles cover the period 1 May 2023 - 30 April 2024, which is the same as the company's financial year. The scope of 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. BTG's operations result in scope 1, scope 2 and scope 3 emissions as defined by [Greenhouse Gas Protocol](#) standards.

All available quantitative data reported in ESG Performance summary table, wherever available qualitative data was reported under sections Environment. The estimated emission data was calculated based on the Greenhouse Gas Protocol calculation method: GHG emissions = activity data x emission conversion factor<sup>13</sup>.

Scope 1 emissions derive from our direct emissions of mobile combustions: diesel and gasoline emissions of our company cars and calculated based on greenhouse gas reporting conversion factors.

Part of the data was explicitly reported in diesel and petrol consumptions in liter. In these cases, the conversion number  $\approx 2,6593$  kg CO<sub>2</sub>e for diesel, and  $\approx 2,3450$  kg CO<sub>2</sub>e for petrol were used. In a few cases exact fuel consumption data was not available, however, the data was reported in mileage travelled (km). In these cases, passenger vehicles conversion factors were used:  $\approx 0,1698$  kg CO<sub>2</sub>e/km for diesel and  $\approx 0,1639$  kg CO<sub>2</sub>e/km in case of average sized passenger vehicle.

Scope 2 emissions are our indirect emissions from purchased energy for own use, including purchased electricity, purchased heating, district heating and stationary combustion from leased sites.

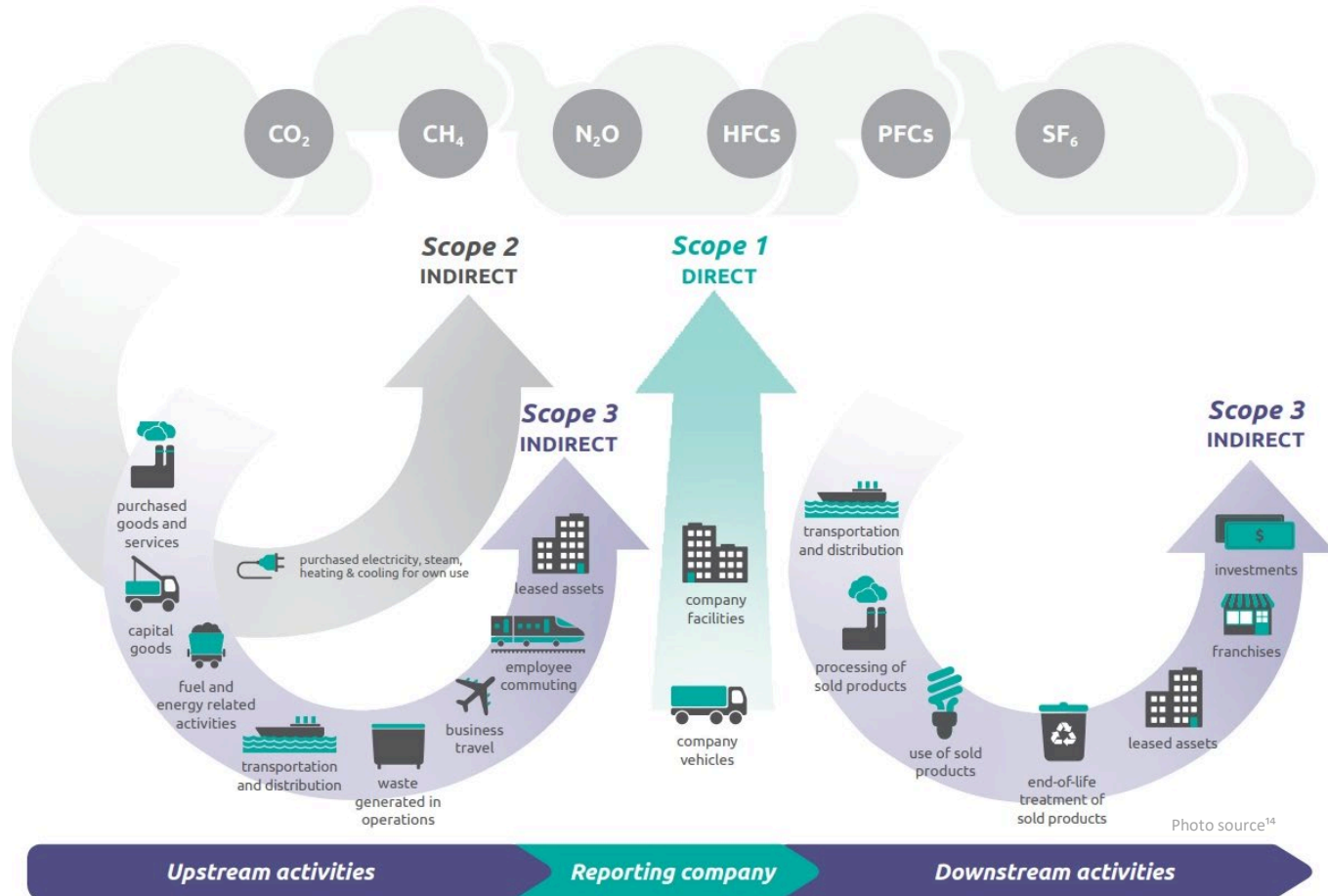


Photo source<sup>14</sup>

Because we have considerable influence on the purchased energy source end type at our production site Svendborg, and because we are consciously choosing the collaborative innovation platform (Axel'One) as our laboratory and office site, we consider these emissions within our operational control, therefore we report them in Scope 2.

Our electricity consumption was covered by wind power in 94,15%. The remaining was covered 4,5% from nuclear power and 1,34% from fossil-based energy sources (data from Axel'One office site).

