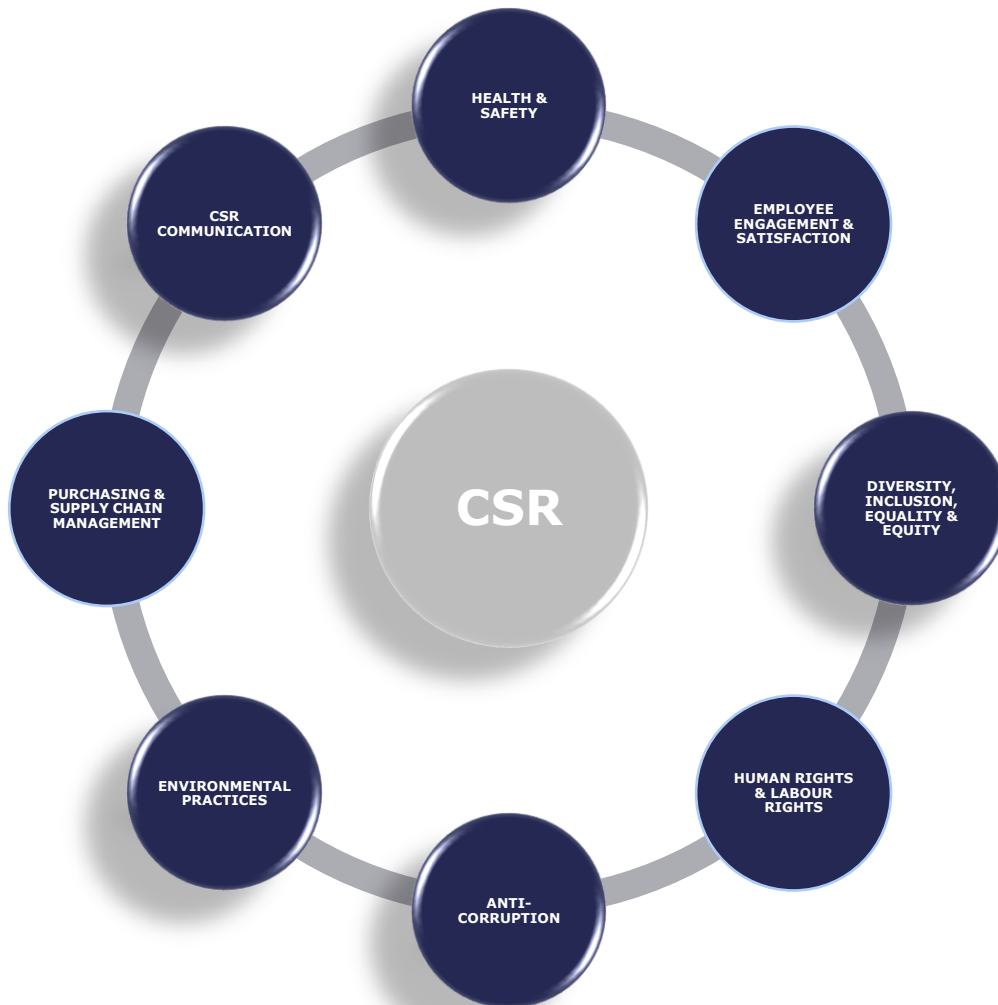


Qubiqa Group

Group CSR Policies



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OUR CSR VISION

"We want to be the preferred, responsible partner and supplier of high-quality products, services and knowledge to our customers to help them realize their opportunities"

Morten Lagoni Seeberg, CEO

1 INTRODUCTION

1.1 Scope

The eight CSR policies contained in this document apply to Qubiqa A/S (in Esbjerg, Denmark), Qubiqa Sp. Z o. o. (in Piła, Poland) and C&H System A/S (in Naestved, Denmark). These three companies will hereafter be referred to collectively as 'the Group'.

Unless otherwise stated in the text, the CSR policies apply to all employees (i.e., all managers and workers) in all functions and at all Group sites. The policies outline minimum standards of required behaviour, individual obligations, and information on what to do in case of non-compliance. Where relevant, aspects of the policies also extend to third parties under the Group's control who work on our premises or on our behalf.

1.2 Background

The companies in the Group have a tradition of being responsible. It is firmly rooted in our spirit to take good care of each other, of the environment, and of the local societies where we are active. We are convinced that we must continue doing business in a responsible way. Not only because it is the right thing to do, but because it is better for the Group in the long term.

We take a holistic approach to being responsible and our Corporate Social Responsibility (CSR) strategy is ambitious. It supports the UN's 17 Sustainable Development Goals (SDGs) and follows the Ten Principles of the UN Global Compact in the areas of human rights, labour rights, anti-corruption, climate, and environment.

In fulfilling our CSR strategy, we are monitored not only by ourselves, but also by EcoVadis - the world's largest and most trusted independent provider of business sustainability ratings. In October 2023, EcoVadis awarded Qubiqa A/S a Gold Medal in recognition of our achievements. Gold places Qubiqa A/S in the top 5% of companies assessed by EcoVadis and the top 1% of companies in our industry category. From 2024, preparations are underway to also have Qubiqa Sp. Z o. o and C&H System A/S, included in the assessment scope by EcoVadis.



As part of the CSR strategy, we have developed the eight CSR policies in this document. Each policy describes what we envision, our policy objectives, implementation principles, performance measures, and sanctions in case of non-compliance.

1.3 Effectuation

The CSR policies have been approved by the Group CSR Steering Committee, Executive Board, and Board of Directors in 2023. **They are in effect as of January 2024.**

1.4 Resources

Management will provide adequate financial and non-financial resources to implement and enforce the CSR policies. When necessary, we will provide training and education to enhance awareness and understanding of the policies' content.

