



**Corporate Social Responsibility**

**CSR report**

**2019/20**

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## Welcome to our CSR report 2019/20

This CSR report is not just an overview of our sustainability initiatives or a status of how far we have come in our journey towards our goals.

The report is also our way of opening the door to our world, and showing how we take care of the environment, employees, customers, suppliers, and our other stakeholders.

It is not a choice whether one wants to take social responsibility and show sustainable behaviour - it is a matter of course, which also sharpens our awareness of responsibility at Qubiqa both within ourselves and in the rest of our value chain.

Transformation towards sustainability not only represents the greatest challenges for companies, but also contains the greatest opportunities.

The UN Global Goals remain a key basis for our CSR efforts, and we continue to concentrate our efforts on seven of the 17 goals.

As in previous years, the report is centred around our four strategic main areas within CSR namely, *Environment & Energy, Employees, Customers & Products, and The Surrounding Society*.

As top management at Qubiqa, we see it as one of our most important tasks to create a good framework for everyone in the organization to be inspired and motivated to contribute to the further path towards the goals.

At the end of the financial year, the Covid-19 situation affected the group's main markets significantly. As a result, several decisions by our customers were postponed, and it has been challenging for Qubiqa to gain physical access to install and service facilities outside Denmark's borders, where the majority of our activities lies.

Throughout the year our managers and employees make numerous decisions, both large and small, that support the CSR goals we have set. Decisions that inspire and energize everyone in the organization to continue the journey towards the goals.

We hope you will enjoy reading our CSR report 2019/20.

October, 2020

  
Morten Seeberg  
CEO

## Profile of our company

The company dates back to 1945, when it was established under the name of Seelen, and set up its first premises in Esbjerg, Denmark. For half a century, the company - now as Qubiqa - has developed, produced and installed machines for the insulation industry.

Most solutions contain integrated, electronic control and software systems for advanced, logical, and user-friendly operation of even complex systems.

The Qubiqa Group's main activity is to develop, produce, sell and service solutions and products for automation and optimization of internal logistics, with special focus on the insulation industry.

The combination of an in-depth knowledge of products and production methods, a good portion of creativity as well as tight project and financial management make it possible to arrive at the optimal solution for the customer.

The Group's goal is to optimize customers' competitiveness through a complete product program, the introduction of automated systems based on competence and knowledge of the customers' processes, as well as the development and design of transport and packaging systems, including robotic solutions.

The Danish private equity fund BWB Partners I K/S owns the majority of shares in the company and thus has a controlling influence.

Most of the world-leading insulation manufacturers are among our customers. We take on projects on all continents and have worked in nearly every country in the world.

Our customers can reduce their shipping costs, save fuel and reduce their carbon footprint as a result of Qubiqa's solutions that compress insulation materials and other products, so they take up considerably less space when they are handled and transported/shipped.

### Our product portfolio includes systems and solutions that perform the following tasks:

Insulation Equipment	Board Handling	Biomass handling
<ul style="list-style-type: none"><li>• Conveyors</li><li>• Roll-up machines</li><li>• Stacking equipment</li><li>• Packing</li><li>• Unitizing</li><li>• Palletizing</li><li>• Pallet wrapping</li><li>• Robot solutions</li><li>• Machines for pipe sections</li><li>• Electrical control and data collection</li></ul>	<ul style="list-style-type: none"><li>• Unloader/destacker</li><li>• Industrial laminating machines</li><li>• Cross-cutting</li><li>• Sizing</li><li>• Edge trimming</li><li>• Painting</li><li>• Drying</li><li>• Stacking</li><li>• Automated packaging</li><li>• Conventional and automated palletizer</li><li>• Carton erector</li></ul>	(Straw handling at power plants): <ul style="list-style-type: none"><li>• Concept development</li><li>• Project management</li><li>• Simulation</li><li>• Automatic unloading of lorries</li><li>• Automatic crane system</li><li>• Conveyor lines</li><li>• Distribution</li><li>• Material processing equipment</li><li>• Control system</li></ul>

### Selected, financial key figures:

<i>Financial figures are in 1.000 DKK</i>	2019/20	2018/19	2017/18	2016/17
Gross profit (in thousand DKK)	94,405	111,372	63,764	81,964
Annual profit (in thousand DKK)	3,991	-2,048	-41,968	-5,918
Total equity (in thousand DKK)	42,330	32,155	34,940	72,497
Equity ratio	25.8%	17.4 %	13.6 %	27.8 %
No of employees	215	233	198	190

### Selected key CSR figures

Below are some selected key figures derived from our efforts within CSR. In this CSR report you can find more detailed information about our effort and progress.

