

# **Sustainability Report**

## **BERRANG Group**

### **- 2019 financial year -**

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## 1 Introduction

### 1.1 Forword

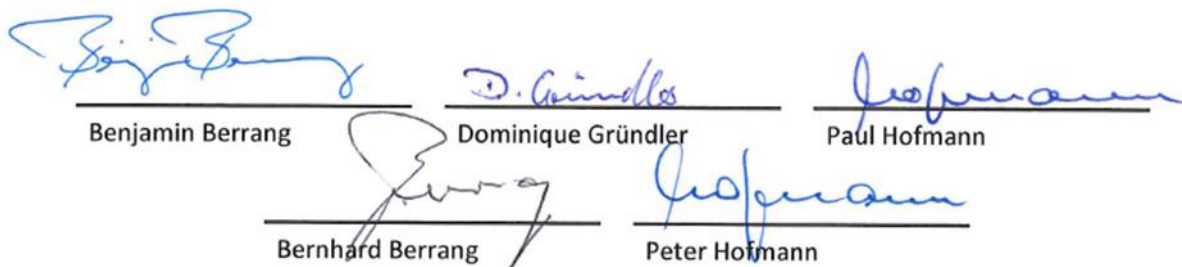
BERRANG is a family-run, globally active, economically successful family business. Consistency, social competence and reliability are among the company's essential characteristics. As a family business, we, the BERRANG Group, have been geared to a sustainable and continuous growth strategy for over 70 years. For us corporate responsibility means orienting the company to the requirements of the future in a dynamic market environment, operating successfully and in an environmentally friendly manner in the market. By doing this, we are creating the basis for future investments and for securing jobs.

This understanding of values is the basis for the future. BERRANG has created a comprehensive management system and established processes for this purpose. The long-term development of our company is the focus of all considerations. Sustainable, value-oriented action, environmentally conscious procedures and the well-being of the employees are firmly anchored in the BERRANG guidelines. The basis for all actions is the manual management systems, to which all employees are bound.

The management and all employees strive to ensure the long-term continuity of BERRANG. To achieve this, it is necessary to secure the company's long-term success. To this end, we are pursuing a business plan that aims to achieve a steady, sustainable and sufficient return. This is constantly being adapted to current circumstances. The earnings are a prerequisite for being able to make the necessary investments to secure the future.

We are not only seeking for financial success but also the satisfaction resulting from a job well done.

While focusing on the success of its customers, and its own company, BERRANG is always aware that lasting success can only be achieved through sustainable action in harmony with the natural resources available. BERRANG also takes into account its responsibility towards its employees. From this point of view, the implementation of high environmental and social standards above and beyond the statutory regulations at all our locations worldwide is an integral part of BERRANG's corporate culture. As an expression of this value-based understanding, BERRANG is publishing its first sustainability report for the 2019 reporting year.<sup>1</sup>



Benjamin Berrang      Dominique Gründler      Paul Hofmann  
Bernhard Berrang      Peter Hofmann

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<sup>1</sup> GRI 102-14 Statement by the highest decision-maker

## 1.2 Structure of the report

This sustainability report relates to the 2019 fiscal year <sup>2</sup> and is prepared annually.<sup>3</sup> It is based on the guidelines of the Global Reporting Initiative (GRI) and reflects its core aspects. The GRI guidelines set out a large number of performance indicators which may be relevant depending on the sector and size of the company. BERRANG has therefore based its activities on the performance indicators that are typical for the industry and that are relevant for medium-sized companies.<sup>4</sup>

Accordingly, the report contains information on economic performance, energy consumption and greenhouse gas emissions according to Scopes 1 and 2 of the Carbon Disclosure Project (CDP). Special attention is paid in this report to the interested parties, the environment, employees and society.<sup>5</sup>

This report is not part of an external audit.<sup>6</sup>

## 2 Basics

### 2.1 About the BERRANG Group

Founded more than 70 years ago by Karl Berrang, the Karl Berrang GmbH company is <sup>7</sup>fully owned by the family.<sup>8</sup> Since the very first year, the management has been provided by family members without interruption. BERRANG is therefore not only a family-owned company, but also a family-run and family-managed business.<sup>9</sup> This gives BERRANG the independence it needs for continuous, sustainable corporate development.

Subsidiaries of Karl Berrang GmbH are Dürkes & Obermayer GmbH, Berrang Inc., Berrang France SARL, Berrang Trading (Shanghai) Co., Ltd. and Berrang Polska Sp.zo.o.<sup>10</sup> The headquarters of the company is in Mannheim.<sup>11</sup>

BERRANG supplies all major industrial sectors worldwide. These include, for example, the automotive industry, agricultural technology, mechanical engineering, medical technology, the semiconductor industry and aviation.<sup>12</sup>

In the 2019 reporting year, the BERRANG Group generated sales of EUR 259 million with over 600 employees.<sup>13</sup>

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<sup>2</sup> GRI 102-50 Reporting period

<sup>3</sup> GRI 102-52 Reporting cycle

<sup>4</sup> GRI 102-54 Statement on reporting in accordance with GRI standards

<sup>5</sup> GRI 101 Basis

<sup>6</sup> GRI 102-56 External examination

<sup>7</sup> GRI 102-1 Name of the organisation

<sup>8</sup> GRI 102-5 Ownership structure and legal form

<sup>9</sup> GRI 102-18 Management structure

<sup>10</sup> GRI 102-4 Business premises

<sup>11</sup> GRI 102-3 Organisation headquarters

<sup>12</sup> GRI 102-6 Markets supplied

<sup>13</sup> GRI 102-7 Size of the organisation

## 2.2 Basis of the business processes

The basis of our business processes is our comprehensive management system, which is described in the Management Systems Manual. This is the basis for all business-relevant activities of all employees of the BERRANG Group.

