



# Sustainability Report 2020



FORWARD AS ONE

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# Introduction

The Tempcon Group specialises in temperature controlled logistics. The Group consists of a number of individual entrepreneurial companies whose objective is to generate added value for the customer through secure, climate-smart logistics solutions working towards a sustainable future.

Our brand is one of the most important strategic assets we have and it is therefore crucial that everything and everyone associated with the Tempcon Group nurtures and builds our common brand. It is about living up to the expectations and perceptions that we want customers to have when they think of or interact with Tempcon. Short organisational decision paths, flexible solutions, local presence and commitment to local development are fundamental in our success with sustainability paramount in our strategy.

### Vision

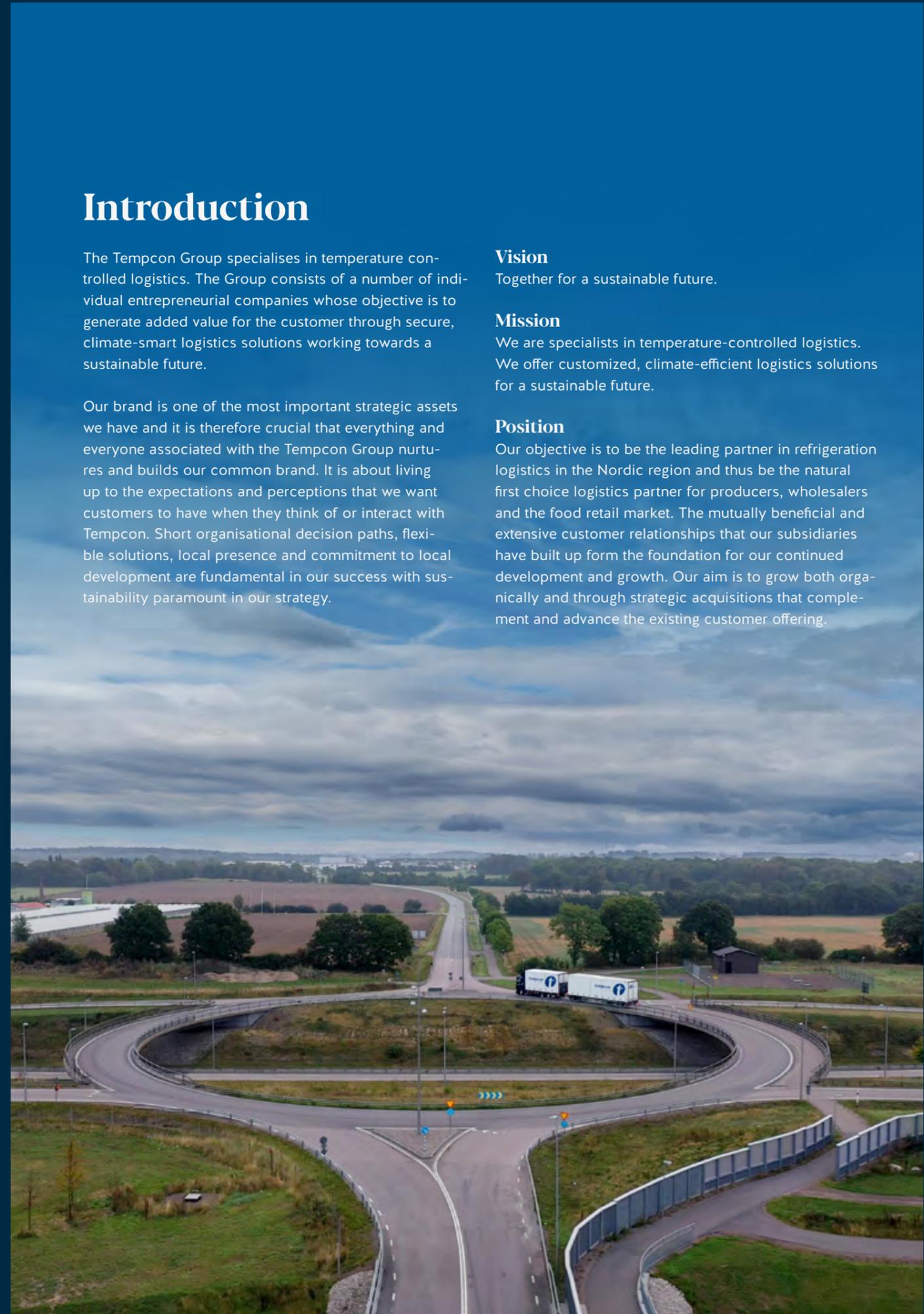
Together for a sustainable future.

### Mission

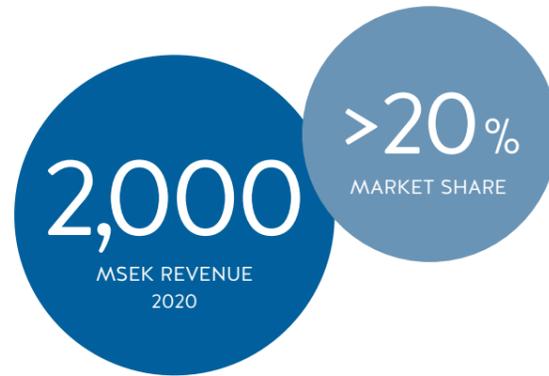
We are specialists in temperature-controlled logistics. We offer customized, climate-efficient logistics solutions for a sustainable future.

### Position

Our objective is to be the leading partner in refrigeration logistics in the Nordic region and thus be the natural first choice logistics partner for producers, wholesalers and the food retail market. The mutually beneficial and extensive customer relationships that our subsidiaries have built up form the foundation for our continued development and growth. Our aim is to grow both organically and through strategic acquisitions that complement and advance the existing customer offering.



# About the Group



The Tempcon Group was established in 2016 and by 2018 expansion plans were already underway. Today the Group comprises of 12 subsidiaries.

Tempcon and its subsidiaries offer services primarily in three areas; transport, warehousing and terminal operations and 3PL. The Group has grown from SEK M 600 to present day SEK M 2,000 through the acquisition of strong established players in combination with organic growth. Tempcon is owned two-thirds by Accent Equity and one-third by management and previous owners of the subsidiaries.

## Market Position

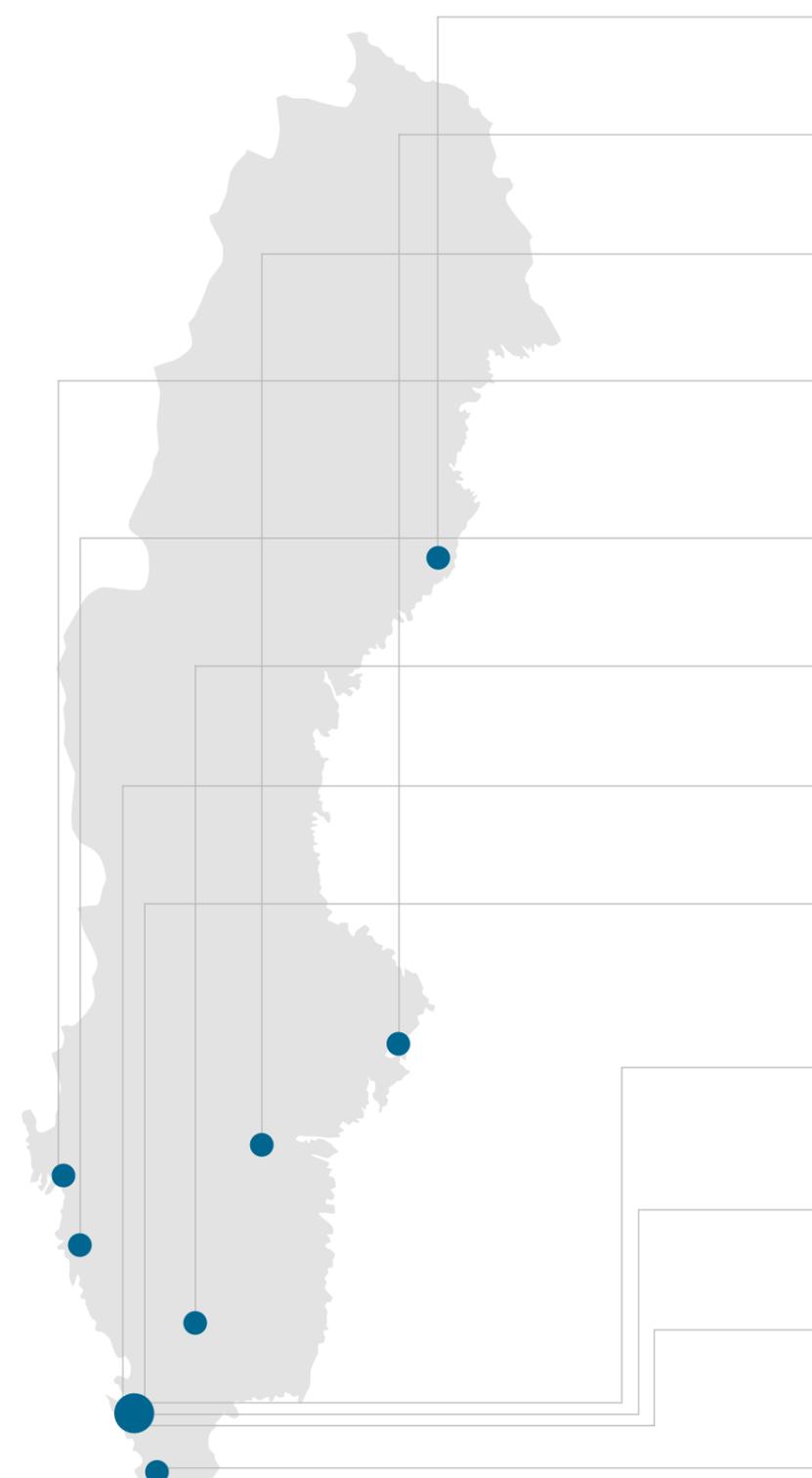
The Tempcon Group is the largest in Sweden operating in temperate transport with a market share of over 20%. Today, the Group is nationwide primarily through its own strong presence but also through strategic collaborations. In 2020, the first steps were taken beyond Sweden's borders with transports to the nearest neighbouring countries as well as BeNeLux. At present the main commodities are food and flowers, however the Group is keen to access and grow in the pharmaceutical sector. Customers mainly come from the largest food retail traders and food producers.