Focus area	Goals	Goals in numbers	2019/20	2018/19	2017/18	2015/16 (baseline)
Environ-ment & energy	Implement initiatives to reduce our energy consumption	3 initiatives/year	2	2	3	2
	Use carbon-neutral electricity	100 % in DK	100 %	100 %	100 %	100 %
Employees	Hire apprentices/trainees etc.	3 apprentices/trainees etc.	12	14	7	3
	Complete annual employee development interviews	95 %	100 %	N/A <sup>1</sup>	N/A	85 %
	Reduce the No of lost time injuries (LTIs) (frequency)	Max. 10	8	14	3	17
Customers & products	Incorporate sustainability into our product development	As of 2017/18: 2 initiatives/year	2	2	2	1
The surrounding society	Complete anti-corruption training	As of 2017/18: 100 % of "high-risk positions" (Previous: 90 %)	100 %	100 %	0 %	N/A
	Ensure high level of data security	2 initiatives/year	2	2	4	3

### How we want to be perceived

Our CSR vision is defined as:

We still exercise business driven CSR because this approach ensures a logical and relevant value creation for both our company and our surroundings. Several relevant policies within the CSR area form the basis of our day-to-day conduct and contain concrete development indicators that we use to ensure that we comply with the policies

*" 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.**"*

<sup>1</sup> See page 11 for further explanations

Based on our CSR vision we strive to accomplish that ...		
...our CUSTOMERS see	...our EMPLOYEES see	...the WORLD AROUND US sees
<ul style="list-style-type: none"> <li>...that Qubiqa works professionally and ambitiously with product innovation, services, product knowledge, responsibility, and sustainability</li> <li>...that product development takes place in collaboration with our customers and other parties to find the best solutions with the best properties</li> <li>...that they get products and solutions of high quality that are produced under sustainable conditions.</li> </ul>	<ul style="list-style-type: none"> <li>...that they can grow and develop together with Qubiqa, because we offer good opportunities for personal and professional development</li> <li>...that Qubiqa is an attractive, responsible, and safe workplace, where employees are happy to work</li> <li>...that social aspects are always considered</li> </ul>	<ul style="list-style-type: none"> <li>...that we are leaders in certain product areas when it comes to product innovation and product-related services</li> <li>...that Qubiqa works strategically with sustainability and societal responsibility</li> <li>...that we differentiate ourselves by embracing a holistic view of sustainability and responsibility</li> <li>...that we do not compromise on our values, quality, sustainability, and responsibility.</li> </ul>

## UN Global Goals – the 17 SDGs

Supporting UN's 17 Sustainable Development Goals (the SDGs) is important to Qubiqa, and our CSR strategy is designed to support this objective in the best possible ways. We will actively and openly communicate our contributions towards the SDGs.



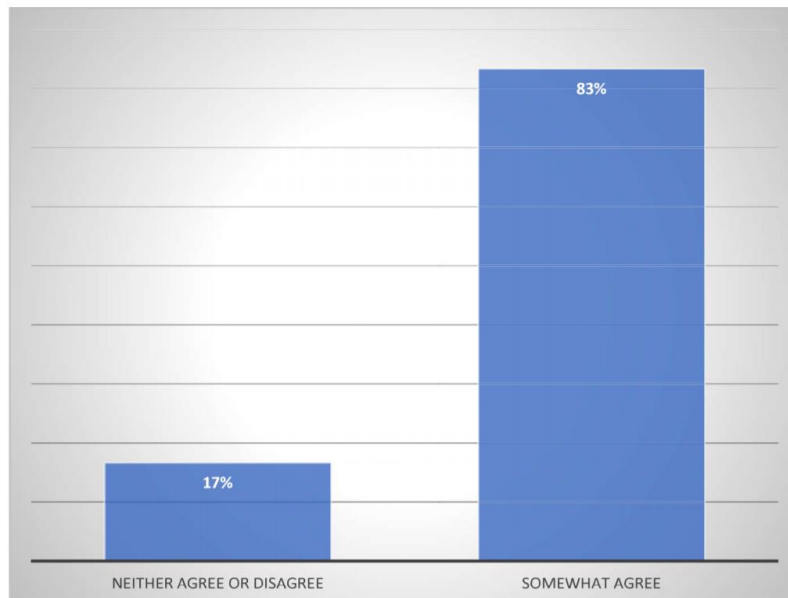
Our CSR strategy directly supports **7 of the 17 SDGs**: SDG 4, SDG 5, SDG 7, SDG 9, SDG 12, SDG 13, and SDG 16. Read more about this on the following pages.