1.5 Audits, reviews and updates

The Group will perform internal audits of its CSR management system, to follow up the implementation of the eight CSR policies and evaluate their effectiveness. These audits serve both to provide assurance to management and other stakeholders and to ensure alignment with evolving international and national legal and ethical standards, e.g., from the EU, UN, OECD, government authorities, NGOs, and industry associations.

The CSR policies will also be collectively reviewed once a year, and when necessary updated. Throughout any given year, however, all employees are encouraged to provide feedback to the Group CSR Steering Committee on how the eight policies may be improved or supplemented by new ones.

1.6 Communication

The CSR policies will be communicated via relevant platforms (e.g., meetings, e-mails, intranet, Viva Engage, and information displays where available) to ensure that they are accessible and widely known throughout the Group. Similarly, all employees must stay updated with changes to the policies or new policies, which will also be communicated via relevant platforms. All managers are required to ensure their staff is familiar with the policies.

In addition to the CSR policies, we note that CSR-related requirements of employees, third parties under the Group's control, and suppliers can also be found in our handbooks, instructions, and guidelines for employees and in our Supplier Code of Conduct.

When relevant, the CSR policies, or individual commitments in them, can be communicated to external stakeholders, such as suppliers, contractors, customers, authorities, financial institutions, e.g., via correspondence, meetings, agreements or contracts.

The Group will report transparently on results achieved from implementing the policies, including our initiatives, progress, and best practices for driving positive change. This will be done via our Annual Report and in conjunction with submitting sustainability reports to EcoVadis and Communication on Progress (CoP) reports to UN Global Compact.

1.7 Signatories

Axel Manøe Jepsen
Chairman, Qubiqa Holding

Morten Lagoni Seeberg
CEO, Qubiqa Holding

Jørgen Prange Løvschall
Group Financial Director

Wieslaw Waroś
CEO, Qubiqa Sp. z o.o.

Niels Frost Nielsen
CEO, C&H System A/S

Torben Skjødt Nielsen
Supply Chain Director,
Qubiqa A/S

2 POLICY ON HEALTH & SAFETY

2.1 Vision

We envision the Group as a safe and healthy workplace for all employees, where everybody is involved in daily dialogue and proactive initiatives to reduce the risk of work-related accidents, injuries, and illnesses. All initiatives and actions taken to improve health and safety must have a real and transparent impact for the people in the group.

2.2 Policy objectives

This policy is issued to ensure that the Group:

- Systematically and continuously improve the work environment, prevent all types of physical and psychological work injuries, and minimize their consequences, should they nevertheless occur.
- Promote a culture of health & safety awareness among all employees.
- Consult and involve the workers and working environment representatives.
- Regularly review, evaluate, and enhance our health & safety practices.
- Comply with all applicable legal requirements and industry standards.

2.3 Implementation

We have a systematic approach to health and safety where we:

- Provide our employees with personal protective equipment, general health & safety training, and emergency training (e.g., evacuation drills for all employees and crisis management exercises for top management).
- Fit our office, production and warehouse premises with access to clean water; adequate ventilation, heating; clean toilet facilities; and alarm systems; signed emergency exits; posters with emergency instructions; well-serviced tools and machines with safety instructions; equipment for safe storage, handling and disposal of hazardous materials; noise reduction technology; fire equipment; first aid kits; and automated external defibrillators (AEDs) for use in case an employee or guest suffers sudden cardiac arrest.
- Maintain Workplace Health & Safety Organisations consisting of representatives from management and representatives elected by employees.
- Encourage all employees to contact their health & safety representatives if they experience or witness any accidents or near-accidents, face any other health & safety-related problems, or have suggestions for how health & safety might be improved.
- Regularly conduct Workplace Health & Safety Assessments followed up by concrete action plans.
- Welcome and actively collaborate with regulatory authorities during inspections.
- Address health & safety during Employee Development Interviews.
- Provide a mechanism for internal and external stakeholders to anonymously report health & safety violations. This includes a confidentiality guarantee, a non-retaliation guarantee, and a dedicated online Whistleblower System.
- Offer health insurance (DK only) and business travel insurance.
- Offer travel security advise in case of business travels to high-risk countries.
- Have restrictive policies regarding consumption and use of alcohol, narcotics, other psychoactive substances, tobacco, and e-cigarettes during work.
- Offer subsidised sports activities and healthy food on sites where we have canteens.

2.4 Performance measures

To assess whether the policy is followed in practice we:

- Map, evaluate, and risk assess health and safety hazards and control measures.
- Set ambitious targets for improvements in action plans and measure progress.
- Conduct thorough analyses and safety inspections rounds whenever accidents occur. Facts about the accident and how it may have been prevented are subsequently communicated to all employees.
- Register and map “near-misses” to identify potential hazardous situations and to better be able to set up relevant mitigation actions.
- Track Lost Time Injury frequency (LTI-f) and other key health & safety metrics.
- Track regular sickness absence and conduct interviews to ascertain if the reasons are health & safety related. Such interviews, and any resulting action plans or retention plans in cases of frequent or long-term absence, are always conducted in ways that comply with applicable laws on privacy, confidentiality, and labour rights.
- Track employee turnover.

2.5 Violations and sanctions

We are committed to enforcing a disciplinary framework that ensures accountability, fair and just resolution, and provision of appropriate remedy in cases of non-compliance with this policy. The following actions may be taken in response to health & safety violations:

- Verbal reminders and warnings for minor infractions or first-time offenses.
- Written warnings and additional training for repeated or more serious violations.
- Temporary suspension or removal of individuals from hazardous work areas until compliance is ensured.
- Termination of employment or contract for persistent or severe breaches of health & safety rules, and when other means of addressing non-compliance have been ineffective.
- Legal action if a violation is severe enough to warrant this.