## The Groups Strategic Objective

The overall strategic objective of the Group is to become the leading partner in temperature-controlled logistics in the Nordic region. This will be achieved through generating added value for our customers using secure, sustainable and climate-efficient logistics solutions.

### We achieve this by

- offering a resourceful partnership in temperature-controlled food logistics that exceeds customers' expectations of sustainable and value-generating logistics solutions.
- meeting the customers' total needs through providing the most complete range of services in temperature-controlled logistics with strategically located cold and freezer warehouses, terminals in combination with well-developed long distance traffic and distribution services.
- together with our customers, developing digitized services and incorporating new technological innovations.
- promoting a Group brand with a common sales organisation where the brand of the subsidiaries coexists with that of the Group.
- taking advantage of economies of scale and synergies through close collaborations between subsidiaries.
- continuing to grow profitably through organic growth as well as through acquisitions.
- building an organization and brand that stands for our values: Commitment, Credibility, Together.



**LOGEX**

**tempcon**  
STOCKHOLM

**tempcon**  
LINKÖPING

**PL**  
*Fraktservice*

**B** ANDERSSON & Co. ÅKERI AKTIEBOLAG

**Claessons**  
Transport AB

**B** BERNECO TRANSPORT AB

**Tommy**  
**NORDBERGH**  
Åkeri AB Hjärnarp

**SYDFRYS**

**Mörarps**  
**Frystransporter**

**KLIMAT**  
**TRANSPORT**

**ABBEKÅS ÅKERI**

## Our Values

### Commitment

We seek solutions and act according to sound values. In every situation that may arise, we must show our commitment and face the consequences of our shortcomings. We know that everything can be improved and developed further when we work together. Which is why we engage each other in decisions and do our utmost to find solutions that involve continuous improvement.

### Credibility

We must maintain correct and professional behaviour in all situations, as well as employing good and reliable systems with efficient routines so that our customers can, at all times, rely on us to keep what we have promised. We must ensure that we have competent, well-trained and committed staff. This we achieve through providing continuous development opportunities as we are aware that our success depends on the diversity and competence of our knowledgeable employees.

### Together

Our corporate culture shall be based on collaboration where we combine our respective companies and the diverse knowledge, experiences and roles of their employees to form a strong unit. We will always strive to collaborate internally as well as with our customers so that we can grow together and work for open and transparent mutual expectations.

# New Opportunities and Needs in the Wake of the Change

When we sum up the last year, we can see that it has been a good year for Tempcon despite major challenges linked to the pandemic. It has affected us in terms of volume, both from a positive as well as a negative perspective. An extremely rapid slowdown in volumes from the hotel and restaurant sectors as well as closed border trade has impacted us heavily. At the same time, increased volumes in the food retail trade have on occasion demanded substantial resources. These situations have brought with them great challenges in being able to speedily adapt and reorganize the business to meet the needs that have arisen. In the midst of this, we have followed our strategy plan and during the year welcomed three new acquisitions to the family. These acquisitions have strengthened

our strong foothold in Gothenburg and bolstered our extensive domestic network with traffic including to our neighbouring countries and the BeNeLux. We have also increased the number of terminals in the country. Based on our geographical coverage, we are always close to the customer and able, in collaboration with them, to adapt our offer for a sustainable future. The functions common to the Group that were established last year have continued to develop, for example, the joint IT platform. During the year we also certified our operations according to four ISO standards; 9001, 14001, 22000 and 39001. To carry out such extensive certification work in such a short time is unique and shows that the subsidiaries today work together as a team.



## Working Environment

In order to have a dynamic, flexible and expanding business, one of the most important factors is to attract and retain the best employees in all areas. From transport management and administration to drivers and warehouse workers. To succeed in this and become a role model in the industry in terms of the work environment, it is of the utmost importance that we work actively to establish a physically, mentally and socially healthy and evolving workplace for all employees. To clarify our goals and what we stand for, we have published a personnel handbook for all employees and as a result, have become more transparent regarding how we see the work environment – organizationally, socially and physically. During the year we also intensified work on compliance relating to regulations for driving and rest times. By allocating resources at Group level, we show the importance of prioritizing these issues. In addition, we contribute with knowledge and resources on a local level to improve work conditions. Our goal is that we regard legislation relating to the work environment as the minimum we should achieve in what remains of our work and we intend to intensify our activities in this area over the coming years.

## Sustainability

At the end of the year, we achieved one of our goals by offering the market one of Sweden's first CO<sub>2</sub>-positive terminal operations. This is a major step in the work we do to reduce our impact on the climate. We shall be completely fossil-free by 2030, however some of our customers demand that we reach this goal as early as 2025. We already offer fossil-free transport today, but in the future this will apply to our entire vehicle fleet. The next step in this development is to become CO<sub>2</sub>-neutral which will be available to our customers in 2021. Based on our goal that we will develop, offer and provide transports and logistics assignments that have the least possible environmental impact and that we shall conduct our business in such a way, that negative environmental impact is limited as far as is practically and financially tenable. During the year, investments amounted to almost SEK M 70 in new vehicles; several of which are adapted for liquefied gas, which has a significantly less environmental impact. We have also put into service one of Sweden's first 100 % electric trucks, which operates daily transports in Helsingborg with an annual expectation of 1 500 transports. This service will greatly reduce our environmental impact. Through the certification of our management system and reduced environmental impact, we have raised our credibility in the market during the year.

## Growth

Despite the major challenges we faced during this pandemic year, we have succeeded in developing our operations while improving profitability. Such a situation involves a lot of hard work and I am grateful that we in the Tempcon family have so many creative employees who never sit still but act quickly and decisively to change and adapt the business. Employees who have focused on solutions instead of problems and who have enabled the continued advancement of our business in such a year as this. Also during this past year we have signed several new large customer agreements which have contributed to growth. Profitability has also benefited from a more structured approach both on a local level as well as in general in the main due to improved follow-ups of financial key ratios. We shall continue our growth journey and generate added value for customers by making use of the resources in the Group in combination with the proximity and drive in the subsidiaries.

## Future

During the coming year we expect continued influence from the Corona virus. There is always new information that we have to consider and it is difficult to have any understanding on how long we will be affected. I think we will see a change in behavior over time as a consequence of the pandemic but I do not believe we will return to the life we had previously with a new normal emerging instead. Overall, however, we must follow our strategy plan and continue to develop our operations. We will grow with new acquisitions that fit into the Tempcon family and will also plan for continued organic growth by establishing a new joint sales organization that will work with our expansion into the market. Our work in offering fossil-free transport by acquiring knowledge of new technology and ascertaining what is most sustainable in the long run will continue coupled with possessing the financial means in which to make investments. These means will be built up through long-term profitable business experience. We face great challenges, but with commitment and credibility, we will succeed together. Together for a sustainable future!



Christian Hallberg  
Group CEO

## Work Environment and Safety

A safe and healthy work environment is an important strategic issue for Tempcon. Our goal is to establish a physically, mentally and socially healthy and evolving workplace for the staff of the Group and its subsidiaries, where the risks of occupational injuries and work-related illnesses are prevented.

Efficiency improvements and changes in operations must never mean that the work environment is compromised. The employees of The Tempcon Group including all those working in the subsidiaries shall, in collaboration, continuously evaluate the Group's efforts in the field of work environment with the aim of achieving steady and consistent progress in the daily work environment. We do this by constantly assessing and addressing risks that affect the Group and its subsidiaries, our employees, our work environment and other stakeholders, and by engaging and encouraging all the staff to work together so that improvements may be achieved.

The demands of work must, as far as possible, be adapted to human conditions in both physical and mental terms.

Measures that improve the work environment have positive effects for both the individual and the Tempcon Group.

The overall goal of the environment work is to achieve a long-term efficient operation that at the same time generates good physical and mental health as well as a feeling of well-being and job satisfaction for all employees which in turn will help prevent accidents from occurring.

In its operations, Tempcon is strongly focused on traffic safety. We must contribute towards achieving important road safety goals for the individual as well as for the company and society. Our employees and subcontractors shall behave in an exemplary manner in traffic. They will comply with laws and regulations regarding speed, other traffic behaviour, the vehicle's safety status and we, at the same time, will have zero tolerance for alcohol and drug use.