## Customer views on Qubiqa regarding the SDGs

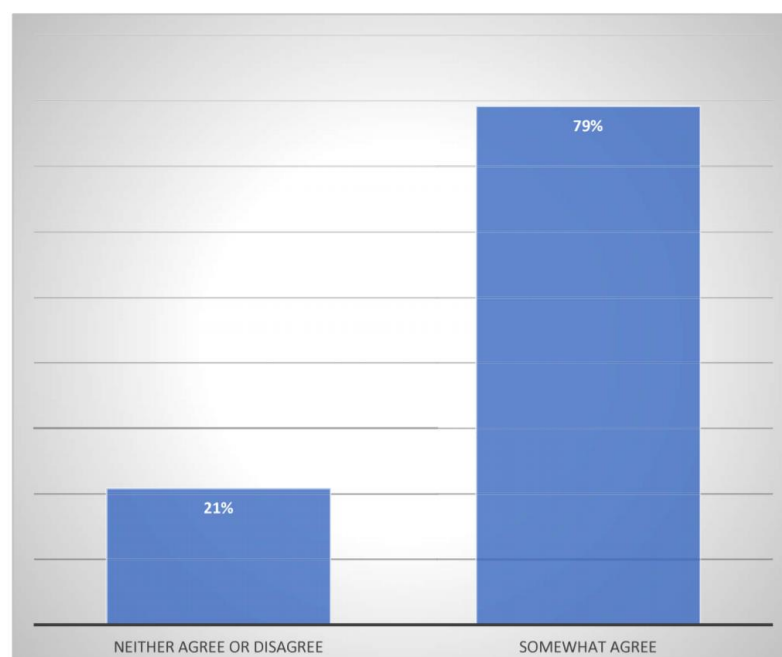
During 2019/20 we have performed a customer satisfaction survey.

The survey addresses the customers' views on the contribution of Qubiqa products and services towards the SDGs. Selected main survey results are shown below.

**Survey question for our customers:** *"By developing new automated production lines and making manufacturing processes smarter and more efficient, Qubiqa contribute to improvement of the working conditions (SDG 3)?"*



**Survey question for our customers:** *"By developing new automated production lines and making manufacturing processes smarter and more efficient, Qubiqa contributes to a more sustainable manufacturing industry, where resources are used much more efficiently (SDG 9)?"*



## CSR governance at Qubiq

Our CSR governance procedures, policies and organizational set-up is continued from last year.

### Organizational CSR setup at Qubiq

Our executive management and board of directors are responsible for the overall decisions and the allocation of resources relating to CSR.

CSR is an important area of responsibility to our management group and it is an agenda point of our management meetings.

We have established a CSR steering committee which convenes three to four times a year to follow up on the progress of our CSR action plans. The steering committee consists of the management group and selected specialists, who ensure that our CSR efforts address the entire organization; including incorporating development ideas from our employees.

At the progress meetings, action plans are reviewed, and the committee discusses and agrees on appropriate action.

### A systematic materiality analysis is the foundation under our CSR strategy

We have systematically analysed which CSR issues are the most relevant to us, to society and to our primary stakeholders to ensure that our CSR efforts always have the best possible impact. On this basis we implement initiatives that creates the highest overall benefits.

The initial materiality analysis (that complies with international standards and guidelines within CSR practice) was performed some year ago, and has since then been reviewed and updated on a regular basis. The updated analysis indicates that the issues listed below are among the most important CSR issues for us to work with – and our concrete CSR objectives and development activities are based on the topics.

responsible supplier management, employee satisfaction, recruitment, responsible communication, anti-corruption, data security, sustainable innovation, environmental policy, work environment policy, energy consumption, equality, and waste

### CSR policies

Our CSR policies broadly address material issues within the CSR area at Qubiq. The policies constitute the framework of concrete action plans that are subsequently implemented by management and employees with the right qualifications.