The BERRANG management system covers the following topics.<sup>14</sup>

- DIN EN ISO 9001: Quality management systems - Requirements
- DIN EN 9120: Quality management systems - Requirements for distributors and stockists in aerospace and defence
- DIN EN ISO 14001: Environmental management systems - Requirements with guidance for use
- IATF 16949: Quality Management System Standard of the Automotive Industry.
- DIN EN ISO/IEC 17025: General requirements for the competence of testing and calibration laboratories
- Energy audits - Part 1: General requirements; German version EN 16247-1:2012
- Occupational Safety
- Fire protection
- Data protection
- Aviation Security
- UN Resolution 217 A (III): Universal Declaration of Human Rights
- United Nations Convention on the Rights of the Child (CRC)
- United Nations Convention against Corruption
- UN Resolution 317 (IV): Convention on the Eradication of Trafficking in Persons (current edition)

We have defined the context of our organisation and the interested parties. The resulting requirements for the type and complexity of our management system were determined. This results in objectives that are set in a measurable and comprehensible manner. The management is committed to ensuring that all managers and employees in the company are sensitive to the requirements of sustainable management and receive effective support in their efforts to achieve this.

BERRANG will of course comply with existing laws and regulations, agreements with interested parties and voluntary commitments. For us, the economical and careful use of resources and the efficient use of energy are also part of sustainable corporate management. We ensure that economic efficiency does not conflict with sustainability and the ecology as a whole.

This consequence of this is that we gain the appropriate stakeholder groups for the organization who hold to the same standards. These include customers and suppliers,

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<sup>14</sup> **GRI 102-16:** Values, principles, standards and codes of conduct

employees and society as a whole, authorities and professional associations. The organisation has subjected the various stakeholder groups to a risk-assessment of the impact on the market position.

Stakeholder groups are regularly reviewed at management and strategy meetings. <sup>15</sup>Topics for materiality analysis are listed in Table 8. BERRANG considers the needs of the stakeholder groups and incorporates them into considerations for the development of the organisation. This includes, for example, customer satisfaction measurements or regular employee information. <sup>16</sup>

### 2.3 Compliance

Compliance is the adherence to legal provisions, regulatory standards and the fulfilment of ethical standards and requirements set by the company itself.

The management and all employees are committed to these principles. Compliance with these principles is required by the management system and monitored in the course of audits.

Should business partners or employees become aware of violations of the principles of integrity in the BERRANG Group, BERRANG has set up a compliance office specifically for this purpose. In order to be able to initiate appropriate measures, the Compliance Office can be contacted directly at [compliance@berrang.de](mailto:compliance@berrang.de). <sup>17</sup>

The protection of personal rights is a high priority in the BERRANG Group. Great care and sensitivity is exercised when processing the data of business partners and employees. The corresponding processes are in accordance with the respective data protection regulations. At BERRANG the data protection standards have been adapted to a new and uniform level of data protection applicable throughout the BERRANG Group, particularly with regard to the requirements of the EU Data Protection Basic Regulation (EU-DSGVO). The BERRANG Group Data Protection Officer fulfils the role assigned to him by law. He audits compliance with data protection at BERRANG at regular intervals. He reports directly to the management.

In the reporting period no ethics-related incidents were reported. Also, no whistleblowing procedures were reported in the reporting period.

	2017	2018	2019
<b>Ethikbezogene Vorfälle</b>			
<i>Ethics related incidents</i>	0	0	0
<b>Whistleblowing-Verfahren</b>			
<i>Whistleblowing procedure</i>	0	0	0

<sup>15</sup> GRI 102-40 List of stakeholders and GRI 102-42 Identification and selection of stakeholders

<sup>16</sup> GRI 102-43 Approach to stakeholder engagement

<sup>17</sup> GRI 102-17 Procedures for consultation and ethical concerns

## 2.4 Responsibility in the supply chain

Our sustainable actions also characterise the cooperation with our suppliers. The BERRANG Group has access to a large number of qualified suppliers. These are mainly manufacturers of screws, fasteners and parts for assembly according to standards and drawings.<sup>18</sup> The basis of the cooperation between BERRANG and the suppliers is the mutual provision of services, whereby the agreed quality is a condition. Within the framework of our selection of suppliers, the principle of integrity is also taken into account. This includes that our suppliers ensure that the use and sale of "conflict minerals" does not support conflicts. BERRANG sets out the basic requirements for suppliers of direct materials, parts, components and sub-assemblies (used in BERRANG products) with regard to their responsibility for conflict-free procurement of these goods.<sup>19</sup> In doing so, our suppliers must undertake to promote compliance with this Code of Conduct among their suppliers in the supply chain in the best possible way.

For many years now the requirements for being approved as a supplier to BERRANG has been the signing of the Code of Conduct. In 2019 99.4% of the suppliers have signed the code of conduct or have implemented their own code of conduct, which has been accepted by BERRANG. The suppliers who have not yet been able to submit a signed code of conduct are suppliers who are prescribed by customers.

	2017	2018	2019
<b>Anteil Lieferanten mit unterzeichnetem Lieferantenkodex</b>			
<i>Share of suppliers with signed supplier codex</i>	99,0%	99,1%	99,4%

When selecting suppliers, BERRANG also ensures that - provided that it makes technical and economic sense - they are procured from local sources. By bundling requirements and consolidating procurement, BERRANG also avoids unnecessary transport routes and thus makes a further contribution to environmental protection and resource conservation.<sup>20</sup>

## 3 Products, customer relations and core competencies

BERRANG's customers are among the technological market leaders in defined industrial sectors such as automotive, agricultural engineering, mechanical engineering, medical technology, the semiconductor industry or aviation. Through continuous further development BERRANG regularly qualifies as a partner of new and emerging industries, for example, in e-mobility. BERRANG is a reliable partner for its customers, focused on the needs and future requirements of its customers.