### Within the Tempcon Group Gender Equality means that:

- Tempcon must actively work for an even gender distribution throughout the Group.
- differences between women and men that can only be explained by gender must be remedied.
- differences based solely on ethnicity, religion or other beliefs, disabilities, transgender identity or expression, sexual orientation or age must be amended.
- working conditions, workplaces and the work organization must be structured so that it is suitable for all employees.
- both women and men must be able to combine work with parenthood.
- women and men must have equal pay for equal work.
- the views, experiences and skills of women and men shall be valued equally.
- everyone shall have the same opportunities for employment, education and promotion.
- all Group companies shall document all the measures they take against discrimination.
- each member company of the Group shall conduct an annual salary survey to determine, remedy and prevent unreasonable differences in salary and other terms of employment between women and men.
- no employee shall be subjected to sexual harassment or be harassed because a report of gender discrimination has been made.

## Gender Equality Policy

Tempcon shall work actively to incorporate gender equality that permeates throughout the entire Group and shall be seen as a natural part of the daily work. Tempcon's work to achieving gender equality work means that women and men must have the same opportunities, rights and obligations. Tempcon shall strive for women and men to be treated equally and work towards an even number of women and men in all departments, functions and levels. Gender equality also means working for equal opportunities, rights and obligations regardless of ethnicity, religion or other beliefs, disabilities, transgender identity or expression, sexual orientation or age. Tempcon shall be a role model in the workplace and business partner in equality issues.

It is the responsibility of the management that goal-oriented gender equal activities are pursued throughout the Group. Each manager is responsible for monitoring and ensuring that such activities take place within the daily work. In addition, these managers are also responsible for documenting which active measures have been implemented. However everyone in the Tempcon group has a shared responsibility for establishing an equal workplace.

# Road Safety

Our transports must always be carried out in a traffic safe and reliable manner and it is our 100 % goal to prevent accidents. We will work with proactive traffic safety training to cultivate credibility and understanding among employees, customers and the general public.

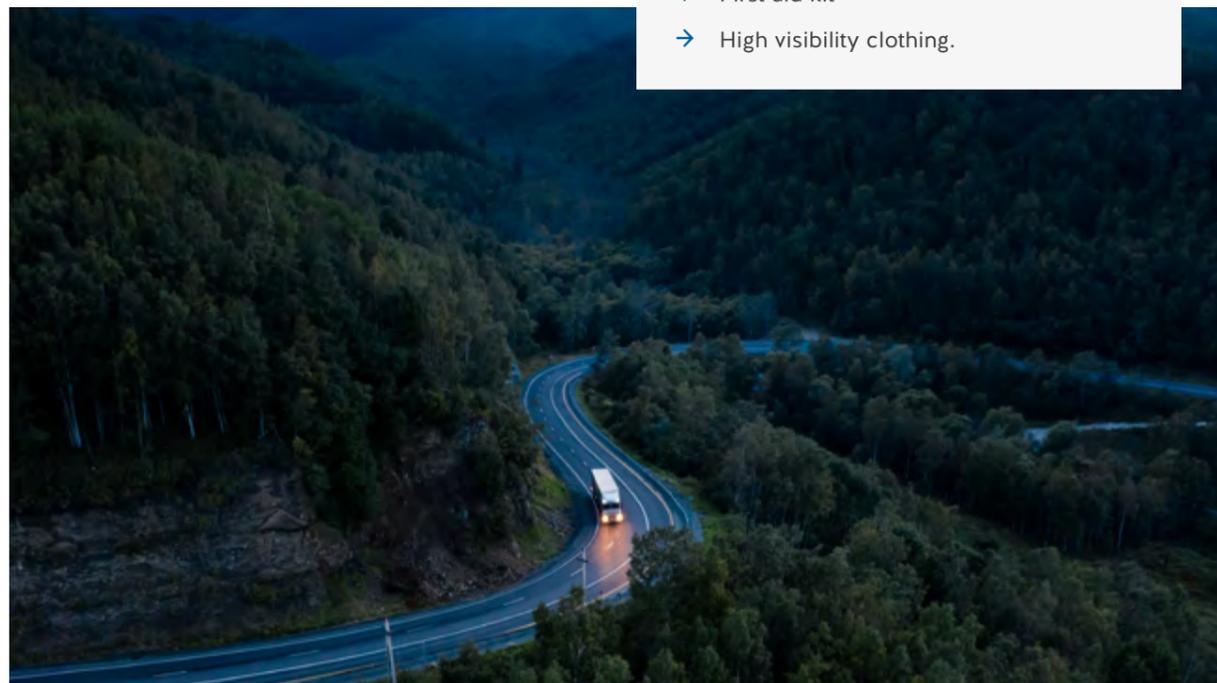
## Guidelines

We will work with guidelines and routines that ensure traffic safety as well as improve individual self-control for:

- Speed
- Alcohol and drugs
- Driving and rest times for drivers employed by the Group
- Use of safety belt
- Use of hands-free for phone calls.

We shall also work with steady improvements through regular inspections and service of our vehicles and placing demands based on traffic safety when acquiring new vehicles

All employees must always take the greatest possible consideration of other road users, lead by example and adapt their speed to the prevailing traffic and road situation.



### We will

- ensure that 100 % of all drivers use seat belts in all situations
- when procuring transport services, take into consideration to which extent the following safety equipment is installed in the haulier´s fleet.

### The following equipment must be installed in as near to 100 % (at a minimum 90 %) of the haulier's fleet:

- Alcohol Interlock
- Seatbelt reminder
- Fire extinguisher
- Fire blanket
- First aid kit
- High visibility clothing.

# Code of conduct in brief

Together we generate added value for the customer through secure, climate-smart logistics solutions for a sustainable future. To achieve this it is important that we work actively with good business ethics based on a common set of values and a set of ethical rules. The Tempcon Group places demands on both employees and business partners to comply with the company's policy, values and ethical rules.



- We abide by laws, rules and good practice.
- We do not accept any form of bribery, extortion or corruption.
- We behave correctly and professionally in all situations.
- We work for diversity and equal opportunities.
- We have zero tolerance for discrimination.
- We have a workplace characterized by respect and sensitivity.
- We work for a safe and healthy work environment.
- Our leaders and employees must lead by example.
- We will conduct operations so that negative environmental impact is limited as far as possible.
- We behave as good ambassadors for the Group.

# Anti-corruption

The Tempcon Group has defined corruption as an abuse of trust, power or position for improper gain. Corruption includes taking and giving bribes.

## Extent

All Tempcon employees, including seconded staff, consultants and all operations financed through Tempcon or subsidiaries relating to the Group. All employees must be aware that Sweden has made commitments to counteract corruption in accordance with international conventions, for example through the UN Convention against Corruption. Every managerial employee is obliged to inform external parties, such as collaborators and consultants, about this policy. Corruption risk situations must be considered at all levels within the Tempcon Group. Through risk analyses,

including in recruitment, strategy, planning and the follow-up processes. Corruption is usually detected when someone responds to warning signals which are quite often subtle and difficult to interpret. It is therefore essential that they are investigated by more than one person.

## Reporting

The employee who suspects corruption is taking place is obliged to report to their closest manager, or alternatively to another manager whom the employee trusts. The manager who receives this information must, in consultation with the CEO, the Quality and Environment Manager and the HR Manager, determine what measures need to be taken.

## Environmental Policy

We shall develop, offer and conduct transports with the least possible impact on the environment. The company's operations will be carried out to ensure that negative environmental impact, as far as is practically and economically tenable, is limited and that from an overall perspective, maintain good resource management, including an eco-cycle view, in all operations.

We must achieve or exceed legal requirements and other demands that affect the business. We will actively work towards improving awareness of environmental issues among our employees and introduce a purchasing plan that will endeavour to minimise the environmental impact from vehicles, engines, fuel and chemicals.

We will seek collaboration in environmental issues with suppliers as well as with customers and highlight the importance of this issue in procurements. In addition, the company will establish an environmental management system that supports efficiency and continuous improvement from both an environmental and business economic perspective. All employees are encouraged to work so that the impact on the environment is minimised. Our driving itineraries must be designed to incorporate an environmentally friendly driving style. We must maintain a level of knowledge and behaviour in the field of environmental awareness so that the Tempcon Group can remain in the forefront of its industry.



Europe's first series-produced electric truck for heavy distribution.

## E-trucks are already an established part of the transport industry

For us at the Tempcon Group it is a matter of course that we offer our customers safe, sustainable and climate-efficient logistics solutions and thereby generate added value. At the same time, we are keen to be at the forefront in incorporating new, innovative technology to further reduce our climate footprint. As part of our long-term work with sustainability, in 2020 we brought into operation a large number of natural gas cars as well as Sweden's first heavy electric truck for use in daily operations. Being able to offer a fully electrified transport solution feels like a natural step for us towards the future.

Tommy Nordbergh Åkeri was the first to place an order for this vehicle model from Volvo and the truck is the first mass-produced electric truck in Europe for heavy distribution. It will run daily with 150 pallets of coffee between Zoega's coffee roastery in Helsingborg and PostNord's warehouse in Ättekulla. The distance is about ten kilometers each way and the electric truck will make eight to nine roundtrips every day. In total, about 1,500 trips per year between the roastery and the warehouse. This new transport solution will not only result in greatly reduced environmental impact, the electric truck also emits very little exhaust and very low noise levels.