Our policies are unchanged compared to last year.





## Our four CSR focus areas

### CSR-area 1 – Environment & Energy

Our goals	Goals in numbers	2019/20	2018/19	2017/18	2015/16 (baseline)
Implement initiatives to reduce our energy consumption	3 initiatives/year	2	2	3	2
Use carbon-neutral electricity	100 % in DK	100 %	100 %	100 %	100 %

Our consumption of carbon-neutral electricity in Denmark during 2019/20 has reduced the emissions by 70.1 tonnes carbon (2018/19: 98.9 tonnes, 2017/18: 94.3 tonnes and 2015/16: 107.2 tonnes).

SDGs directly supported by our CSR strategy			
	<p>We have set up a policy targeted on reducing our energy consumption. It is our goal to reduce the energy consumption, which we do by giving relevant knowledge to our employees and partners and by continuously identifying and performing optimizations of the consumption</p>		<p>We have set up a policy to reduce our climate footprint and we have signed a contract for supply of carbon-neutral electricity. Furthermore, we demand of our suppliers that they strive to reduce their emissions. This is one of the criteria our suppliers must meet when submitting proposals.</p> <p>We deliver manufacturing equipment to the insulation industry, which is an important component in fighting climate change.</p>

#### Our principles

The policies within this area are unchanged compared to last year.

Our policies regarding **environment, energy consumption, climate actions** and **waste separation** describe that Qubiqa at any time, openly and objectively will participate in environmental improvements, and where technically and financially relevant, we will work actively to minimize the strain on the environment and the consumption of resources at any stage of the company's value chain on which we have relevant influence.

The vision of our energy policy is to reduce our energy costs while continuously moving towards more environmentally friendly and climate-friendly forms of energy and contributing to increase our employees' and customers' knowledge about energy optimization.

Regarding waste, it is our goal to reduce the loss of resources and to reduce negative impact on the environment caused by waste from our production and from other activities. We will do that through e.g. reuse and recycling.

#### Our activities and results

**Reducing our energy consumptions:** Energy efficiency improvements is an important, natural, and ongoing part of our daily operations. We have incorporated instructions on how to reduce energy consumption into our employee handbook and other relevant policies. These also include guidance on e.g. how to contribute to climate friendly private and business travels etc.

Based on the regular and mandatory energy evaluations at our site in Denmark, potential ways to optimize our energy consumption have been identified and prioritized. Elements on the list of possible improvements are installation of energy saving LED light sources, further insulation efforts, establishing smart energy devices etc. We continuously implement improvement initiatives based on the report from the energy evaluation.

During 2019/20 we have finalized the installation of LED at the office premises in Denmark, and we have worked with optimizing heating installations in the manufacturing areas in Denmark.

**Our equipment and vehicles are to support the societal green transition:** When we buy new manufacturing equipment, cars, IT equipment etc. optimized and reduced energy consumptions are part of our selection criteria. Environmental requirements for new machines and vehicles are defined in our purchase policy, and IT equipment is addressed in our IT policies. The possibility of recycling and environmentally correct end-of-life disposal is also a part of our policies.

**Green electricity is a priority to us:** As in previous years we still have a contract for supply of fully carbon-neutral electricity in Denmark – the carbon emissions saved during 2019/2020 were 70.1 tonnes. Last year we switched to using climate smart gas in our manufacturing processes, which has also reduced our carbon emissions.

**Reducing consumption of manufacturing materials:** It continues to be an important issue to us that all employees are aware of how they can contribute to saving as much manufacturing material as possible. Thus, a frequent issue in our internal meetings at both company and team level is how to reduce material consumption.

We continue to focus on utilizing rest lengths of manufacturing materials, whenever possible. Furthermore, the use of automatic and semi-automatic functions in our production IT system when planning the concrete production processes remains a contributing factor towards reducing the manufacturing materials waste.

**Reducing amount of waste:** A significant part of reducing our manufacturing waste is to ensure a good coordination between material specifications initiated by our sales department and the material specifications available for our manufacturing department.

We have internal work procedures addressing the coordination, and a couple of years ago we performed a small project that focused on analysing and optimizing this area. The results from this project still contribute to our reduction efforts.

Further efforts to reduce the amount of waste from our manufacturing processes are our ongoing measurements and registrations of the actual waste. The waste amounts are divided into relevant fractions as well as the consumption of raw materials, auxiliary materials, heating, water, and electricity. The areas most attractive and relevant for us to focus on to reduce the consumption, are selected using the registered data.