It is particularly noteworthy that BERRANG's business model per se enables it to provide sustainable solutions for the future together with suppliers and customers. Above all it achieves this by taking into account the reduction of materials employed and energy used. BERRANG and its highly qualified employees examine market requirements, the manufacturability and

<sup>18</sup> GRI 102-9 Supply chain

<sup>19</sup> GRI 102-16 Values, principles, standards and codes of conduct

<sup>20</sup> GRI 204-1 Procurement practices



procurement worldwide under the premise "resource-saving, sustainable, best price". Through the permanent technical optimisation of components, through the constant optimisation of delivery routes and through innovative products, BERRANG offers a competitive advantage and contributes to increasing the productivity of its customers. BERRANG can realise technical and logistical savings potential by means of its wide know-how in combination with its core competencies and worldwide presence.

### 3.1 Core competencies

BERRANG makes its core competencies available to its customers to optimise their processes. The savings on a total cost basis are a significant benefit. The core competences of BERRANG include engineering, supply chain management, quality management, delivery logistics for industrial production and other services such as packaging and the assembly of modules.<sup>21</sup>

#### 3.1.1 Core competence engineering and application technology consulting

An essential pillar in our range of services is application technology consulting, which is independent of manufacturers. Over many years we have built up a strong expertise of competence, which sets us apart from the classic process-bound manufacturers. By providing intensive advice to our customers during the development phase, we create the basis for the optimum selection and use of standard parts or the efficient use of drawing parts.

#### *Successful solutions*

We also involve potential suppliers in the development of the optimum solution for the customer's particular task. Our engineers and technicians are involved in all development, optimisation and quality planning processes right from the start. This close cooperation leads to successes with which customers not only improve their competitiveness. The introduction of new manufacturing technologies or the combination of manufacturing processes has also successfully contributed to increasing sustainability. For example, the reduction of materials used or the minimisation of scrap has also been implemented.

#### *Modern laboratory equipment*

We have one of the most modern and fully-equipped laboratories which is certified according to ISO/IEC 17025:2018. The heart of the lab's equipment is made up of three complementary screw test stands, which cover the complete range from M 1.2 to M 72. In our laboratory, solutions are sought and found for the most diverse tasks in fastening technology. Part of the laboratory equipment is mobile. Some tests on screws can even be carried out directly at the customer's site. When setting up our test laboratory, we mainly concentrate on highly specialised tests which cannot be purchased as standard tests from external laboratories. To further supplement our testing capacity we work closely with selected external partners.

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<sup>21</sup> GRI 102-2 Activities, brands, products and services

### *Central Technology Department*

In addition to our laboratory equipment, our staff in the central technology department are decisive for comprehensive and effective application technology advice. The high qualification of this team is recognised on the market.

#### 3.1.2 Core competence quality

Quality is the result of man and machine working together in perfect harmony. This means that the state-of-the-art equipment we constantly upgrade in our testing laboratories is of no use at all without the addition of qualified members of staff.

In order to guarantee top quality, it is necessary to have a thorough and consistent quality management system in place. An important basis in this respect is the use of measuring and testing equipment that has been adapted to suit our products. Such equipment is used as standard in the industry to carry out mechanical tests of characteristics such as hardness, torque, friction coefficients, and dimensions as well as material and structural examinations.

You can find out more about our quality management system.

The foundations of our modern quality management system were established as early as in 1956 for our first orders from the aviation industry. Today we meet the requirements of many standards, including IATF 16949 (quality management system for automotive production), DINENISO14001 (environmental management system), and EN9100 (quality management system for aviation production). For each of these standards, we have the corresponding certification.

#### 3.1.3 Core competence supply chain management

Only just under 20 percent of the total cost of a mechanical fastener relates to the part itself. More than 80 per cent is allotted to the so-called process costs, i.e. procurement, warehousing, transport, quality assurance and assembly. This ratio clearly shows the great savings potential that many companies do not exploit. Within the range of services we offer our customers, the optimisation of procurement processes through C-parts management plays a central role. This includes, small parts optimisation and supplier consolidation. In this way, considerable cost savings can be realised - without loss of quality. On the contrary, effective supply chain management leads to an improvement in quality: work processes are tightened, control systems are standardised. But here too, there is no standard solution. Individually, we develop a perfectly tailored concept for each of our customers. As a rule, this too not only leads to cost savings, but is also accompanied by a more efficient use of resources.

#### 3.1.4 Core competence logistics

In the field of logistics, we focus on flexibility and versatility. We develop the best and most suitable solution for each individual customer.

The building blocks of our logistics:

- Tailor-made planning for all of our customers
- Customer care by the local branch office
- Support by logistics employees who are directly responsible to the customer  
They are all personally known to our customer
- Efficient solutions for electronic data exchange
- Comprehensive access to information through our online portal
- Use of our own vehicle fleet
- A 24/7 emergency service
- Consistent incoming and outgoing goods inspection
- Optimal delivery carried out in batches

### *Kanban System*

In close dialogue cooperation with a number of customers, the Kanban system, introduced back in the 1980s, was perfected. Even with the fully-optimised stocking system, parts are one hundred percent available. The supply is controlled by actual consumption. This avoids any unnecessary capital commitment and reduces billing to a minimum. By delivering "direct to the assembly line", customers save on transport costs within their company. The empty containers are exchanged by BERRANG several times a day if necessary. In this way, we support our customers in the daily production process and relieve them of labour -intensive and capital-intensive tasks.

### *Kitting Concept*

With a sophisticated kitting concept, we implement parts picking according to requirements and orders. We optimise the sorting of various small parts that are used together in assembly. This is done in close cooperation with our customers. We then deliver all small parts of an assembly in one assembly box per assembly unit. In this way, all parts required for the assembly or commissioning process are clearly and arranged in a compact way. The delivery can then take place in the proven Kanban system.

### *Order Management*

We complement our logistics services with a tight and secure order management system as the basis of our order management. In the field of electronic ordering and data exchange, our services range from customised catalogues for ordering, to the automation of invoicing and payment processing. Our aim is to standardise and automate as many processes as possible - and to do so??paperless wherever possible and permissible. - In this way we achieve the greatest savings potential for our customers. Via our partner portal, customers have access to all information about order processing around the clock, seven days a week.