The emergence of light, electric transport vehicles has been enormous in recent years and is now joined by heavy electric trucks. Interest in electric trucks has grown to meet the expansion into charging capacity with many trucks now capable of providing up to 300 km on a single charge. The majority of electric trucks are intended for local and regional transport with train weights up to 44 tons. Electric trucks will be an important part of the transport industry in achieving the ambitious sustainability goals which have been set at the Paris Agreement amongst others. If it is to be possible to take further steps to increase the use of electric vehicles and have any impact on long-distance transport, battery capacity and charging opportunities will need to be further developed. At the same time, manufacturers are convinced that electric vehicles for demanding and heavy long-distance transports will be launched during this decade.



# Materiality Analysis and Risk Assessment

The Tempcon Group's stakeholders are those who to a high degree can affect or be affected by our operations. We have conducted analyses from an economic, ecological and social perspective focusing on stakeholders such as owners, customers, employees, suppliers, authorities and society at large.

The aim of the materiality analysis was to rank the sustainability aspects and identify those that are most important to us. In the materiality analysis, the stakeholders were combined with an assessment of how each aspect affects Tempcon's operations and society as a whole. The assessment was conducted based on the management system's stakeholder requirements analysis. The results of the materiality analysis are presented in the diagram on the next page. The aspects that were identified as most important form the basis for focus areas within our work with sustainability.

## Ability

A top priority issue and a great opportunity for Tempcon is to develop our customer offering based on the breadth and expertise that exists within the Group. Through Group-wide projects, we will strengthen our offering to the market based on areas that we and the customers prioritize, such as the environment. To support this work, we have over the last year, developed common support functions and IT solutions.

Tempcon's high environmental profile is an important and significant opportunity for the Group and will continue to be developed through the incorporation of, among other things, natural gas vehicles, electric trucks, environmentally friendly refrigerants and, not least, its own fossil-free energy production where possible. Environmental issues are a high priority both for us and for our customers.

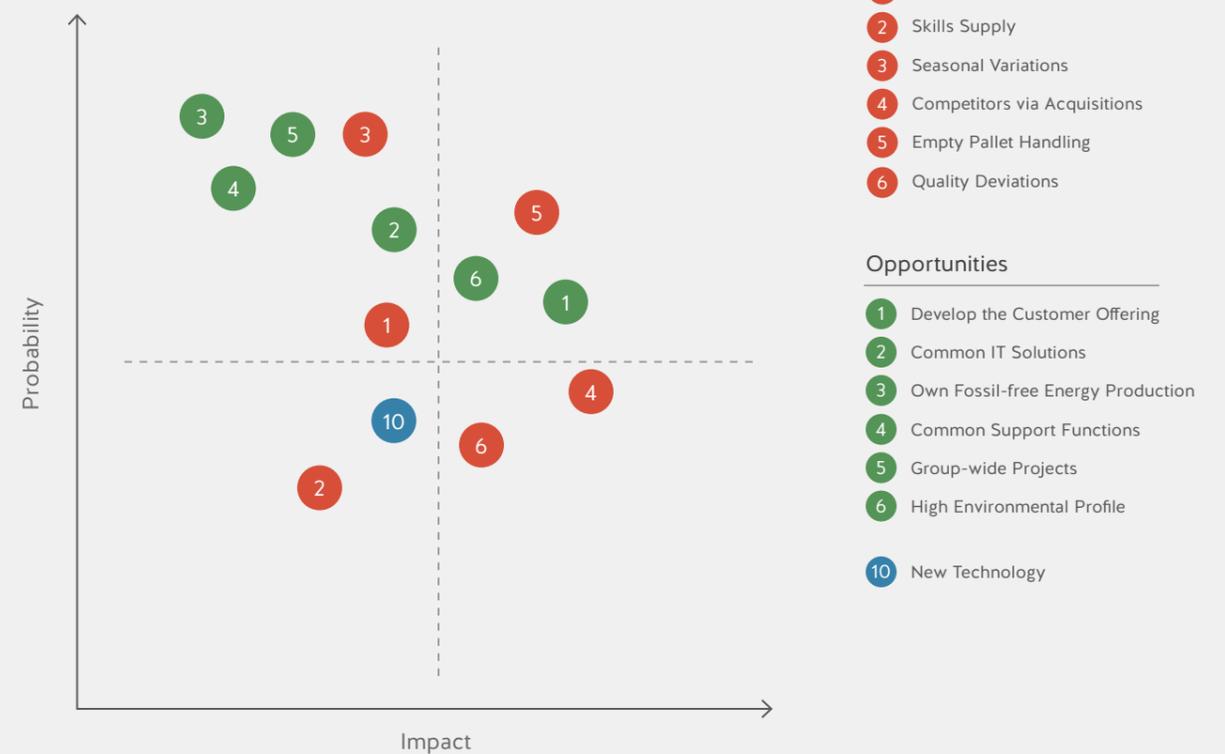
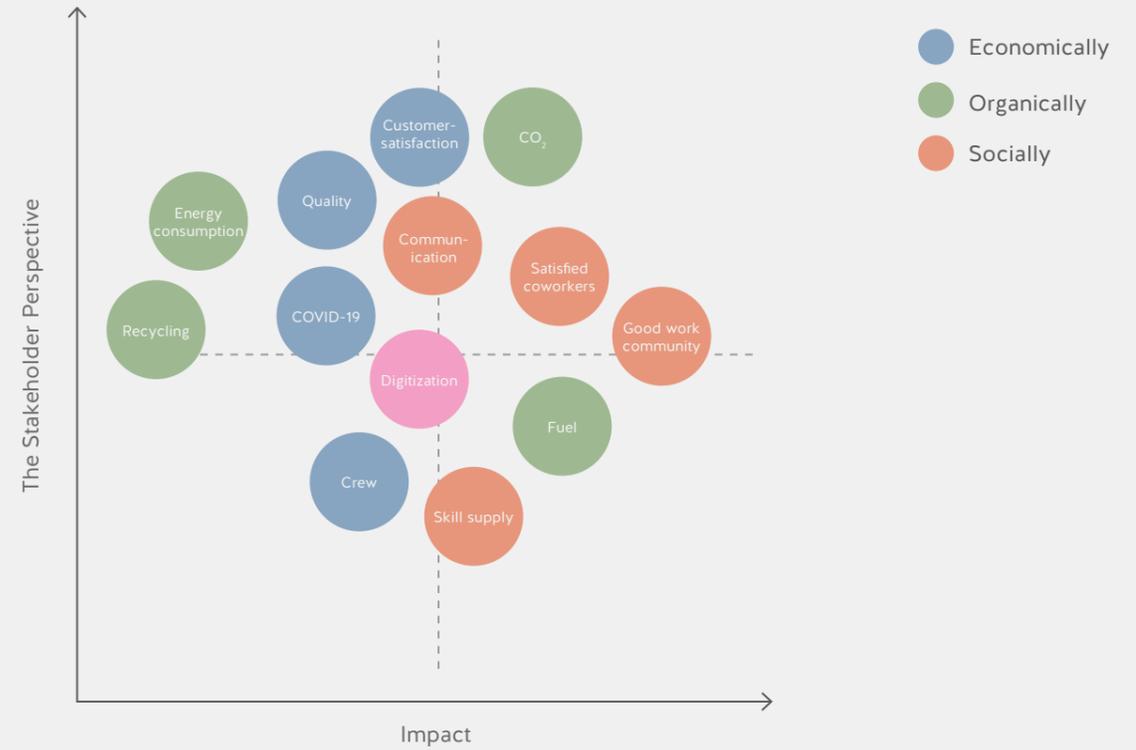
## Risk

The corona pandemic which strongly affected so many industries in 2020, will continue to cause anxiety and uncertainty for many even in 2021. When we can expect to see an end to the pandemic and when we can return to some form of normalcy again is highly uncertain. At the very least, the uneven flow variations caused by the pandemic have been amplified during certain periods in combination with the more traditional seasonal variations that are always a risk factor for our business.

One of the most important factors for a dynamic, flexible and developing business is to attract and retain the best employees in all areas. As a labour-intensive business we are strongly dependent on both recruiting and retaining competent staff, so an additional risk factor is losing those competent employees. This applies to both driver category as well as administrative.

Today, there is a new competitive situation in the market where new players are establishing themselves through, among other things, acquisitions. As always, this is a risk that we must meet by growing stronger and developing both the services we offer and the service we provide. In order to continue to offer a credible range of services, we must also minimize our quality deviations otherwise we may risk losing market shares.

Other influences that may also have a negative effect on the companies within the Group which can result in major financial consequences, includes a lack of pallet handling. We manage our risks in the management system.



## Focus Areas

### Quality

Increased customer satisfaction through relevant and target group-adapted communication as well as the industry's most agile management system.

The quality of our business must be such that we are the obvious choice when freight buyers choose a carrier and logistics partner through committed, competent and well-trained staff in combination with a modern vehicle fleet.

Customer goods must be handled in accordance with the instructions we receive, while at the same time following the rules and regulations issued by the authorities. We will strive to the best of our ability to provide a service that exceeds the customer's expectations. To succeed in this, it is essential that we also maintain as high a level of service as possible. Our efforts must be guided by the customers' wishes, what is financially reasonable, safe in terms of safety and technically possible.

If we are to position Tempcon as a leading business partner in temperature-regulated logistics, it has to

be the role of all employees to work with continuous quality improvements. The Group as well as ten of the twelve subsidiaries are certified in management systems for quality (ISO 9001), environment (ISO 14001), traffic safety (ISO 39001) and food safety (ISO 22000). We also work according to the principles of ISO 26000 (Social Responsibility).