3 POLICY ON EMPLOYEE ENGAGEMENT & SATISFACTION

3.1 Vision

We envision a work environment, where everyone can unfold their personal and professional potential in the best possible way, leading to exceptional performance and a positive organizational culture. If asked, current and future employees will tell others, that the companies in the Group are great places to work. Former employees will say, that working within the Group was a positive contribution to their work life from both a careerwise and social perspective.

3.2 Policy objectives

This policy is issued to ensure that the Group continuously maintain high levels of employee engagement and satisfaction. The work must get done and our employees are our biggest asset. In the management of the Group, we therefore consider it one of our most important responsibilities to provide a framework that inspire and motivate employees to achieve their short- and long-term goals, and to support them in doing so.

3.3 Implementation

To effectively implement this policy, we:

- Perform Employee Development Interviews and Workplace Health & Safety Assessments. These are based on simple and generic methods, which ensure that managers and workers address all relevant topics in a logical and efficient way.
- Provide opportunities to enhance competences, skills, knowledge, networks, and professional growth through training, seminars, workshops, conferences, etc. We maintain a training record to document who have been trained, when and where.
- Support employees in setting and achieving their career goals through competence development plans, internal job postings, and promotional opportunities.
- Offer health insurance, subsidised sports activities, and a healthy canteen scheme (DK only).
- Allow employees to plan their own work, work flexible hours, and work from home within reason and where physically and practically possible.
- Recognize and celebrate individual and collective employee achievements and milestones through various means such as verbal recognition, written appreciation, rewards, gifts, bonuses, staff parties, staff outings, Christmas presents, etc.
- Prioritize successful onboarding and retention of new and existing employees, and welcome back former colleagues who chose to join us again.
- Encourage employees to consult their immediate manager if they wish to address personal work-life balance issues.
- Strive to ensure that management decisions are always transparent and include employee engagement and satisfaction as part of the decision-parameters.
- Promote open communication and welcome feedback, opinions, and suggestions.
- Have a separate Ageing Employee Policy, where normal Employee Development Interviews are expanded with Ageing Employee Interviews. These follow bespoke preparatory material paying extra attention to themes such as retention, desired age of retirement, utilization and continued development of knowledge and competences, and changes in responsibilities, work hours or other conditions prior to retirement.
- Employ apprentices, interns, students, and trainees to contribute to the education of young people, and assist citizens, who find it difficult gain a foothold in the labour market. We have close connections to educational institutions linked to our industry,

and we participate in job fairs, science fairs, training sessions, etc. We also have a separate Education Policy for Apprentices and Interns.

- Operate with zero-tolerance for, and train employees to counter discrimination, prejudice, harassment, bullying, violence, or other offensive and inappropriate behaviour in the workplace.
- Prepare plans for retention of employees after long-term or frequent short-term illness in accordance with prevailing legislation.
- Have a Noise Policy to maintain a comfortable work setting and avoid stress due to unnecessary noise from conversations and electronic equipment in open areas.
- Allow time off with pay for appointments with doctors and dentists, weddings, anniversaries, care of family members with grave illnesses, deaths, and funerals.
- Encourage men to take longer maternity leave than has historically been the case.
- Have an agreement with a pension company that includes free advice to employees (DK only).

3.4 Performance measures

To assess whether the policy is followed in practice, we:

- Use our employee development interviews and surveys to gain a clear insight into the level of engagement, satisfaction, needs and possibilities for our employees.
- Monitor employee performance and productivity metrics to evaluate the impact of engagement and satisfaction initiatives.
- Keep a record of completed employee training and education.
- Track turnover rates and analyse the reasons behind employee departures.
- Track sickness absence and conduct interviews regarding the reasons for frequent or long-term absence followed up by action plans or retention plans – whilst always respecting applicable laws for privacy, confidentiality, and labour rights.
- Offer “exit conversations” to employees who retire or leave us to pursue other jobs, to learn how we may improve employee engagement and satisfaction.

3.5 Violations and sanctions

Any actions or behaviours that significantly hinder employee engagement and satisfaction or directly violate this or related CSR policies will be subject to appropriate disciplinary measures. For first offenses the sanctions will typically be mandatory conflict mediation, oral or written warnings. Repeat offenses or severe violations may result in demotion, relocation, or termination of employment.

If claims of discrimination, prejudice, harassment, bullying, violence or other offensive and inappropriate behaviour are reported, we will treat complaints as confidentially as possible, to ensure a fair, complete and accurate internal investigation - where both the alleged perpetrator, victim, and any witnesses can have their say - prior to determining any disciplinary sanctions. In severe cases, where criminal conduct is beyond reasonable doubt, we will act swiftly and notify the police or other authorities directly.

Appropriate remedy, proportionate to the harm experienced by affected person(s), will be provided when necessary.

4 POLICY ON DIVERSITY, INCLUSION, EQUALITY & EQUITY

4.1 Vision

We envision each company in the Group as a great place to work. That means a company where the workforce is broadly composed; where multiple talents are connected in an inclusive workplace; where individuals have equal opportunities to succeed; and where it is recognised, that some individuals may require different levels of support to truly have equal opportunities. We do not only see these conditions as fair and just. We believe that that they will promote creativity, innovation, and development, which is a fundamental prerequisite for continued business success.