### *RFID Technology*

With the groundbreaking RFID technology from BERRANG, we optimise our customers' supply chain as soon as the goods arrive. All important information is additionally stored in transponders on the respective containers and can thus be read directly into our customers' systems. RFID complements the existing scanner-based solutions. The existing container pools and data exchange formats can continue to be used. As the transponders can be read from all sides, they even allow bulk registration. A special packing scheme is not required.

### *Kanban App*

By simply scanning the QR code on the container or storage location label, any required information is displayed in real time and at any location. Fast response options on ordering via the app save time. The Kanban app is a cost-effective and flexible solution. No additional devices are required here; instead, the smartphones already available can be used for this purpose.

### 3.1.5 Core competence assemblies and assembly

Often it is precisely our parts that hold together complex modules and highly interesting products. Here we can support our customers by carrying out the assembly in our company and supplying the complete component to the customer. We combine parts from different manufacturers to one component and deliver it to the customer as required. The customer no longer has to monitor the individual supplying of parts. In addition, customer does not need to spend time on controlling and managing the pre-assembly as we take care of this as well as stock-keeping. The customer only needs to have a single part number available. This consequently provides the customer with logistical advantages.

### 3.2 Customer relations

BERRANG shapes its customer relations at all levels and in all departments of the company. This is done in accordance with uniform principles. The focus is on consistent customer orientation. BERRANG responds individually to the needs and requirements of its customers. This includes global customer management for key customers, which works closely with the local units in the respective international locations. Key account management is based on the principle of "one face to the customer" and the customer has one contact person to coordinate and handle his worldwide needs. With its worldwide local presence and decentralised organisation, BERRANG underlines its position to be close to the customer.

BERRANG evaluates its customer relationships in a multi-level way. One level is the regular measurement of performance on a monthly, quarterly, six-monthly or annual basis. Another level of the evaluation is the regular customer survey. This provides BERRANG with information about current performance, day-to-day business as well as revealing important success factors in customer relations. <sup>22</sup>

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<sup>22</sup> GRI 102-43 Approach to stakeholder engagement

BERRANG is proud to receive awards from a wide range of industries year after year. This highlights its outstanding quality and delivery performance, excellent communication and technical support. BERRANG sees this as a sign of its positive reputation on worldwide markets.

## 4 Environment and energy

### 4.1 Environment and biodiversity

BERRANG maintains an environmental management system in accordance with DIN EN ISO 14001. BERRANG has set itself the goal of keeping the environmental impact resulting from its business activities as low as possible and of continuously improving the environmental management system and achieving a continuous development of its environmental performance.

The management is committed to ensuring that managers and employees in the company who are to contribute to the effectiveness of the environmental management system receive effective support.

#### *Binding obligations*

The company undertakes to comply with existing laws and regulations, agreed requirements of interested parties and voluntary commitments. The company also undertakes to make a voluntary contribution to environmental protection.



#### *Economical use of resources*

Our aim is to use every type of energy as efficiently as possible. We bring economy and ecology into harmony through the economical use of resources.

The operational processes are designed in such a way that as little residue, waste and wastewater as possible is produced. These processes are constantly being adapted.



#### *Ecological action*

For us, profitability does not go against ecological considerations. Within the scope of what is technically possible and economically justifiable, we use innovative and environmentally friendly technologies.



### *Employee awareness*

We promote the environmental awareness of our employees at all levels through training and further education.



### *Information from interested parties*

We regularly inform our employees about our environmental protection measures - also in the form of environmental protection training - as well as informing them of our current environmental goals and results. We make these available to all interested parties.



### *Environmental protection*

The prevention of environmental pollution at its source has priority over subsequent repair of damage. The risk of accident-related emissions is extremely low at BERRANG. The necessary precautionary measures are taken to systematically eliminate them.<sup>23</sup>



### *Environmentally friendly products*

Within the scope of our possibilities, together with our business partners, we ensure that the manufacture, use and disposal of our products can be carried out in an environmentally friendly manner. We work together with suppliers who act in accordance with our principles.

Our core products - mechanical fasteners - are per se resource-saving, as they are generally detachable and are therefore ideal for enabling the recycling process.

We design our buildings and land in such a way that the requirements of biodiversity are taken into account wherever possible. The promotion of biodiversity is a matter of concern to us. For example, we maintain a biotope for wall lizards, an endangered species of lizard, at our site in Mannheim.<sup>24</sup> In order to maintain the biotope while respecting the natural habitat of wall lizards the green area is maintained by using a herd of goats.<sup>25</sup>

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<sup>23</sup> **GRI 102-11** Precautionary approach and precautionary principle

<sup>24</sup> **GRI 304-4** Species on the World Conservation Union (IUCN) Red List and national lists of protected species that have their habitat in areas affected by business activities

<sup>25</sup> **GRI 304-3** Protected or restored habitats

## 4.2 Energy

As a family-owned company, we are committed to the next generation. In 2016 BERRANG set up an energy management system which was certified according to ISO 50001. The system aims to use energy more efficiently and to continuously identify and implement potential savings in the area of energy use. We have subsequently developed and expanded this system. In the process, it became increasingly apparent that energy use is not the main factor in our processes and that it is therefore difficult to achieve annual savings potentials. Further savings potentials are particularly difficult to realise as our buildings are investments which were made within the last 5 to 10 years. This fortunately means that they were already constructed in line with standards of high energy efficiency.

For this reason, we have changed our energy management system from ISO 50001 to DIN 16247 in October 2019, after the current ISO 50001 certification expired. We hope that this will enable us to adapt our energy management to our needs.

Instead of the annual energy audits, an independent energy consultant will in future visit the various sites to analyse energy consumption and to point out ways of saving energy where this is possible and economically sensible. In this way we hope to achieve even more targeted, optimised energy use in the future.