Customer satisfaction surveys are conducted continuously throughout the year and these then form the basis for our ceaseless work in bringing about durable advancements in our business. Advances are also being made in our communication both internally and externally. The website is updated regularly and new websites for the subsidiaries have been launched. A YouTube channel is now in existence at the same time as we have an established and continuous news flow in our social channels.

### Business ethics

Sound and long-term financial growth with the highest ethical, moral and legal requirements.

The Group has zero tolerance on corruption and will continue to do so.

To ensure that this is maintained common guidelines have been drawn up in the form of a Code of

Conduct, business policies and a personnel handbook that has been adopted throughout the Group.

### Global goals

We work with the global goals towards a better world by 2030.



### Environment

Reduced environmental impact through lower CO<sub>2</sub> emissions and energy-efficient terminals.

The Tempcon Group is working to achieve its climate goal by 2030. The goal states that greenhouse gas emissions from Sweden's domestic transport will be reduced by 70 % between 2010 and 2030.

To attain this goal, we and our subsidiaries aim to introduce a fossil-free vehicle fleet whilst streamlining transports and affecting the driving style of the drivers.

Our intention is to expand, offer and provide transports with the least possible environmental impact. All our operations will be conducted in such a way that negative environmental impact is limited as far as is practically and financially tenable and, from an overall perspective, maintain good resource management within all operations. This also includes cycle thinking.

Today most of our vehicles are run using environmentally friendly fuels such as natural gas, HVO and RME. The majority of the natural gas vehicles were acquired during the previous

year together with Swedens first heavy electric truck in daily operations. Additional investments in natural gas and electricity are planned for the future.

Tyres, corrugated cardboard, plastic and scrap metal are some of the fractions we recycle today, however we intend to expand our recycling efforts over the coming years.

To further reduce energy consumption, we are installing a number of solar panel systems at some of our terminals as a result of the successful installation in Helsingborg.

In addition, we have also adapted refrigerants in our warehouses and terminals with the aim of reducing energy consumption and environmental impact.

We consistently monitor and measure emissions to better understand where we can make the greatest and speediest difference in reducing our greenhouse gas emissions.

### Staff

The Tempcon Group shall be an attractive employer with competent and qualified staff through good working conditions and unique solutions for our employees.

A safe and healthy work environment is an important strategic issue for the entire group.

Our goal is to establish a physically, mentally and socially healthy and evolving workplace for all employees, where the occurrence of occupational injuries and work-related ill health are prevented. Every case of work-related ill health is viewed as a failure.

As we take a more professional approach, matters relating to employees and the work environment have progressed during the year. An employee branding project has been initiated and includes an employee questionnaire which is to be distributed amongst the staff at the beginning of 2021.



## We have the Most Advanced Management System in the Industry

During the summer of 2019 the journey towards having the most advanced management system in the industry began involving an intensive and long-term objective to certify the companies according to four standards. ISO 9001 quality, ISO 14001 environment, ISO 22000 food safety and ISO 39001 traffic safety. The work towards these certifications was completed at the beginning of the summer and has now resulted in a successful audit and certification. Many of our employees throughout the country have dedicated countless work hours to bring this to a successful conclusion. The Group also holds ISO 26000 which is an international guidance for social responsibility but is not itself a management system standard.

Several subsidiaries have previously held one or more certifications, however the situation today is that the Group and ten of the twelve subsidiaries are certified as above with the latest acquisitions connecting to the management system at a later date. We at Tempcon have seen this as a natural and obvious step as demands for certification have come from many of our customers whilst at the same time these standards indicate a credibility in the offerings we have to the market.

The audit of the so-called Multisite certificate was carried out by Svensk Certifiering Norden AB and involved the use of a formula stating the number of days the audit should take and number of sites to be visited. During a three year period, all sites will have been visited with the head office receiving visits every year. Recertification takes place every third year and involves an audit of the entire management system. That we chose to seek certification in four standards at the same time in a very short space of time was seen as a major challenge by Svensk Certifiering Norden. They had previously not conducted an audit of such magnitude but admit the Group coped very well and the audit process was excellent. The Group optimised documentation in a considered manner with great enthusiasm from the management.

It is important to remember that a management system should ultimately benefit the business and be seen as an aid for management to administer and follow up operations. It is imperative that the system becomes an integral part of the daily operations and subject to improvement.

## New Vehicles Produce Less Emissions

Environmental and sustainability issues are high on the Tempcon Group's agenda. We strive constantly to optimize our business so that it has the least possible impact on the environment. With this in mind we replace our fleet frequently to remain in the forefront of new technology.

Over the past year, the subsidiaries in the Tempcon Group have invested in new vehicles for more than SEK M 70, many of which are intended for long distance but also distribution transports. This relates to almost 15 % of the entire vehicle fleet. Differences between the subsidiaries in annual mileage is great however, the annual average for the Group is 140,000 kilometres per vehicle. According to the manufacturers data fuel consumption of a new vehicle is 0.2-0.4 litres lower per 10 kilometres than its predecessor.

If we assume that the average reduction in fuel consumption is 0.3 litres and according to the model available on miljofordon.se, we calculate carbon dioxide emissions by Tempcon have dropped by almost 575 tons of CO<sub>2</sub> per year through investing in new vehicles. This figure is probably higher as many of the new vehicles use natural gas.

If the transport industry and Tempcon are to achieve the climates goals by 2030, investment in new vehicles and new technology and incorporating innovative thinking in solving logistical problems must increase. Together with our customers, we are committed and ready to meet this challenge.



## Tempcon Supports Childhood Cancer Research

Every day one child in Sweden gets cancer and every week one child loses the fight for life; and yet there is still no medical explanation for this. Cancer is still the most common cause of death in Sweden for children aged 1-14 years. This is why contributions to research are so necessary and why so many people are involving themselves in various ways, such as bringing attention and awareness to this disease.

The Tempcon Group, together with several of the subsidiaries, has chosen to support Team Rynkeby. Donating to research is our way of contributing towards achieving the goals of eradicating childhood cancer and one we think is vitally important.

In 2020, all the individual teams within Team Rynkeby collected SEK 90,557,413. This corresponds to 181,115 research hours or 91 years of research. Today 85 % of the children who get ill survive, but as long as that figure is not 100 %, we must continue to fight. Every contribution makes a difference.

Team Rynkeby was founded in 2002 in Denmark and today comprises of 2,150 amateur cyclists and 550 volunteers divided into 57 local teams from Denmark, Sweden, Finland, Norway, the Faroe Islands, Iceland, Germany and Switzerland. Every year the Swedish teams cycle the 1,200 kilometers to Paris to raise awareness of the issue. Once there they meet up with teams from other countries. However, the Corona pandemic has temporarily halted this event, so instead the Swedish team decided to hold a six-day cycle tour through Sweden finishing in Helsingborg.



**VI STÖDJER  
BARNCANCER  
FONDEN**

**In 2020, all the individual teams within Team Rynkeby collected SEK 90,557,413. This corresponds to 181,115 research hours or 91 years of research.**



## Still First with Alternative Fuels

This last year has been turbulent. Sending schoolchildren home and at the same time witnessing a closing down of hotels and restaurants will of course result in consequences for HORECA, which has seen its area of business greatly reduced. At the same time we have experienced an upswing in transports for the food retail sector, so on the whole the year has, despite problems, noted an increase in sales in the region of SEK M 50 to approximately SEK M 900. To cope with such dramatic and speedy fluctuations which have been thrown at them in the past year, the staff is to be warmly congratulated as they have solved delivery, capacity and staffing problems. It is not just about solving problems but also bringing quality to the solutions.

### Work environment

Much energy has been expended in establishing, wherever possible, work conditions for the staff that are in line with the guidelines specified by The Public Health Agency of Sweden (FHM). Adapting to these changes has been a challenge for everyone in this new world of 2020. Previously we would have attended fairs and events to market and showcase our business but these were all cancelled to the benefit of an increased presence on social



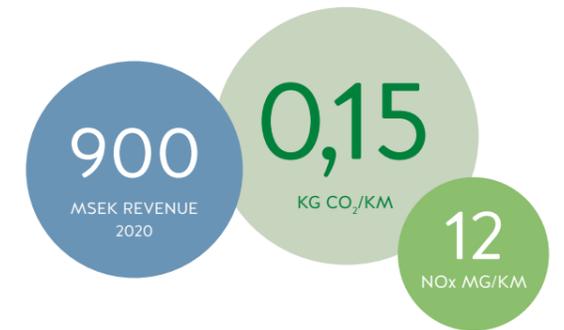
media which has provided us with the opportunity of highlighting our attractiveness as an employer. At present 10 % of our drivers are women but we are working hard to attract even more to the sector. We have also noticed not only an increase in the number of unsolicited job applications but also a higher quality in those seeking employment. Our interpretation is that a shortage of good drivers is not as acute as it once was but a shortfall remains.

### Sustainability

Tommy Nordbergh Åkeri has been at the forefront utilising alternative fuels since the start and will continue to be so. In the past year we introduced transports using Sweden's first 100 % electric truck and, in addition, we have brought into operation a further nine vehicles using LBG, liquefied biogas. Development of new fuels moves fast but it will be a number of years before we witness the first hydrogen fuel-cell vehicle in daily operation. To achieve our goal of a fossil-free fleet in the not too distant future means we must work closely with our suppliers if we are to remain in the forefront.