4.2 Policy objectives

This policy is issued to ensure that the Group continuously strive to achieve:

- Diversity – i.e., appreciating and embracing the many unique backgrounds and characteristics that different individuals can bring to the company.
- Inclusion – i.e., going beyond diversity representation by creating an environment where all employees feel valued, respected, supported, and empowered. This involves promoting collaboration and open communication, encouraging dialogue, addressing biases, fostering a culture of ownership and belonging, and providing a safe space for individuals to be their authentic selves.
- Equality – i.e., ensuring that all individuals have the same opportunities and access to resources and benefits regardless of their background, characteristics, or circumstances. The goal is to treat people equally and ensure that individuals are not subjected to discrimination or unfair treatment.
- Equity – i.e., recognizing that individuals - due to unique circumstances and disadvantages (e.g., people with physical or cognitive disabilities) - may require special accommodations or adjustments to perform and thrive in their jobs. While equality focuses on treating everyone the same, equity acknowledges that true equality may require actions to level the playing field. Achieving equity involves addressing and eliminating systemic barriers, structural inequalities, and discriminatory practices.

Our practices in these areas must always be in accordance with applicable legislation and recognized national and international standards.

4.3 Implementation

To reach our objectives, the following implementation measures are applied:

- Recruitments, hiring processes, promotions, and dismissals are fair and transparent. They are never influenced by the applicant's or employee's gender, age, race, sexual orientation, nationality, ethnicity, disability, political affiliation, union membership, religious beliefs, or socioeconomic status. However, since we operate in a traditionally male dominated industry, we aim to increase the number of women in all positions, including top management, as part of a broader gender-equality effort.
- Salaries, benefits, and career development opportunities (e.g., employer-funded courses) will always solely be based on personal and professional competences.
- There is zero-tolerance for discrimination, prejudice, harassment, bullying, violence, or other offensive and inappropriate behaviour in the workplace. We train our employees in anti-discrimination, and they are expected to speak out against such behaviour, if they witness it, protect the victim, if it is safe to do so, and subsequently report their experiences or observations.

- The specific terms of employment and the actual working conditions must fit both the employer's needs and individual needs that are relevant to consider locally. Successful recruitment, onboarding, and retention of a disabled employee, for example, may require an accessibility assessment and provision of assistive products.
- Senior managers will champion diversity, inclusion, equality, and equity initiatives and integrate them into their leadership styles and decision-making processes.

4.4 Performance measures

To assess whether the policy is followed in practice, we:

- Ascertain that the above principles regarding recruitments promotions and dismissals are used during the year, and that they are reflected in decisions regarding salary raises, extension of benefits, and offers of career development.
- Examine if any barriers that may hinder equal access to opportunities and advancement have been addressed during the year.
- Check that employee feedback, suggestions, and participation in diversity, inclusion equality, and equity initiatives have actively been encouraged during the year.
- Measure results achieved within the policy area and implement corrective measures when deemed appropriate.
- Track if any breaches of the policy have been reported or complaints received during the year through either of these channels: Anonymous entries in the online Whistleblower System; Written or said in-person by employees to their immediate manager; Mentioned during Employee Development Interviews or Workplace Health & Safety Assessments; Recorded in the annual CSR-survey to managers and board members; Communicated directly to representatives in Workplace Health & Safety Organisations, Works Councils, or the Group CSR Steering Committee.

4.5 Violations and sanctions

It is important to us that we avoid any form of discrimination in all parts of the Group. Violations of this policy can have profound consequences - not just for the individual who experiences it but also for those that witness the impact. Furthermore, discriminatory behaviour can severely damage the Group's reputation for corporate social responsibility and create legal risks. We therefore consider a violation of this policy a serious breach of trust and obligations. Violation will lead to disciplinary sanctions. These can take the form of official warnings, demotion, or dismissal (in very serious or repeated cases), and possible subsequent legal action against (if a law has been broken). Appropriate remedy for the victim(s) will be implemented.

5 POLICY ON HUMAN RIGHTS & LABOUR RIGHTS

5.1 Vision

It is our vision to uphold and promote respect for human rights and labour rights throughout the Group's operations and in our value chain. We are committed to protecting the rights and dignity of all individuals and groups, including employees, contractors, suppliers, customers, and other stakeholders.

5.2 Policy objectives

This policy is issued with the objectives to:

- Ensure we do not affect human and labour rights adversely through our activities.
- Ensure compliance with applicable laws, regulations, and other legal requirements.
- Improve our framework for assessing our impact on human and labour rights.

By human rights and labour rights we refer, among others, to freedom of expression; access to water and sanitation; gender equality and women's rights; rights of refugees and migrants; rights of indigenous peoples; digital security and privacy; freedom of association and collective bargaining; fairness in terms of living wages, benefits, working hours, etc.; healthy and safe work conditions; protection from child labour and forced labour, non-discrimination in respect of employment and occupation; right to maternity and paternity leave; and protection against unfair termination of employment.

5.3 Implementation

To effectively implement this policy, the Group will:

- Commit to respect all internationally recognised human and labour rights referenced by the UN and the International Labour Organization (ILO) in relevant conventions, declarations etc.
- Endorse and follow the UN's Guiding Principles on Business and Human Rights (UNGPs), UN Global Compact, and the OECD Guidelines for Multinational Enterprises.
- Include human and labour rights considerations into our business decision-making processes, investment choices, and supply chain management practices.
- Establish clear responsibilities and accountability for human and labour rights throughout the Group.
- Integrate more concrete commitments on human and labour rights in our other CSR policies and in our various handbooks, instructions, and guidelines for employees.
- Commit to pay all permanent and temporary employees fair wages in line with applicable benchmarks on or above Minimum Wage and Living Wage standards.
- Promote dialogue, cooperation, employee influence, and awareness of rights through Works Councils, which consist of employee representatives, including union delegates (when and where applicable), and management representatives. The Works Councils, inter alia, have the right to be heard and involved in decisions that affect working conditions, such as changes in working hours, working environment, salary conditions, and employment terms. The Works Councils also have various tasks related to the negotiation, interpretation, implementation, and monitoring of collective agreements, and it can thus play a role in resolving any disagreements or conflicts.
- Establish mechanisms for employees, suppliers, customers, and other external stakeholders to report concerns, grievances, or violations related to human and labour rights. Using the online Whistleblower System comes with a confidentiality and non-retaliation guarantee. Those who do not wish to use the Whistleblower System can report observations or make complaints in-person, via email, via phone or

through a contact person. In such cases, we still ensure protection against retaliation for those who report in good faith, and their identities will be kept confidential to the extent allowed by law.