Table 1: Energy consumption indicators within the organisation

	Unit	2017	2018	2019	$\Delta$ 2019/2018
<b>Figures showing consumption within the organisation</b>					
<i>internal consumption figures</i> <sup>26</sup>					
Power consumption <i>electricity used</i>	KWh	1,691,718	2,169,640	2,173,172	0.16%
Fuel procurement <i>fuel purchased</i>	KWh	4,377,094	4,319.131	4,195,180	-2.87%
Fuel consumption CHP <i>fuel used for CHP</i>	KWh	1,400,486	1,811.286	1,618,785	
Heating consumption / FTEs <i>amount heating / FTEs</i>	KWh	5,551	4,340	4,099	-0.06%
Electricity consumption / FTEs <i>amount energy / RTD's ???</i>	KWh	3,155	3,755	3,458	-0.08%

The energy mix means that 66.7% of energy is covered by renewable energy sources. BERRANG itself generates electricity through the combined heat and power plant operated by BERRANG. Thanks to the efficient combined heat and power generation (CHP), CO<sub>2</sub> emissions are minimised. With its combined heat and power unit BERRANG makes a valuable

<sup>26</sup> GRI 302-1 Energy consumption within the organisation

contribution to environmental protection, conserves resources and reduces ongoing energy costs.

Table 2: Supplier code and ethical procedures

	Unit unit	2017	2018	2019	Δ 2019/2018
<b>Figures showing consumption outside the organisation</b>					
<i>external consumption figures</i> <sup>27</sup>					
Car fuel supply <i>fuel cars purchased</i>	l	15,996	15,440	17,205	1,43%
Treibstoffbezug NFZ <i>fuel commercial vehicles purchased</i>	l	122,293	164,421	112,155	
Cardboard/paper consumption / sales <i>cardboard amount/ sales</i>	kg / €		0,0139	0,0173	24%

#### 4.3 Water

BERRANG pays special attention to its careful use of water. When designing its sites, for example, in Mannheim or Munich, BERRANG has taken care to ensure that all roof drainage is returned to the natural cycle via septic tanks or ditches. The irrigation of ornamental green areas is carried out using water stored in a rainwater cistern.

In addition, when modernising the buildings, care is always taken to integrate sensible and sustainable instruments to reduce water consumption, such as automatic flush regulators.

In the reporting period for the 2019 financial year, water consumption fell by around 4% compared to the previous year. This was partly due to favourable environmental conditions.

Table 3: Water consumption <sup>28</sup>

	Unit unit	2017	2018	2019	Δ 2019/2018
<b>Water consumption</b> <i>water consumption</i>	m <sup>3</sup>	5,430	5,693	5,479	-3,76%

<sup>27</sup> GRI 302-1 Energy consumption outside the organisation

<sup>28</sup> GRI 303-5 Water consumption



## 4.4 Emission

Overall emissions are at a very low level. As a result of the new construction of the Munich site the fuel for the heating system was switched from oil to district heating at the end of 2018.<sup>29</sup> Among other things, this enabled us to make a further contribution to reducing emissions.

Table 4: Emission Figures

		Unit	unit	2017	2018	2019	$\Delta$ 2019/2018
<b>emissions emissions</b>							
Building Emissions	CO <sub>2</sub>	to		1,467	1,521	1,533	0.77%
<i>emissions building</i>							
Scope 1 emissions <sup>30</sup>	CO <sub>2</sub>	to		1,216	1,139	812	
<i>scope 1 emissions</i>							
Scope 2 emissions <sup>31</sup>	CO <sub>2</sub>	to		739	847	866	2.25%
<i>scope 2 emissions</i>							
Scope Total emissions	CO <sub>2</sub>	to		1,955	1,986	1,678	
<i>scope emissions total</i>							
Passenger car <sup>32</sup>	CO <sub>2</sub>	to		125	125	78	-37.56%
<i>emissions cars</i>							
Emissions of	CO <sub>2</sub>	to		27	16	7	
<i>commercial vehicles</i> <sup>33</sup>							
<b>Key Indicators</b>							
Emissions Scope total / delivered parts		kg CO <sub>2</sub> /parts		0.00076	0.00075	0.00064	-14.82%
<i>emissions scope total / delivered parts</i>							
Emissions Scope total / goods movement		kg CO <sub>2</sub> /Pos		2.35	2.12	1.49	-29.95%
<i>emissions scope total / goods movement</i>							

<sup>29</sup> GRI 305-5 Reduction of GHG emissions

<sup>30</sup> GRI 305-1 Direct GHG emissions (Scope 1)

<sup>31</sup> GRI 305-2 Indirect energy-related GHG emissions (Scope 2)

<sup>32</sup> GRI 305-3 Other indirect GHG emissions (Scope 3)

<sup>33</sup> GRI 305-3 Other indirect GHG emissions (Scope 3)

## 5 Society and employees

Among the interested parties, our employees and the society in which we operate are among the most important. We take their interests into account through numerous measures.

For us as a family-run company, mutual respect for each other is the basic principle of human living and working together. Our values are binding for us and are lived by us and our employees. We attach great importance to the following principles in particular.

### 5.1 Integrity of behaviour

In a society it is necessary to take responsibility. We are therefore committed to our social responsibility, our responsibility towards our employees, our business partners and, last but not least, the common good.

We stand by our values and principles and act accordingly.

As a corporate group whose parent company is bound by collective bargaining agreements within the scope of the constitution of the Federal Republic of Germany, the following principles are of special importance to us:

- respect for human dignity
- protection of human rights

These principles result in

- employers' rights based on respect, especially freedom of association and the right to collective bargaining,
- the prevention of discrimination in employment and work
- the rejection of forced and child labor;
- the rejection of human and organ trafficking

We also attach great importance to

- sustainable environmental protection;
- fighting corruption

We respect the individual personality of staff and of business Partners.

We consider it natural to observe relevant laws and regulations and to orient ourselves to<sup>34</sup>:

- UN-Resolution 217 A (III). General declaration of Human Rights
- the Convention of the United Nations on the Rights of the Child
- the Convention of the United Nations against Corruption

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<sup>34</sup> GRI 102-12 External initiatives

- UN-Resolution 317 (IV): Convention on the prevention of Human Trafficking.