### Growth

Despite the impact of the pandemic, growth has been good especially as this was achieved mainly using existing resources which is also reflected in the result. During the



year, we also launched a common sales organization for the Group that is constantly evolving and contributes to a dynamic processing of the market both locally and nationally. However, we must not forget the importance of retaining existing customers while seeking new contracts.

### Future

The future for us and the Tempcon Group looks bright. We see a number of large business agreements expected to start in early 2021 involving several of the companies in the Group and more is expected. We will also expand the sales team with an additional two full-time staff to better address our presence in the market. Success demands that we are more active and have access to the right resources. We also see a new competitive situation in the market where previously a few large players now coexist with new, energetic contenders. We will take that match together with our sister companies.



Jonas Råstedt, CEO

## KLIMAT TRANSPORT

### A Different Year that Ends in a CO<sub>2</sub> Positive Way

The past year can briefly be summed up as being a very strange year. When volumes for HORECA began to decline in April, volumes for the food retail trade began to grow as people became more interested in cooking food at home. During the summer, HORECA experienced a recovery which almost reached normal levels by October. Then it all came to a shuddering halt again in November and we witnessed volumes much lower than those of the spring. With such a scenario, as a business person and entrepreneur it is comforting to know that you aren't totally dependent on one source of income. This uncertain year has however been one of the best in the history of Klimat-Transport in terms of turnover and profit. This we have been able to achieve through daily follow-ups and meeting those challenges thrown at us by the pandemic.

#### Working Environment

Ensuring that our employees have the best conditions to carry out their tasks has always been of high priority. Without our staff we are nothing. Through encouraging responsible independence in combination with providing the right work tools and promoting participation by the staff we lay a solid foundation for

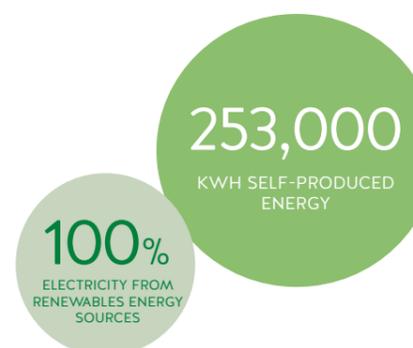
being the best employer. During the year we also reviewed our workplaces and expanded the gym and have also, due to the challenges of the pandemic, concentrated on building a safe and secure work environment for both office and terminal staff.

#### Sustainability

Just as with the work environment, issues relating to the environment and sustainability are important to us. After many years of preparations where we took one step at a time to introduce various measures, such as the solar panel plant, we were able to announce at the end of the year that our terminal operations are now CO<sub>2</sub> positive. The last step in achieving this goal was a collaboration with The Forest Solution to bind the remaining CO<sub>2</sub>. We are working constantly with these issues with the next step being to initiate a dialogue with our hauliers about an increased use of fossil-free solutions so that we can offer our customers CO<sub>2</sub>-neutral transports.

#### Growth

Despite the turbulent year our sales have grown by almost 25 % to around SEK M 200. This is derived from existing as well as new customers. If this strong growth that we



have experienced in recent years is to endure, one success factor will be to maintain the staff constellation that we have today. Through their knowledge and commitment, we ensure a continued positive development of the company.

#### Future

Our future looks very positive and we see a need for continued expansion. We have advanced plans to expand the floor space in connection with our current facility by 5,000 m<sup>2</sup>. We also recognise that good opportunities exist in diversifying our business to include for example, pharmaceutical and customs warehousing. In addition, so-called last mile transports are also an interesting option for the future. Already in February 2021, we will begin a new customer assignment and the goal is clear, to continue to grow and develop together with our customers.



Mats Söderström, CEO



## CO<sub>2</sub> Positive Terminal Operations

A major and important step in the work by the Tempcon Group towards long-term sustainability was taken during the year when Klimat-Transport's warehouse and terminal building in Helsingborg became CO<sub>2</sub> positive. The last step was fairly simple but the road has been long. The journey began as early as 2015 when the decision was made to seek environmental certification. In conjunction with that event a conscious strategy was drawn up to become CO<sub>2</sub>-positive in the not too distant future. Some milestones along the way:

**2017**, all lighting was exchanged for LED throughout the entire 7,000 m<sup>2</sup> large terminal. At the same time an agreement was signed on EPD certified electricity from 100 % hydropower.

**2018**, all company cars were replaced with 100 % electric vehicles.

**2019**, the company invests in one of Helsingborg's largest solar panel parks, which was located on the roof of the terminal. The plant covers an area of 3,000 m<sup>2</sup> and delivers more than 245,000 kWh per year.

**2020**, Klimat-Transport's terminal in Helsingborg is now very close to being CO<sub>2</sub>-neutral, but to reach the goal they begin a collaboration with The Forest Solution to bind the remaining CO<sub>2</sub>.

The Forest Solution is a Swedish company whose objective is to expand forests in Sweden in order to bind carbon dioxide. This is a simple and long-term solution making it possible to compensate for climate change on Swedish soil, with Swedish controls and guarantees. Klimat-Transport has chosen to bind twice as much as they need to become CO<sub>2</sub> positive – just to be on the safe side. Today, Sweden is covered by 60 % forest, which in turn binds approximately 40 million tons of carbon dioxide per year. With The Forest Solution method the bind increases by 30 % over eight years.

The next step in our efforts to reduce our climate impact is to take the experiences we have gained from a CO<sub>2</sub> positive terminal to our transports. Starting in Q1 2021 we will begin offering our customers the opportunity to climate compensate with the goal of achieving CO<sub>2</sub>-neutral transports.



## Increased Demand for Freezers Brings Expansion and Growth

Of course we have been affected by the pandemic but not to the extent of many other companies. Many in our world have been hit hard but we work mainly with food and instead of visiting restaurants, consumers in Sweden have shopped in the stores. This has had a positive effect on Syd Frys AB in combination with a fantastic berry crop experienced by one of our customers. 2020 has also been the first full financial year that our companies have been part of Tempcon Group. In particular, Mörarps Frystransporter AB has benefited from synergy effects between the sister companies, while central resources on the sales side have been a positive contribution. Also worth noting are the ISO certifications: 9001, 14001, 22000 and 39001 that we received during the summer. Also during the year we were KRAV and EU-Organic recertified.

### Work Environment

Last year's very positive staff satisfaction survey was followed up this year with equally good results. Our staff turnover remains low, which we see as a confirmation that they are happy with us. However, we may feel happy and offer a good work environment, it does not mean we cannot improve. To clarify the importance of the

work environment and further evolve the business we employed a new warehouse manager who came with many years experience in the field. One of his first acts was to start work on incident reporting in HIA.

### Sustainability

Replacing the lighting in our properties with LED has continued during the year. At the same time, we have implemented a new cooling system using the ammonia-based refrigerant NH3. In addition to better cooling properties, we also benefit from a system that is more environmentally friendly and more reliable, with the added bonus of greatly reduced energy consumption. It is important that we highlight that 100 % of our electricity consumption today comes from renewable electricity. On the vehicle side, we have far-reaching plans to invest in natural gas vehicles when we next upgrade the fleet.

### Growth

The demand for freezers is still high in the market and despite the pandemic, we have had good growth during the year. This trend we intend to take with us into the next financial year where Syd Frys AB and Mörarps Frystransporter AB will continue to take additional market shares.

### Future

Our customers' demands and needs continue to guide much of our expansion plans and we see a continued increase in ancillary services such as picking, order handling and similar. If we are to expand the business based on the strategic situation we have today, we must review the possibilities of acquiring land in the vicinity of our existing property in Hyllinge. In this way we meet the markets growing needs for cold storage and transports coupled with future customer-optimized ancillary services.



Fia Andersson, CEO



## Better Cooling for the Environment

To manage a business that has as little negative environmental impact as is practically and economically tenable requires more than just choosing the most appropriate fuel for the vehicles. Environmentally certified electricity supplies, LED lighting in the terminals and offices and increasing the use of more environmentally friendly refrigerants are just some examples. In our overall efforts to work with the environment, Syd Frys has installed in the past year the final part of a new cooling system in Hyllinge. This system uses the ammonia-based refrigerant NH3 which is more reliable, environmentally friendly and energy efficient than previous formulas

and according to the industry, exchanging older systems for the NH3 results in an energy saving of up to 20 %. Additional advantages with using ammonia as a refrigerant is that it already exists in nature and unlike its predecessors has no impact on the ozone layer. And a further benefit is the superior cooling effect from ammonia which translates into much lower temperatures if that is a requirement. Now that the plant in Hyllinge is updated with NH3 it is totally futureproofed. In accordance with our high ambitions to reduce our climate footprint we sent the old refrigerant away for destruction.





## A Year Characterized by Adjustment and Changing Conditions

2020 has been a very different year for us at PL Fraktservice than we expected. Cross-border trade for both Bohuslän and Värmland has largely disappeared and at the same time the HORECA segment has dropped dramatically. Therefore, much of our focus has been on adjusting and managing the changes that the pandemic has brought with it. Some routes have been curtailed and in consultation with our customers we have adapted delivery requirements so that they function well with reduced logistics, for example increasing groupage. Despite the challenges we have encountered, we are very pleased with the past year and that is credit to our fantastic staff. They have with great humility and without exception, worked tirelessly, been supportive and when needed solved situations with innovation and flexibility. Without this support and the desire to tackle the challenges together, the year would have looked much worse. A further positive occurrence that took place during the year was that we are now certified in a further two standards, ISO 22000 and 39001, which complement 9001 and 14001 that we held previously.