- Expect our suppliers to respect human and labour rights. This expectation is outlined in the Supplier Code of Conduct and extended to our suppliers through contractual requirements.
- Collaborate with industry organizations, non-governmental organizations, and other relevant stakeholders to promote responsible human and labour rights practices.
- Commit to provide remedy through legitimate processes if we cause or contribute to human and labour rights violations, and not to obstruct access to remedies.

5.4 Performance measures

To measure our performance and progress, we:

- Engage in dialogue with employees, contractors, suppliers, customers, and other stakeholders to gather feedback and evaluate the effectiveness of our practices.
- Conduct risk assessments and due diligence for selected sectors and companies in our value chain to identify potential adverse human and labour rights impacts.
- Send out an annual CSR-survey, where we ask the Group's managers and board members to report any violations of human or labour rights committed by themselves, other employees, suppliers, or business partners.
- Monitor the Whistleblower System and other designated reporting channels.
- Conduct audits and assessments of our operations and supply chain to evaluate compliance with human and labour rights standards.
- Benchmark our performance against industry standards and best practices.

5.5 Violations and sanctions

We will handle any non-compliance with this policy via appropriate actions, such as:

- Engaging in dialogue and mediation to resolve grievances and provide remedy.
- Investigating reported human and labour rights violations promptly and thoroughly.
- Implementing corrective actions to remedy violations and prevent recurrence.
- Disciplining employees responsible for violations (warnings, demotion, or dismissal).
- Terminating contracts or business relationships with suppliers, contractors or customers that consistently violate human and labour rights standards.
- Cooperating with relevant authorities and organizations to address serious violations of human and labour rights.
- Pursuing civil lawsuits or reporting violations that involve criminal conduct to law enforcement agencies, potentially leading to criminal investigations and prosecution.

6 POLICY ON ANTI-CORRUPTION

6.1 Vision

It is the Group's vision to maintain a high ethical standard in all our activities. We compete on fair conditions and solely on the value and merit of our products and services, without compromising our integrity or cooperative relationships. We do not accept that business agreements made on an illegal or dubious basis, regardless of whether we are the supplier, or if others function as suppliers to us. Nor do we accept if illegal or dubious means are used to influence regulatory or political decisions affecting our business. Thus, we do not accept corruption in any way, shape, or form.

6.2 Policy objectives

This policy is issued to support the Group's efforts to combat corruption and to increase the knowledge of our position on corruption. The objectives of the policy are:

- To ensure that managers and employees on all levels gain an increased understanding of the fight against corruption and the efforts required of them.
- To maintain high, ethical standards in situations which constitutes grey areas – i.e., where evidence of outright corruption cannot be determined.
- To prevent violations of national or international anti-corruption legislation.

We define corruption as "*abuse of entrusted power for personal gain or to benefit others dishonestly.*" This definition covers financial as well as non-financial gains and benefits, and can include a wide range of acts, such as: Bribes, kickbacks, facilitation payments, fraud, embezzlement, extortion, collusion and anti-competitive practices, nepotism, conflicts of interest, trading in influence, money laundering, and obstructing of justice.

6.3 Implementation

To reach our objectives, the following implementation measures are applied:

- The Group provides annual anti-corruption training to employees in all relevant positions, e.g., job roles within top management, purchasing, sales, finance, IT department, and project management. The training is conducted either in-person or online, last several hours, and include lectures, dilemma exercises, discussions, and exchange of experience.
- The Group have adopted a set of behavioural rules that cover anti-corruption for all employees, and a Procedure for Approval of Sensitive Transactions. Employees can, for example, only give or receive gifts, hospitality or other gratuities that are within a reasonable level of value, have a precise and legitimate commercial purpose, and are customary within the country or business environment in question.
- Where deemed relevant, the above-mentioned rules and potential sanctions are incorporated into the employment contracts of employees with job descriptions that include dealings with customers, suppliers, etc. and who may find themselves in countries or situations, where corruption is widespread.
- The Group's Supplier Code of Conduct includes sections with concrete requirements regarding ethics and anti-corruption. Contracts and agreements with suppliers and other third parties also include provisions that explicitly prohibit corrupt practices.
- The Group provide a mechanism for both internal and external stakeholders to report on corruption issues. This mechanism includes a confidentiality guarantee, a non-retaliation guarantee, and a dedicated reporting channel – the online Whistleblower System. Any employee who suspects or witness corruption or related misconduct must promptly report it through the Whistleblower System or other designated reporting channels. Similarly, employees shall promptly disclose any actual or potential conflicts of interest that could compromise their judgment and impartiality.

- The Group do not make any form of donations to any organisations with the intent of gaining an unfair commercial advantage. Likewise, we do not make any direct financial contributions to any political party or candidate. However, we accept that trade organizations of which we are a member contribute to political purposes on behalf of the trade organization in question.
- The Group report on incidents and anti-corruption training in its Annual Report.
- The Group also monitor that the policy is complied with via internal audits and an annual CSR-survey to managers and board members.
- When necessary, the Group can conduct diligence on suppliers, contractors, business partners and other associates to ensure their commitment to anti-corruption principles and compliance with applicable laws, and to prevent third party incidents.