By mean of appropriate contractual agreements we seek to ensure that not only we, but also our business partners, observe these principles.

## 5.2 Occupational Safety

Good results can only be achieved in a good working environment. That is why the BERRANG Group attaches great importance to a continuous modernisation of the working environment. We offer our employees a safe, healthy working environment which is based on the latest findings in workplace design. In this way we promote the health, motivation and satisfaction of our employees.

The BERRANG Group promotes the personal responsibility of its employees and designs the working environment in such a way that it contributes to maintaining the long-term health and performance of its employees.

Our aim is to ensure the safety of our employees in the performance of their work, i.e. to control and prevent risks to their safety and health.

To this end, we comply with the legal requirements and take measures;

- to prevent accidents at work,
- to minimise work-related health hazards,
- to provide decent and humane workplaces and work content, and
- to ensure preventive health protection.

In doing so, we ensure not only that the respective legal bases are complied with, but also that experience and findings are implemented to improve occupational safety and preventive health protection. BERRANG also contributes to achieving the UN Sustainable Development Goals (SDGs) 8 (Decent Work and Economic Growth).<sup>35</sup>

Both internal and external audits are carried out regularly.<sup>36</sup>

## 5.3 Health

The employees are crucial to the success of the BERRANG Group. The health and performance of our employees are therefore of particular importance to us. In addition to the already high standards for the well-being of our employees, we as an employer have to react flexibly to changing lifestyles and the needs of a changing and aging society.

Our health and safety at work therefore comprises a holistic health management system, occupational safety and ergonomics, modern working time models and a range of healthy food in our locations.<sup>37</sup>

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<sup>35</sup> GRI 403-1 Management system for occupational health and safety

<sup>36</sup> GRI 102-11 Precautionary approach and precautionary principle

<sup>37</sup> GRI 403-6 Promoting employee health



*Work safety and ergonomics*

BERRANG offers its employees a wide range of opportunities to stay healthy. The workplaces are designed according to the latest findings in workplace ergonomics. Workplaces, where work can be carried out both standing and sitting and which are illuminated with sufficient daylight, lifting aids and modern work equipment, contribute to a healthy working environment.



*Modern working time models*

BERRANG offers its employees a variety of working time models. In this way we implement the requirements of a modern working world in which personal time management, the compatibility of family and career and a good work-life balance play a major role. BERRANG currently offers 36 different part-time models tailored to the employee. This is in addition to regular full-time office work and mobile working as well as working from home. Often an individual solution in the form of combined working time models is the best option for employers and employees.



*Healthy nutrition*

Healthy nutrition in the workplace is an important part of BERRANG's health management. BERRANG maintains a canteen at the various locations, whose meals are subsidised by BERRANG. BERRANG works together with a service provider who carefully selects its suppliers and regularly carries out internal and external checks to ensure that only the best ingredients from controlled organic cultivation are used for fresh preparation. In addition, BERRANG provides its employees with free fruit every day to help cover the vitamin requirements at the workplace.



*Sports activities*

BERRANG employees can either take part in sports activities in the company's own fitness studios or take advantage of the BERRANG-supported memberships in external fitness studios. To round off the offer, yoga courses, running groups or back training are offered at the various locations.



*Company doctor*

BERRANG offers its employees regular medical examinations by the company doctor. The necessary compulsory examinations are also carried out in accordance with the requirements

of occupational health and safety.<sup>38</sup> In the year under review, 255 medical examinations were carried out.

5.4 Company, employees

Table 5: Key figures on employees <sup>39</sup>

<b>Number of employees</b> <i>number of people</i>	<b>2017</b>	<b>2018</b>	<b>2019</b>
BERRANG Group <i>BERRANG Group</i>	595	647	664



*Further training*

The individual skills and strengths of our employees are fundamental to ensuring the company's competitiveness.

Therefore, BERRANG pursues a training programme to qualify and develop its employees. This includes, for example, language courses as well as technical training, further education to develop leadership behaviour, compliance or intercultural training.

In the year under review, 369 training courses were conducted. The number of employees trained was 2,650, and the average number of training days per employee was around 3. <sup>40</sup>

In 2019, BERRANG had 42 trainees and dual students in the training occupations and degree programmes:

- Technical product designer specialising in machine and plant design
- IT specialist for system integration
- Warehouse clerk
- Warehouse logistics specialist
- Management assistant in wholesale and foreign trade
- Dual studies in business administration with a specialisation in retail



*Health quota*

The BERRANG Group's health rate of 94.04% was up on the previous year's 93.47%. We will continue to strive to improve this figure in the future. Together with employee representatives, we are analysing possible reasons for the current health rate and are endeavouring to further increase the quota and further promote the health of our employees.

<sup>38</sup> GRI 403-3 Occupational health services

<sup>39</sup> GRI 102-8 Information on employees and other staff

<sup>40</sup> GRI 404-1 Average number of hours of training per year and employee



### *Frequency of accidents*

The accident frequency rate for regularly employed staff was reduced to 7.8 accidents per 1 million hours worked and at least three days lost. Thus, despite the low level, an improvement over the previous year was achieved. Decisive factors for this success are the locally existing occupational safety systems, the continuous improvement of safety-related conditions at the workplaces as well as targeted safety training and the exemplary behavior of the employees.<sup>41</sup>



### *New hires and fluctuation*

The BERRANG Group hired 17 employees in the year under review. The fluctuation rate in the same year was 3.22 %.<sup>42</sup> The average length of service is 10 years.



### *Women's quota*

The proportion of women in the total workforce at BERRANG is 32%. The proportion of women in management positions is 20%.



### *Integration companies and institutions for the disabled*

BERRANG has been working successfully for many years with workshops and facilities for people with disabilities as well as integration companies. By awarding contracts to these workshops, for example, BERRANG supports the participation of disabled people in working life and their integration in society, as these companies provide disabled people with the framework to pursue meaningful employment.