### Work Environment

Satisfaction in the workplace is the key to committed and motivated staff. Based on the support we received during the pandemic, we can only assume that our staff are happy.

During the year we continued with our regular discussions with the staff to get clear feedback on what they think works well and what needs to be improved on. These discussions have been conducted both in an organized manner and also spontaneously during work hours. It is not a coincidence that the coffee machine is located in the office instead of a remote staff room assigned to the drivers. We continue to provide a wide variety of further education for the staff with focus on driving and rest times, food safety and Driver CPC (Certificate of Professional Competence).

### Sustainability

Issues relating to sustainability and the environment are constantly relevant to us and a natural part of our everyday lives. With this in mind we are now certified according to Fair Transport, which is an initiative by Sveriges Åkeriföretag and forms the basis of highlighting legitimate transports on the market. On the fairtransport.se website customers are able to access relevant policies and certificates which simplifies the procurement process as well as providing a current analysis. We have continued to update our vehicle fleet and at present 70 % are Euro 6. Together with our customers, we continuously review the business situation, with the aim, amongst other things, of optimising the use of the vehicles. At the end of the year, the

company initiated a major project that will help to further reduce our climate footprint. By installing a solar panel system on the roof of our terminal the return is approximately 250,000 kWh per year.

### Growth

As the pandemic has had an immense impact on parts of the year, opportunities for growth in 2020 have thus been limited. Even so, we have essentially maintained our annual turnover while enjoying continued confidence from our customers as can be seen in the future new assignments we have been awarded. This leads us to hope for a more positive 2021.

### Future

We have great confidence in the future and based on the work we have carried out during the pandemic year we stand well prepared for the much-anticipated upswing in 2021. Close cooperation with our existing customers coupled with new ones and the flow of assignments expected during Q1 and Q2 bode well for steady growth in our business.



Peter Lengrell, CEO



## Fair Transport – the Basis for a Sustainable Business

Several of Tempcon's subsidiaries have chosen to join Fair Transport. The idea is simple: If you buy transport services from a haulage company that is certified according to Fair Transport, you are not just buying a service from a haulage company that operates according to traffic safety legislation, emission regulations and good work environments, you are also buying a transport service from a haulage company that measures, has transparent accounting and takes responsibility for continuous improvements. Fair Transport guarantees sustainable business for the provider and the purchaser

of transport services as well as the end customer who buys the products being transported. This means that the transport provider delivers a sustainability promise which is demonstrated through continuous follow-ups. Through Fair Transport the industry is doing its share of leading by example and in a transparent way showing how we take responsibility, drive safely and think climate smart. Sustainable transports are the foundation for sustainable business.

## Tempcon Supports the National Team in Walking Football



The Tempcon Group works hard with its social responsibility efforts and part of those activities involves supporting the Swedish National Team in Walking Football (WF). This sport may not be well known amongst the general public as yet but it is gaining interest in the world. We

are interested in supporting WF as the team has both a national as well as an international arena and besides, this sport is open to everybody and also lives up to the clearly stated goals of the Swedish Sports Confederation to promote lifelong participation in sport clubs.

### Some facts about walking football:

- The first matches were played in the 1930's however its breakthrough did not occur until 2011 in England.
- Running is not permitted - one foot must remain at all times on the ground.
- No forms of physical contact may occur between the players.
- The field measures 30 x 50 meters, which is about half of a normal-sized football field.
- To avoid injuries the ball must never be headed.
- The match is cancelled if the ball is more than two meters up in the air.
- Offside does not exist and only the goalkeeper may be in the goal area.
- Each team comprises of five players and a goalkeeper. In addition, each team has two or three reserve players who can be used freely during the match. There are no limits to the number of substitutions.
- Match time varies, but in Sweden they usually last about 20 minutes. Internationally it is more common to play two periods of 20 minutes.
- There are approximately 70 active clubs in Sweden today.
- The international federation has 70 member countries with England being the largest with a total of 800 registered clubs.

# Claessons Transport AB

## Focusing on Well-developed Distribution Transports

Many of the changes that we initiated last year are now complete as we have achieved our goal, whilst others are part of our efforts to constantly develop our business. During 2020 we carried out a major structural change in traffic when we handed over transports destined for Östergötland to one of our sister companies which made it possible for us to concentrate on establishing a highly professional distribution service in Småland, Halland and throughout Skåne. Through our optimal location in the middle of the region we are now a leader in the field of transports, warehousing as well as crossdocking.

### Work Environment

Our staff are the most important resource that we have. And with this in mind we have during the year concentrated on expanding and building an organisation comprising of competent and motivated employees. Our goal is to be an approachable company that is attentive, perceptive and informed and able to react quickly and decisively. We incorporate a number of IT systems in our business which facilitate and streamline our work at every stage. And, of course, we work actively and consistently with our work environment. This is reflected in a number of activities

such as regular safety rounds and risk assessments which are conducted with the aim of prohibiting injuries in the work place. Proof that we are on the right track can be seen in the number of job applications we receive when we advertise vacancies as well as in the positive responses in our annual employee satisfaction surveys.

### Sustainability

As in previous years, activities relating to sustainability at Claessons are very important. We keep our vehicles well maintained to minimise fuel consumption whilst at the same time ensuring that they are safe for our drivers to use in traffic. Our drivers are also given current training in eco-driving and we also prioritise HVO fuel. Over the years we have developed a close and productive relationship with upper secondary schools in the area offering work experience positions for new drivers. In this way we contribute towards encouraging the next generation of professional drivers to take part in the relevant training courses in an occupation where there is a shortage of skilled labour. Our future plans include the possible investment in three new vehicles operating on liquefied gas.



### Growth

Growth opportunities for the coming year seem good with a number of large and smaller assignments contributing to this. A major focus for the future involves optimising capacity levels and increasing volumes within the existing fleet.

### Future

Claessons transport in Ljungby will be an enduring and obvious partner on the market and through efficient capacity management we gain a better economy in the transport with the bonus of lower climate impact. Our aim is also to focus on follow ups and cost control in our operations where the new IT system will be a great support. We have begun our journey towards Claesson 2.0 – the obvious choice for temperate logistics solutions.



Rickard Granqvist, CEO



## A New Beginning brings New Opportunities

This transitional journey began in 2019 and continued throughout the past year. It involved implementing various digital systems which came on line at the same time as we were focusing on acquiring new customers to the business. We are pleased to note that this hard work has borne fruit as we have increased our long-distance traffic to Gothenburg as well as Stockholm. We also redistributed resources in the office in the past year and reduced administration in favour of increasing traffic management and sales staff. In addition, we closed the pilotage operation at the end of the year. As a consequence of all these changes, and to highlight a new start, in November the company changed its name to Tempcon Linköping.

### Work environment

To achieve a better work environment for our drivers we redesigned our terminal to achieve a clearer work flow. We also employed a terminal manager which we hope will lead to a better structure and clarity. In this way we will gain a better follow up system for goods flow. Our efforts to improve the working environment are on-going and in the past year we have prioritised involving the drivers

in the development of the company and to encourage them to be more involved in all aspects of operations.

### Sustainability

We have focused heavily in the past year on employee sustainability. A good workplace where the staff experience participation and involvement is a workplace where people stay. In the course of the year our energies have been focused on the organisation and staff where a frequent information flow has been an important aspect. We have also worked hard in fulfilling the demands of being part of Tempcon's ISO standard certifications, 9001, 14001, 22000 and 39001. With the implementation of the new digital systems brought on line during the year we are now better equipped at following up our vehicle, fuel and capacity operations.

### Growth

As more than half of Sweden's population live in a catchment area of two and half hours by truck from Linköping, opportunities for growth are immense. Growth opportunities in long distance transports are also good and in combination with our sister

companies, we shall work with capacity management and optimising distribution networks. We have also noted interest from the market to expand our scheduled traffic services.

### Future

Through closing down our pilotage operation and refining our services to the market we are better able to focus on our core business of transports and logistics. We must also intensify our sales efforts to promote growth which in the present pandemic climate is challenging. Our work to implement changes in the terminal had to be put on hold over the past year but with the rejuvenation of a fully equipped refrigeration and freezing terminal we can broaden our range of services and add value to our business and that of our customers.



Ann-Sofie Törnqvist, CEO



## Delivering a Comprehensive Fossil-free Distribution

2020 has for Logex as for many other companies in the sector, been turbulent. The pandemic has impacted heavily on transport needs, especially to the HORECA segment which in turn has affected us greatly. However, we have benefited from several new contracts during the year and now see recovery in the drop in turnover that we experienced in the previous year. So overall we can look back on a 12-month period that has been both volatile as well as challenging but through working proactively we have laid the foundation for the coming year.

### Work environment

The work environment is an important area in our expansion plans for the company. We work continuously to improve work satisfaction for our employees, for example through constantly reassessing our work schedules and maintaining a new and updated fleet which we know is much appreciated. One of our goals is to be the best employer in the business and job satisfaction cannot be underestimated. Over the last year we have noted a drop in staff turnover which confirms that we are on the right track.

### Sustainability

Throughout the year we have worked hard together with our customers to reduce our environmental impact. We are looking into the possibility of co-distribution which not only enables us to improve capacity in the vehicles allowing for more goods to be transported per kilometres and fuel consumed, it also means fewer deliveries to the end customer. This also translates to a better optimisation of our resources. This also contributes to us providing a comprehensive fossil-free distribution service in the not too distant future.