6.4 Performance measures

The Group use the below indicators to assess if the policy is complied with in practice:

- That all new employees (i.e., those hired within the last 12 months) in relevant job functions e.g., top management, purchasing, sales, finance, IT department, and project management have received anti-corruption training during a given year.
- That existing employees with several years of service have either repeated the anti-corruption training or received brush-up training.
- That anti-corruption has been incorporated into the employment contracts of all new employees with job functions that include dealings with suppliers and customers.
- That any alleged corruption incidents involving employees, suppliers or business partners observed or reported during a given year have been acted on.
- That any 'grey area' incidents involving employees, suppliers or business partners observed or reported during a given year have been acted on.

6.5 Violations and sanctions

Corruption is a serious crime that can have far-reaching consequences ranging from heavy fines to imprisonment of individuals. Corruption could also result in legal risks, business risks, financial costs, reputational damage and/or erosion of internal trust and confidence. The Group therefore take a zero-tolerance stance on corruption.

Any breach of this policy which involves criminal conduct or violation of laws will lead to immediate dismissal and subsequent legal action against the person/persons involved. In cases, where corruption cannot be proven outright, but where significant or repeated unethical behaviour is beyond reasonable doubt, wilful blindness is no defence. In such cases, disciplinary sanctions can include verbal or written reprimand, loss of privileges (e.g., company expense accounts credit cards or vehicles), demotion, transfer to a different position, or temporary suspension pending investigation.

6.6 Appendix: Examples of corruption

- Bribery: Offering, promising, giving, accepting, or soliciting an advantage (e.g., cash, gifts, hospitality, entertainment, loans, fees, rewards) as an inducement to do something that is illegal, dishonest, unethical or a breach of trust.
- Collusion and anti-competitive practice. Actions aimed at restricting competition to maintain or increase relative market position in an illegal, abusive, and dominant way, e.g., through participating in cartels, bid rigging or price fixing.
- Conflict of interest: Situations where an individual is confronted with choosing between the duties and demands of their position and their own private interests.
- Embezzlement: Theft or dishonest misappropriation of funds, assets, or property entrusted to one's care (e.g., via access to financial accounts or funds).
- Extortion: Compelling an individual victim or entity to comply with demands through use of force, intimidation, threats of violence, blackmail, or other forms of coercion. Demands can involve payment of money, property, goods or services, privileges, or favours. Sexual extortion or "sextortion" also falls under this category.
- Facilitation payments: Smaller unofficial payments to secure or expedite routine administrative processes for something the payer is legally entitled to.
- Fraud: Intentional deception, concealment, falsification, misrepresentation, or manipulation of facts, information, or transactions (e.g., forged sales invoices).
- Kickbacks: A type of bribe where a portion of a payment received in a business transaction is returned or given back to the person or entity that facilitated or influenced the transaction. Kickbacks typically occur in situations, where one party rewards another for providing business opportunities or favourable treatment, and it usually involves an understanding between parties to share illicit gains.
- Money laundering: Concealing the origin, ownership, or destination of illegally or dishonestly obtained money by hiding it within legitimate economic activities to make them appear legal.
- Nepotism: Using one's position of power or influence to benefit family members or close friends at the expense of more qualified or deserving individuals by granting preferential treatment in matters of employment, promotions, or allocation of resources.
- Obstructing of justice: Deliberate actions to impede or interfere with investigations or legal proceedings in order to protect oneself or others from potential consequences or accountability. This can include tampering with evidence, false statements or perjury, bribery, witness intimidation, etc.
- Trading in influence: Manipulating decisions or outcomes by providing improper access or assistance in exchange for advantages or favours. When trading in influence, individuals typically exploit their position, authority, connections, relationships, or access to decision-makers to secure favourable treatment, contracts, permits, or other benefits for themselves or third parties.

7 POLICY ON ENVIRONMENTAL PRACTICES

7.1 Vision

It is the Group's vision to integrate sustainable environmental practices into our business model, our management approach, and our business activities - thereby supporting the mitigation of global climate change and minimizing other adverse impacts on the natural environment that we may cause or contribute to.

7.2 Policy objectives

This policy is issued to ensure that the Group:

- Continuously strive to improve our energy efficiency, reduce our greenhouse gas emissions, and convert to more climate-friendly and renewable energy types.
- Embrace the principles of Circular Economy by reducing our relative consumption of materials and substances, increasing the amount of reused and recycled materials and substances that goes into our products, and adopting waste management procedures that prioritize reduction, reuse, and recycling.
- Ensure that decisions on major investments and expansions clearly include considerations of environmental sustainability as part of the decision-parameters.
- Communicate our commitments, goals, results, and progress on sustainable environmental practices in a transparent manner both internally and externally.
- Communicate to customers that our products and services can help them save energy, and thus facilitate green transition, in our marketing and sales efforts.
- Comply with all applicable national and international environmental legislation.

7.3 Implementation

To reach our objectives, the Group will:

- Assess the technical, market-related, and financial possibilities for reducing our relative amounts of own energy consumption and own greenhouse gas (GHG) emissions, and for substituting fossil-based energy with emission-neutral or emission-reduced energy types for our buildings, production plants, manufacturing equipment, vehicles, etc. as well as for the products and services we deliver to our customers. We define "own energy consumption" and "own GHG emissions" according to the principles for scope 1 and 2 applied in the Greenhouse Gas Protocol.
- Set ambitious reduction targets for scope 1 and scope 2 emissions using the framework and methodology of SBTi (Science Based Targets initiative).
- Encourage our suppliers and other business partners to engage in reducing their own energy consumptions and GHG emissions (our scope 3 emissions).
- Reduce our carbon footprint from transportation upstream (from suppliers) and downstream (to customers) and increase the number of electric and hybrid vehicles.
- Assess the technical, market-related, and financial possibilities for implementing Circular Economy principles, e.g., by optimizing our consumption of materials and substances (steel, iron, plastics, glue, paint, grease, packaging, water-usage, etc.), the amount of responsibly sourced, reused or recycled materials and substances, and the amount of non-hazardous and hazardous waste generated by our manufacturing and other business activities.
- Encourage our customers to adopt circular economy principles, e.g., through environmentally efficient and safe end-of-life handling of products delivered by us.
- Maintain, further develop, and further implement our work model 'Sustainability in Product Development and Design', which is a mandatory part of product develop-

ment and design cases and which incorporates energy efficiency considerations, circular economy principles, and other environmental aspects, as well as mitigation of negative health & safety impacts for customers using the products.