In the period under review, the "Company Biscuit Campaign" was held in addition to the ongoing cooperation projects. At the US location in Greer, BERRANG supports a "Minority Business", which provides the BERRANG team in Greer with embroidered work clothes. In this way BERRANG contributes to the support of an owner-managed minority business in the community of Greenville.<sup>43</sup>

<sup>41</sup> GRI 403-9 Work-related injuries

<sup>42</sup> GRI 401-1 Newly hired employees and employee turnover

<sup>43</sup> GRI 413-1 Operational sites with local community involvement, impact assessments and support programmes



There are 25 nations represented in the BERRANG Group.

The percentage distribution of BERRANG employees in age groups is shown in Table 6 below.<sup>44</sup>

Table 6: Age groups of BERRANG employees, 2019

2019	Under 30 years old	Between 30 and 50 years	Over 50 years
Percentage share	19%	49%	32%

As a family business, BERRANG attaches great importance to long-term employee loyalty. Especially the exchange of experience between generations is a valuable contribution to the further development of the company and the personal development of the employees. BERRANG promotes equal opportunities and attaches great importance to barrier-free facilities in all branches.

Intercultural exchange also comes about through cross-continental cooperation within the BERRANG Group and with business partners. There is also the opportunity for intercultural qualification through the temporary secondment of employees to foreign locations.

## 5.5 Other operating services

BERRANG<sup>45</sup> is an employer bound by collective agreements and promotes company pension schemes by subsidising direct insurance policies or pension fund insurance for employees. The level of the employer's contribution exceeds the requirements of the Company Pensions Strengthening Act. Employees also have the opportunity to receive capital generating benefits as subsidies for their building society contracts.

In cooperation with the Rhein-Neckar Transport Association (VRN) employees at the Mannheim location have the opportunity to purchase a cheaper job ticket subsidised by BERRANG, with which the public transport network can be used throughout the entire area of the network. In this way BERRANG makes a further contribution to reducing CO2 emissions. Furthermore, in all decisions relating to our locations particular attention has been paid to ensuring easy accessibility by public transport.

## 6 Miscellaneous

BERRANG is a member of various associations and interest groups. The following list gives an overview of memberships:<sup>46</sup>

<sup>44</sup> GRI 405-1 Diversity in supervisory bodies and among employees

<sup>45</sup> GRI 102-41 Collective bargaining agreements

<sup>46</sup> GRI 102-13 Members in associations and interest groups

- Professional Association of the Screw Wholesale Trade e.V. (FDS)
- Association for Service, Wholesale and Foreign Trade Baden-Württemberg e.V. (VDGA)
- Trade Association for Trade and Logistics (BGHW)
- Federal Association of Materials Management, Purchasing and Logistics (BME)
- German Institute for Standardization (DIN)
- Employers' Association
- Rhine-Neckar Chamber of Industry and Commerce (IHK).



## 7 General information

Table 7: GRI Content Index

GRI standard and specification	Reference
<b>GRI 101</b> <b>Basics</b>	Page 4, chapter 1.2.
<b>GRI 102</b> <b>General information</b>	
GRI 101-1 Name of the organisation	Page 4, chapter 2.1.
GRI 102-2 Activities, brands, products and services	Page 8, chapter 3.1.
GRI 102-3 Organisation headquarters	Page 4, chapter 2.1.
GRI 102-4 Business premises	Page 4, chapter 2.1.
GRI 102-5 Ownership structure and legal form	Page 4, chapter 2.1.
GRI 102-6 Markets supplied	Page 4, chapter 2.1.
GRI 102-7 Size of the organisation	Page 4, chapter 2.1.
GRI 102-8 Information on employees and other staff	Page 21, chapter 5.4.
GRI 102-9 Supply chain	Page 7, chapter 2.4.
GRI 102-10 Significant changes in the organisation and its supply chain	Not applicable, No significant change
GRI 102-11 Precautionary approach or precautionary principle	Page 13, chapter 4.1. page 20, chapter 5.2.
GRI 102-12 External initiatives	Page 19, chapter 5.1.
GRI 102-13 Membership in associations and interest groups	Page 24, chapter 6.
GRI 102-14 Statement by the highest decision-maker	Page 3, chapter 1.1.
GRI 102-16 Values, principles, standards and codes of conduct	Page 5, chapter 2.2. page 7, chapter 2.4.
GRI 102-17 Procedures for consultation and ethical concerns	Page 6, chapter 2.3.
GRI 102-18 Management structure	Page 4, chapter 2.1.
GRI 102-40 List of stakeholder groups	Page 6, chapter 2.2.
GRI 102-41 Collective bargaining agreements	Page 24, chapter 5.5.
GRI 102-42 Identification and selection of stakeholders	Page 6, chapter 2.2.
GRI 102-43 Approach to stakeholder engagement	Page 6, chapter 2.2. page 12, chapter 3.2.
GRI 102-44 Key issues and concerns raised	Not applicable, No changes
GRI 102-45 Entities included in the consolidated financial statements	Not applicable
GRI 102-47 List of key issues	Page 27, chapter 7.
GRI 102-48 New presentation of information	Not applicable
GRI 102-49 Changes in reporting	Not applicable
GRI 102-50 Reporting period	Page 4, chapter 1.2.
GRI 102-51 Date of last report	Not applicable
GRI 102-52 Reporting cycle	Page 4, chapter 1.2.
GRI 102-53 Contact for questions regarding the report	Page 29, chapter 8.
GRI 102-54 Statement on reporting in accordance with the GRI standards	Page 4, chapter 1.2.
GRI 102-56 External examination	Page 4, chapter 1.2.
<b>GRI 204</b> <b>Procurement practices</b>	