The above processes apply to both our manufacturing sites.

**Optimizing waste disposals:** We focus on ensuring that the collection processes and the subsequent disposal processes at our vendors who collect our waste streams are based on up-to-date, optimized principles. This is part of our contractual requirements for the vendors, and we also follow up and evaluate on the actual processes, to ensure that they are aligned with the agreed conditions.



**Reducing hazardous materials:** Finding and utilizing possibilities for using less or non-harmful/hazardous substances in our manufacturing processes is an ongoing process, and replacements and reductions are being achieved.



*Picture: Remote machine access*

## CSR-area 2 – Employees

Our goals	Goals in numbers	2019/20	2018/19	2017/18	2015/16 (baseline)
Hire apprentices/trainees etc.	3 apprentices/ trainees etc.	12	14	7	3
Conduct annual employee development interviews	95 %	100 %	N/A <sup>2</sup>	N/A <sup>3</sup>	85 %
Reduce the No of lost time injuries (LTIs) (frequency)	Max. 10	8	14	3	17
Reduce sickness absence (DK)	Less than 3.1 %	2.1 %	2.5 %	3.1 %	2.9 %
Increase number of female members of the Board of Directors	2020: 1	0	0	0	0

SDGs directly supported by our CSR strategy			
	<p>We have policies and principles regarding the working environment, education, and senior employees. In a close collaboration we plan the maintenance of our employees' competences, and there is an ongoing process to develop the working environment.</p>		<p>We have formulated principles regarding gender equality and diversity. This applies to management as well as all employees. These principles ensure that we do not discriminate based on gender, race, age, sexual orientation, or religion in our day-to-day operations or in connection with hiring processes or filling vacancies internally.</p>

### Our principles

The policies within this area are unchanged compared to last year.

Our policies within this area include a **recruitment** policy, a **working environment** policy, a policy on **apprentices and trainees**, a policy regarding **sickness absence** and a policy on **retention of employees** in connection with long-term sick leaves, a **senior employee** policy as well as a **diversity and equality** policy.

The purpose of our working environment policy is to allow all employees to work effectively and without risk of injury – physical as well as psychological. Furthermore, the policy ensures that the office premises as well as the warehouse and production premises meet the requirements of a high standard working environment.

The senior employee policy focusses on the retention and utilization of the knowledge and competences of our senior employees, and the continued development of their competences.

Our recruitment, training and retention policies are based on our goals on communicating openly and clearly, and to create the right match between Qubiqa and our employees. We want our employees to be employed for many years with the company. We have an active approach to long-

<sup>2</sup> The model for employee development interviews is in a test phase, which means comparable data are not applicable

<sup>3</sup> During the year we have introduced a new model for employee development interviews. This means that comparable data for 2017/18 are not possible to calculate.

term sickness absence and contribute to preventing absence due to sickness, reducing the number of and the duration of absence and ensuring a swift and well-supported return to work.

It is important to us to continuously contribute to the education of the next generation and to assist citizens, who find it difficult to establish a foothold in the labour market.

Avoiding discrimination is important to us, and among our goals is to achieve diversity among our management and employees. We ensure compliance with current legislation and recognized national and international standards. Our policy regarding gender equality and diversity when hiring, promoting, or laying off employees states and explains our principles.

#### Our activities and results

**Qubiqa want to contribute to educate next generations and to take societal responsibility:** It is important to us to take our part of the societal responsibility for employing and training apprentices, students, trainees and people who have difficulties establishing a normal foothold on the labour market. During the year we have had 12 people connected to or employed at Qubiqa.

**Learning from near-misses is important:** Registering, mapping, and learning from near-misses is an important effort to us. The objective is to identify potential hazardous situations, and in this way to better be able to set up relevant mitigation actions.

**Sickness absence is mutually important to address in the right way:** We work dedicatedly on preparing concrete plans for retention of employees after illness. Elements of this is to perform interviews with employees in connection with frequent, short-term sickness absence as well as long-term sickness absence. The results from doing this systematically are good.

**It will always be our objective to avoid work-related accidents:** Every time an accident occurs, it is thoroughly analysed, a safety inspection round is performed, and facts about the accident and how it might have been avoided, are communicated to all employees.