- Work to improve our waste-profile via the principles of the 'waste ladder' (avoid, reuse, recycle, combustion, landfill), and strive to sort all waste at the source.
- Avoid using substances suspected of posing a significant risk to the environment, and search for alternative substances.
- Involve and train employees in product development, design, purchasing, and manufacturing functions to keep them up to date with relevant legislation and best practices, e.g., as regards energy-saving motors and other components, materials use, recycling, reuse, etc.
- Train employees in purchasing and sales functions to include sustainable environmental practices in dialogues with existing and potential suppliers and customers.
- Promote awareness among all employees and encourage them to contribute ideas on how they can each assist with energy conservation, waste reduction, and other sustainable behaviour in their day-to-day work.

7.4 Performance measures

To measure our performance, the Group will:

- Measure quantitative figures on our own total energy consumption, GHG emissions, and renewable energy share.
- Quantitatively or qualitatively assess other negative environmental impacts that we may cause or contribute to.
- Keep up to date with technological developments in energy-saving, waste management, etc.
- Track and analyse any factual observations, claims or complaints regarding our environmental practices and impacts received through our Whistleblower System or other designated channels such as the Group CSR Steering Committee, Works Councils, or Workplace Health & Safety Organisations.
- Send out an annual CSR-survey, where we ask managers and board members to report any observed violations caused directly by the Group's operations or by suppliers and business partners in any of the following areas: Climate change (Release of greenhouse gases), Air pollution, Water pollution, Waste (Improper disposal of, e.g., solid waste, electronic waste, plastic, chemicals, hazardous materials, etc.), Noise pollution (Excessive noise from industrial activities, negatively affecting human health or wildlife), Land degradation (Unsustainable land use practices), Deforestation, Loss of biodiversity, Resource depletion (Overconsumption of natural resources, such as minerals, fossil fuels, and water).

7.5 Violations and sanctions

Depending on the severity and frequency of the offense, violations of this policy may result in training requirements, disciplinary actions, or even termination of contracts. If an action directly results in significant environmental harm, financial losses, or breaches of legal requirements, we may consult with legal professionals familiar with applicable employment and environmental laws to determine grounds for legal action.

8 POLICY ON PURCHASING & SUPPLY CHAIN MANAGEMENT

8.1 Vision

It is the Group's vision that our purchasing and supply chain management practices align with the objectives included in our other CSR policies. We take responsibility for our own immediate impacts on people, society, climate, and environment, and - whilst we accept different levels of CSR maturity - we want our suppliers to do the same.

8.2 Policy objectives

This policy is issued to ensure that the Group will:

- Prioritize suppliers that demonstrate acceptable CSR in actions as well as words.
- Prioritize buying specific products and services that are responsibly sourced and produced, or that at least do less harm than available alternatives.
- Use the Group's collective buying power and market position to contribute to the market for sustainable products and service.
- Identify, reduce, and remove risks of having our reputation damaged and business opportunities adversely affected due to irresponsible behaviour by our suppliers.
- Encourage communication and dialogue with existing or potential suppliers, fostering collaboration to improve responsible practices - and to do what can reasonably be expected of us to help suppliers prevent or cease irresponsible practices.
- End business relationships with any companies caught in severe or repeated violations of human and labour rights, significant and avoidable environmental damage, or corrupt or other criminal practices which undermine democracy and the rule of law, increase socioeconomic inequality, and make investments and trade riskier.
- As far as possible avoid buying products and services that are produced via intolerable business practises (e.g., social dumping) or contain unacceptable components or ingredients (e.g., minerals extracted from regions of armed conflict and traded to finance armed groups engaged in human rights violations, environmental degradation, and social instability).
- Comply with all applicable laws regarding purchasing and supply chain management.

8.3 Implementation

To reach our objectives, the Group:

- Has a Supplier Code of Conduct.
- Has an internal process manual entitled Responsible Purchasing and Supply Chain Management – *Tasks, Organisation, Responsibilities, Procedures, and Tools*.
- Regularly send out Self-assessment questionnaires to selected suppliers and an annual CSR-survey, where we ask the Group's managers and board members to report any observed or suspected violations by suppliers in the areas of human rights, labour rights, environmental impacts, and corruption.
- Perform risk assessments, including ESG-screenings, for selected industries and companies (e.g., transport and industrial services providers) from which we hire technical designers, engineers, montage specialists, programmers, supervisors, etc.
- Perform reviews and audits of selected suppliers, which may range from a request for documentation to an announced or unannounced offsite administrative check or onsite physical visit.
- Conduct due diligence investigation on selected new or existing suppliers, if necessary.