GRI 204-1 Procurement practices	Page 7, chapter 2.4.
<b>GRI 302</b>	
<b>Energy</b>	
GRI 302-1 Energy consumption within the organisation	Page 15, chapter 4.2.
GRI 302-1 Energy consumption outside the organisation	Page 15, chapter 4.2.
<b>GRI 303</b>	
<b>Water and sewage</b>	
GRI 303-5 Water consumption	Page 16, chapter 4.3.
<b>GRI 304</b>	
<b>Biodiversity</b>	
GRI 304-3 Protected or restored habitats	Page 14, chapter 4.1.
GRI 304-4 Species on the World Conservation Union (IUCN) Red List and national lists of protected species that have their habitat in areas affected by business activities	Page 14, chapter 4.1.
<b>GRI 305 emissions</b>	
GRI 305-1 Direct GHG emissions (Scope 1)	Page 17, chapter 4.4
GRI 305-2 Indirect energy-related GHG emissions (Scope 2)	Page 17, chapter 4.4
GRI 305-3 Other indirect GHG emissions (Scope 3)	Page 17, chapter 4.4
GRI 305-5 Reduction of GHG emissions	Page 16, chapter 4.4
<b>GRI 401</b>	
<b>Employment</b>	
GRI 401-1 Newly hired employees and employee turnover	Page 22, chapter 5.4.
<b>GRI 403 Occupational health and safety</b>	
GRI 403-1 Management system for occupational health and safety	Page 19, chapter 5.2.
GRI 403-3 Occupational health services	Page 21, chapter 5.3.
GRI 403-6 Promoting employee health	page 20, chapter 5.3
GRI 403-9 Work-related injuries	Page 22, chapter 5.4.
<b>GRI 404 Training and further training</b>	
GRI 404-1 Average number of hours of training per year and employee	Page 22, chapter 5.4.
<b>GRI 405 Diversity and equal opportunities</b>	
GRI 405-1 Diversity in supervisory bodies and among employees	Page 23, chapter 5.4.
<b>GRI 413</b>	
<b>Local communities</b>	
GRI 413-1 Operational sites with local community involvement, impact assessments and support programmes	Page 23, chapter 5.4.

Table 8: Topics of the materiality analysis <sup>47</sup>

Topics of the materiality analysis	Associated GRI topics
<b>Customers</b>	
Integrity and compliance	Values, principles, standards and codes of conduct (GRI 102-16), procedures for consultation and ethical concerns (GRI 102-17)
<b>Public</b>	
Commitment to biodiversity and environmental protection: For example, promoting and preserving biodiversity	Biodiversity (GRI 304)
Support for the needy: For example support for children, young people, refugees and elderly people	Local communities (GRI 413)
<b>Suppliers</b>	
Environmental and social aspects in the supply chain: Taking environmental aspects into account - provided they are technically and economically feasible - in the supply chain	Procurement practices (GRI 204)
<b>Energy, climate and environment</b>	
Climate protection: For example, avoiding CO <sub>2</sub> and other greenhouse gas emissions and reducing water consumption	emissions (GRI 305), water consumption (GRI 303)
More sustainable logistics: For example, optimised route planning, optimum vehicle use (vehicle utilisation), modernisation of your own fleet	Energy (GRI 302), Emissions (GRI 305)
<b>Employees</b>	
Occupational health and safety For example, avoiding accidents at work and occupational diseases (e.g. through preventive measures for physically demanding activities), maintaining health (e.g. through sports and relaxation programmes)	Health and safety at work (GRI 403)
Education and training: For example, diverse entry and training opportunities, regular further training, regular feedback and development opportunities	Education and training (GRI 404)
Job and life phases: For example, ensuring the compatibility of work and family life/private life (e.g. flexible working models such as: home office, part-time, flexitime), support with reintegration	Employment (GRI 401)
Fair working conditions: For example, ensuring and measuring employee satisfaction, fair wages, right to co-determination	Employment (GRI 401)
Diversity and equal opportunities: For example, the recruitment, remuneration and development opportunities (equal opportunities) of employees regardless of gender, origin, disability, religious affiliation or belief, age or sexual orientation, raising employees' awareness of anti-discrimination	Diversity and equal opportunities (GRI 405)

<sup>47</sup> GRI 102-47 Materiality analysis topics

Table 9: References of the illustrations

<b>Environment and Biodiversity</b>		
Economical use of resources	Page 12, Chapter 4.1.	NikWB - stock.adobe.com
Ecological action	Page 13, Chapter 4.1.	NikWB - stock.adobe.com
Employee awareness	Page 13, Chapter 4.1.	Supphawat Satichob - istockphoto.com
Information from interested parties	Page 13, Chapter 4.1.	Supphawat Satichob - istockphoto.com
Environmental protection	Page 13, Chapter 4.1.	Supphawat Satichob - istockphoto.com
Environmentally friendly products	Page 13, Chapter 4.1.	NikWB - stock.adobe.com
<b>Health</b>		
Work safety and ergonomics	Page 20, Chapter 5.3.	Ivan Ryabokon - 123rf.com
Modern working time models	Page 20, Chapter 5.3.	Ivan Ryabokon - 123rf.com
Healthy nutrition	Page 20, Chapter 5.3.	strejman - 123rf.com
Sports activities	Page 21, Chapter 5.3.	strejman - 123rf.com
Company doctor	Page 21, Chapter 5.3.	slalomp - 123rf.com
<b>companies, Employees</b>		
Further training	Page 21, Chapter 5.4.	Stakes - shutterstock.com
Health rate	Page 22, Chapter 5.4.	slalomp - 123rf.com
Frequency of accidents	Page 22, Chapter 5.4.	slalomp - 123rf.com
New recruitment and fluctuation	Page 22, Chapter 5.4.	Naufal Hudallah - thenounproject.com
Women's quota	Page 23, Chapter 5.4.	Lukasz Stefanski - shutterstock.com
Integration companies and institutions for the disabled	Page 23, Chapter 5.4.	Bert Flint - shutterstock.com
Diversity	Page 23, Chapter 5.4.	Olena Panasovska - thenounproject.com

## **8 Imprint**

Please feel free to contact us if you have any questions regarding this report. <sup>48</sup>

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<sup>48</sup> **GRI 102-53** Contact for questions regarding the report