### Growth

To offer our customers a higher level of professionalism we have increased our administration staffing levels and expanded our terminal resources. The pandemic has greatly affected our ability to achieve the growth levels we had anticipated by the end of last year. Nonetheless we have signed a number of major contracts which has helped us achieve our expected turnover and notwithstanding the corona virus and its effect on the business in the first few months of 2021, we are nevertheless optimistic of continued growth in the future.

### Future

2020 drew to a close with the opening of an additional terminal in Gävle which is a complement to our terminals in Sundsvall, Skellefteå, Örnsköldsvik, Luleå and Umeå. This new terminal is equipped with 6 vehicles aimed at transporting goods in the county of Gästrikland. This development is in line with our expansion plans for the coming year. Our area of distribution in the Tempcon Group is the largest and if we are to continue to grow and develop the business, we must look at coordination and flexibility and to continue to challenge the old order.



Mattias Sundgren, CEO



## Rapid Shift to Meet Market Demand

Since December 2020 Tempcon Stockholm is in fact a completely new company compared to how it looked a year before. The organisation has undergone a structural reorganisation on the traffic side as well as customer base. Many of the previous customers have remained and been joined by a number of new ones. Parallel with the traditional distribution and long-distance traffic services we have further developed our last mile transports. We had always planned to expand this area of the business but with the arrival of the pandemic this service quickly gained relevance. As a result, we have had to double the resources used to cope with this type of transport service. This has been possible as we are now part of a much larger group and were able to quickly allocate more vehicles to meet the demands from the market at such short notice.

### Work environment

The year has obviously been affected by the pandemic and placed heavy demands on the staff to cope with rapid changes. Through quick-thinking and being flexible our operations have had to adapt month after month. During these

very turbulent and uncertain times, great focus has been placed on restructuring the staffing constellation to best meet the needs and demands of the operation. In the past year we also signed a new occupational healthcare agreement and for the first time appointed a local safety representative.

### Sustainability

We continue to rejuvenate and modernise the fleet and gain a better environmental classification and lower fuel consumption. At the same time, we are prioritising HVO as much as possible. In line with our sister companies, we are also now certified to ISO standards 9001, 14001, 22000 and 3900. This has taken a lot of time but the rewards have been noticeable, not least in contacts with our customers.

### Growth

Based on our expectations in 2019, the past year has not produced the growth levels we had hope for but neither have we been as negatively affected by the pandemic as others have experienced. This can probably be related to our low number of HORECA customers. After a shaky start followed by a

considerable dip in the autumn, the year brought with it fewer orders but larger transports. Our goals for the coming years involve stable growth through conscious and consistent processing of the market.

### Future

At Tempcon Stockholm we predict a bright future. We shall increase market shares together with our existing customers and also by attracting new ones. Our offer to the market is clear and involves expanding our distribution network in the greater Stockholm and Mälardalen areas together with long-distance traffic to the city of Västerås. These activities combined with our new terminal make it possible to offer customers a uniform solution. Our intention is to broaden our horizons and provide the market with a wider variety of services.



Cherie Svensson, CEO





## Recognising Opportunities to Meet a New Reality

The past 12 months have been difficult to say the least. Having been a family-owned company since 1914 we decided to sell the business to the Tempcon Group in the beginning of 2020. The advantages of belonging to a larger group have been clearly visible especially when Corona came with full force in mid-March. Challenges have come thick and fast with the majority of our customers operating in the HORECA sector which has almost come to a full stop in the spring. The month of March was bad, April a catastrophe and May not far behind. Our turnover dropped by almost 40 % and we had to work very hard to adapt the operations to fit in with a new reality changing constantly week on week. The bulk of our business, both national and international, is scheduled traffic so we adjusted the frequency of these transports and then began setting our sights on finding additional transports in other areas. This situation is similar to that of bus services, we had our routes but fewer people wanted to travel during the pandemic. Then summer arrived and with it a slow recovery which unfortunately did not quite live up to previous levels before we were once more in October experiencing a decline similar to that of the previous spring.

### Work environment

Our most important resource is our staff and our objective is a transparent operation involving constant improvements in the work environment. Compliance with current legislation for nightshifts, driving and rest times is unambiguous. During the year a number of our employees have taken part in a training course covering practical work environment (PAM). Through this investment the organisation is committed to further highlighting this area in the future.

### Sustainability

It is abundantly clear that man has to make changes. The goals outlined in the Paris Agreement are extensive and will demand great commitment from many. We work with a relatively young fleet and benefit from somewhat low emission levels. In combination with this advantage, we are keen to train our drivers to be as resource efficient as possible in their driving assignments. Together with our drivers and through our digital systems we conduct follow ups with the aim of optimising the transports. At the same time, we are looking into the advantages of expanding our fleet to include natural gas vehicles in the future.

### Growth

The last 12 months have been a lost year in terms of growth and we are geared up to focusing on stabilising and compensating for the period as a result of the pandemic. Our aim is also to grow our operations and offer a wider variety of services.

### Future

Reality as we once knew it is unlikely to return after the pandemic but a new world will evolve. For example, business travel is unlikely to reach previous levels as people have become accustomed to working digitally. And this is likely to have major consequences on the HORECA segment, especially for hotels and restaurants. As a result, we need to see the importance of adapting quickly to new transport flows and recognise opportunities when they arise and be ready together with our staff to embrace a new reality.



Bo Andersson, CEO



## Joining the Tempcon Group Opened up a New World

During the summer of 2020 Berneco Transport became a part of the Tempcon Group. Having previously been a family-owned company it now became part of a much larger organisation in a year struggling with a pandemic. The first months of 2020 went well, however by the time Easter had passed the rest of the year was characterised by an imbalance in transport flows with spasmodic activity resulting in some months breaking records and others resembling large black holes. The year has also brought with it positive moments which include our work with Sixfold and Ease Fleet which are visibility platforms of the future providing systems that offer real-time monitoring of transports, gps positioning, temperature control and much more for us and our customers. These systems bring clarity and transparency alleviating the daily work of our customers and in turn adding value to their customers.

### Work environment

We have always seen it as a natural part of our work to take care of our staff. If we care about our employees and they have a positive work environment, they in turn will take care of our customers in the same positive way. We are not so many who work in the office so we are attentive of one another and try to establish a family feeling. Our aim is to be receptive and encourage opinions. Two of our staff have been

with us since the beginning in 1993 and a further two have worked with us for almost 25 years with our latest recruitment being to replace one of our oldest employees who recently retired. Our interpretation is that the staff are happy here!

### Sustainability

Since 2017 every single vehicle that transports goods for us holds a Euro 6 rating. We have concentrated on capacity management with our imports maintaining a level exceeding 98.5 %. It is essential that we provide a high minimum standard in the care and cleanliness of our vehicles as those goods we transport will be eaten by someone in the future. Since 2003 we have been certified in accordance with ISO 9001 and 14001 and we note that many of our customers regard certification as a necessity. However, we would like more customers on the international market to place higher demands on a fossil-free fleet. In Sweden we are in the forefront.

### Growth

Berneco transport is now part of a bigger group which lays the foundation for increased growth opportunities for us as well as the Tempcon Group. Through international transports and in conjunction with the Group we can now accept assignments which previously were not possible. The same applies to how we previously worked as the



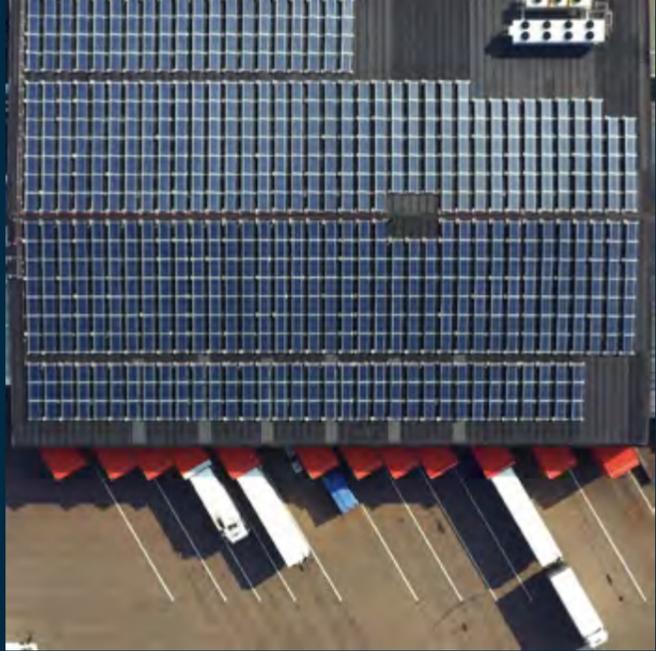
majority of our transports remained in Helsingborg but now, through our sister companies, we can offer international customers transport solutions throughout Sweden as well as to neighbouring countries.

### Future

We at Berneco transport, see the advantages of a new transport group such as Tempcon which naturally comes with challenges but also many opportunities. Synergy effects in combination with our sister companies will continue to provide us with high-capacity levels and allow us to attract new major business arrangements for ourselves as well as the Group via our expanding services to the market. Internally we must focus on ensuring the high service level that our customers have been accustomed to receiving, if we are to maintain the customer relationships that stretch back to the start of the company.



Jesper Rosén, CEO



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**Together for a sustainable future**