- Develop generic checklists to facilitate selection of more sustainable suppliers and products. The checklists can be consulted for both market research and direct dialogue with suppliers, e.g., when actively inquiring about resource-efficient products, expected product lifespan, possibilities for reuse and recycling, environmentally friendly production methods, problematic chemicals, fair working conditions, etc.
- Train and encourage purchasing personnel to debunk the persistent myth that buying sustainably is more expensive by shifting focus from the acquisition cost to the total costs associated with purchasing, owning, and disposing of products. If one considers total costs, it can be financially sound to opt for sustainable purchases in the long term, even if it may be a more expensive solution in the short term.
- Monitor potential supply chain management obligations stemming from national and EU regulation such as the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the EU Taxonomy.

8.4 Performance measures

To measure our performance and progress, we:

- Check that all relevant suppliers have signed our Supplier Code of Conduct.
- Analyse responses to the internal CSR-survey to managers and board members and the Self-assessment for Suppliers questionnaires.
- Monitor our Whistleblower System for factual observations or accusations indicating misconduct by employees or suppliers.
- Track progress through metrics like percentage of suppliers with relevant certificates and annual purchases from these, percentage of products with a recognized sustainability label, etc.
- Gather examples of previous purchases that have promoted sustainability and suggestions for further improvements from purchasing personnel.
- Assess the extent of our actual influence on suppliers. This depends, among other things, on past collaborative relationships and repeat business, order size, significance of our purchases to the supplier, strategic importance of the purchases to us, and the market availability of alternative suppliers, products, and services.

8.5 Violations and sanctions

Illicit or unethical purchasing and supply chain management actions by employees – including any attempt to cover up known or assumed breaches of the Supplier Code of Conduct – will result in training requirements, disciplinary actions, or termination of contracts, depending on the severity and frequency of the offense.

In cases of minor or unintentional violations of the Supplier Code of Conduct, we will work with suppliers to rectify the situation promptly. Suppliers must implement corrective actions to address non-compliance effectively. More serious, persistent, or severe violations will result in the suspension or termination of the business relationship without the right to compensation. Decisions on suspension or termination follow a thorough investigation and due process.

9 POLICY ON CSR COMMUNICATION

9.1 Vision

It is the Group's vision to communicate openly and honestly on all matters, including CSR, within the limits set by competitive industry conditions. We communicate in this way not just to maintain or improve our CSR image or for recruitment, marketing, or investment purposes. We genuinely want to share our experiences – and learn from others - as a management tool to promote good practice and drive positive change.

9.2 Policy objectives

This policy is issued to ensure that the Group:

- Provide clear, timely, dependable, credible, and correct written and oral communication about our CSR activities, goals, results, and progress.
- Communicate with several internal and external target groups, including:
 - Owners, board members, and personnel.
 - Future employees, e.g., apprentices, trainees, students, and job applicants
 - Customers, contractors, suppliers, and other business partners.
 - Investors, banks, insurance companies, and export credit providers, notably The Export and Investment Fund of Denmark (EIFO), and other financial institutions
 - Rating agencies, notably EcoVadis.
 - Forums and networks, e.g., UN Global Compact Network Denmark
 - Industry associations.
 - Educational vocational institutions with which we cooperate.
- Seek to communicate with the target groups in the most effective, accessible, and straightforward way for the recipients via appropriate communication platforms.
- Supplement one-way communication with dialogue.
- Never break the confidentiality and information security we have promised others.
- Never exaggerate the characteristics of our capabilities, products, or services.
- Never deliberately distort agreements or obligations we have already entered.
- Never engage in orchestrated misinformation or disinformation campaigns.
- Comply with applicable national and international legislation, e.g., the Danish Financial Statements Act and the EU's General Data Protection Regulation (GDPR).

9.3 Implementation

To reach our CSR communication objectives, we:

- Report on CSR in our Annual Report
- Produce and submit an annual Sustainability Report to EcoVadis and an annual Communication on Progress (CoP) report to UN Global Compact. Both reports serve as both documentation, communication, and management tools.
- Include relevant information on our website under the headlines 'Responsibility' and 'Sustainability'.
- Incorporate CSR topics in a balanced way in our communication on social media profiles, encourage employees to 'like' and 'share' such content, and to do the same on personal social media platforms, if they wish to do so.

- Incorporate CSR topics on internal platforms, e.g. Viva Engage, which allows employees to connect, share updates, exchange ideas, and collaborate in a social media-like environment but in a purely internal way without having to worry about customers, competitors or other external parties being able to observe what is posted.
- Incorporate CSR topics in our handbooks, instructions, and guidelines for employees, in employment contracts, in the preparatory material for Employee Development Interviews, and in the Workplace Health & Safety Assessments.
- Incorporate CSR topics in company presentations, brochures, product sheets, etc.

9.4 Performance measures

The Group use the below indicators to assess if the policy is complied with in practice:

- That CSR-related information in the documents mentioned above is kept up to date.
- That we have encouraged inputs and engaged in constructive sparring on our CSR communication initiatives.
- That we experience cases, where our CSR communication receives positive comments, and absence of cases, where it is criticized - either in private by internal or external stakeholders or publicly via news media, industry media, or social media.
- That any criticism or complaints received have been evaluated to address shortcomings, correct errors, or misunderstandings, and improve communication practices.

9.5 Violations and sanctions

We take transparent and trustworthy CSR communication seriously. Communicating in an untruthful, misleading, or otherwise unethical manner will be considered a violation of this policy. Breaching confidentiality and information security commitments either intentionally or unintentionally will likewise be considered a violation.

Disciplinary sanctions for policy violations may include mandatory CSR communication training, mandatory performance improvement plans, verbal or written warnings, loss of certain privileges or responsibilities, temporary suspension, or termination of employment. The specific sanction will depend on factors such as the nature, severity, recurrence, and impact of the violation, the employee's previous history of disciplinary sanctions, and the intent behind the misconduct. All disciplinary sanctions will be carried out in accordance with applicable laws, employment contracts, and internal policies.