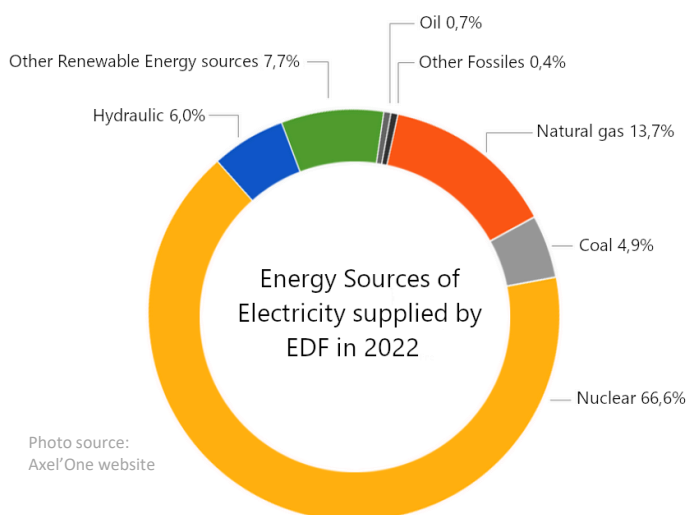


Photo source: Axel'One website

Based on data from Axel'One, the 1,34% fossil-based energy sources are covered by 13,7% from natural gas, by 4,9% from coal, by 0,7% from petrol and by 0,4% other fossil-based sources. The conversion factors for the CO<sub>2e</sub> calculations were used accordingly. Due to the lack of information on the type of fossil fuel source for 0,4% of the 1,37% consumption, we did not include this in the Scope 2 emission calculations.

The heating consumption in our head office Hellerup for the heating system and warm water was covered by natural gas between May 2023 - February 2024, and by district heating since March 2024.

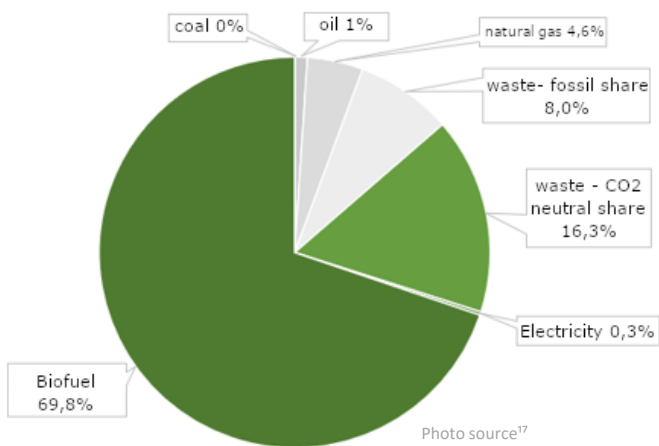
District heating in the municipality where our head office is located is covered 69,8% from biofuels, 24,3% from waste incineration, 4,6% from natural gas, 1% from oil and 0,3% from electricity. The biofuel is made from a mix of wood pellets, straw and organic waste<sup>15</sup>.

<sup>14</sup> Source: Corporate Value Chain (Scope 3) Standard | GHG Protocol Accessed: 20/08/2024

<sup>15</sup> Fjernvarme Gentofte Kommune 2023 Accessed: 20/08/2024



According to the definition of biofuel, its emission factor is 0 kg CO<sub>2</sub>e, since biofuel only emits carbon from organic material which has already included in the atmospheric circuit<sup>16</sup>, therefore, although biofuel consumption has CO<sub>2</sub> emission, we do not include it in the Scope 2 calculations. Furthermore, due to lack of information on CO<sub>2</sub>e kg conversion factor for the fossil waste share, we did not include this emission in the Scope 2 report either.



Our heating consumption in Svendborg production site was covered 64,19% by natural gas and 35,81% by electricity by an electric heater. The electric heater is linked with our main electricity source; thus, it is covered by wind power. The heating system linked to natural gas has a heat pump which consumed 5611 kWh electricity during 2023. Due to lack of exact information regarding the source of the electricity for the heat pump (whether it is covered by renewable or fossil sources), we did not include this consumption in our emission calculations.

Scope 3 emissions come from sources beyond our operational control, mainly from the life cycle emissions of our distributed products and from mobile combustion sources (transportation through third party logistic providers). We have an opportunity to influence the emissions derived from our logistic activities via our choice of transport and distribution solutions, combining shipments and using our own warehouses. In our emission calculations we have included the emissions from transport 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.

We have worked with the following logistic companies: DSV, DHL, DFDS, Postnord, and Containerships. All CO<sub>2</sub> emission data was calculated by the companies, specifically for our shipment orders in CO<sub>2</sub>e WtW (Well-to-Wheels<sup>18</sup>).

We also included the business-related air travel emission data within our Scope 3 emission report. The CO<sub>2</sub> emissions are estimated based on an [online air miles calculator](#).

Water consumption covers the consumed water in the main office in Hellerup and our productions site in Svendborg.

We have information on the total amount of waste generated from our production site Svendborg and our main office Hellerup. Furthermore, we have access for the information on the hazardous waste generated at our main warehouse in Falkenberg, Sweden and at our leased laboratory in Lyon.

<sup>16</sup> CO<sub>2</sub>-emission-factor.pdf (energinet.dk) Accessed: 20/08/2024

<sup>17</sup> Miljøoptimeret energi fra vedvarende ressourcer - Gentofte Fjernvarme Accessed: 20/08/2024

<sup>18</sup> Glossary | European Alternative Fuels Observatory (europa.eu) Accessed: 14/08/2024



# CONTACT

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

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*BTG Sustainability Report 2023/24*

# **BJØRN THORSEN**

*Local distributor... and truly global solution provider!*