Our work environment committee together with management continuously take concrete measures and set concrete objectives to ensure to keep Qubiqa a safe and secure place to work.

The Lost Time Injury frequency (LTI-f) for 2019/20 is 8, which is less than our goal of a maximum frequency of 10.

During the year we had a total of 3 injuries, which is 3 less injuries than last year, and that reduces our rate for 2019/20.

**Employee satisfaction is key to Qubiqa:** Satisfied and motivated employees is the most essential key resource to Qubiqa, and we strive to ensure that every employee is happy to work with the company.

To ensure sufficiently clear and transparent insight into the needs and possibilities for each employee, we perform regular employee development interviews. The interviews are based on a simple and generic method, which ensures that the manager and employee address all relevant interview areas in a logical and efficient way.



At Qubiq a we offer our employees relevant benefits such as competence development and training, a healthy canteen scheme, health insurance, subsidised sports activities etc.

Interviews with senior employees are still conducted as part of the retention and planning effort for our experienced and skilful employees.

**Maintaining and developing employee competences will always be a priority:** It is important for both each employee and for Qubiq a to ensure that the employees' competences are constantly maintained, and jointly we discuss and plan what developments can be relevant to each employee.

Our policies for recruiting and training of employees constitute the basis for efforts within employee competence development.

We also communicate what we do within this area, and this is reflected on our website, on social media, in advertisements, recruitment processes etc. We believe that this contributes to giving us a coherent, efficient, and credible profile towards existing and potential employees.

Over the years we have established close connections to educational institutions linked to our industry, and we have always participated in job fairs, training sessions etc.

**We have an open and positive approach to equality and diversity:** A constant strive to establish and maintain diversity within the organization is important to us, as we are convinced that this helps us make better decisions, brings better financial results and higher satisfaction in general for all our stakeholders.

It is our objective to establish a better balance between men and women in management positions. The objective is that women shall constitute 33.3% (=1 person) of the Board of Directors, and we are working to achieve this. The industry in which we operate, has a majority of men, which is why we consider our objective to be both ambitious and relevant.

Based on our diversity and equality policy we have made sure that decisions are solely based on personal, commercial, and professional competences.

### CSR-area 3 – Customers & Products

Our goals	Goals in numbers	2019/20	2018/19	2017/18	2015/16 (baseline)
Incorporate sustainability into our product development	As of 2017/18: 2 initiatives/year	2	2	2	1
Perform CSR control processes of suppliers <sup>4</sup>	2019/20: Completed 100 % of Qubiga DK and Qubiga US suppliers	100 %	100 %	100 %	N/A
Suppliers to sign Supplier Code of Conduct	100 % of suppliers with new contracts during the year	100 %	100 %	N/A	N/A

SDGs directly supported by our CSR strategy			
	<p>Our policy to incorporate sustainable design principles into our product innovation and product development processes, ensures that we continuously create long-term and sustainable solutions for our customers. Furthermore, our purchase policy contains sustainability requirements towards our suppliers. We have clear goals within both focus areas.</p>		<p>We continuously focus on creating developments and improvements regarding the waste from our production as well as other sources. We are aware of achieving reductions of our consumption of resources - materials, energy, transportation, and any other types of resources that we can impact. Our employees are continuously trained and influenced to contribute to this journey.</p>

#### Our principles

The policies within this area are unchanged compared to last year.

Our **purchasing** policy and our policy regarding **sustainable innovation** are the two documents that form the basis of our initiatives in this CSR-area.

The purpose of our purchasing policy is to ensure that we coordinate and optimize our purchase of goods and services, thereby establishing a foundation for good purchase standards regarding e.g. sustainability, human rights, quality, service, and finance.

Our suppliers and their sub-suppliers are expected to respect all relevant human rights, labour rights as well as environmental and ethical expectations. Furthermore, we expect of our business partners that they clearly show how they work with these issues in their own corporations.

Our sustainable innovation policy ensures that we offer our customers solutions based on sustainable principles, and that we constantly strive to promote sustainable designs. We want the designs, developments, productions, and transportations of our products to be based on sustainable principles and we will continuously implement concrete initiatives.

<sup>4</sup> As of 2019/20 our principles, methods and thresholds for responsible supply chain management have undergone some changes. Main content and objectives, though, remain the same and are in general comparable to previous years.

## Our activities and results

**We have continued our work to reduce the volume and weight of our manufactured machines and products:** As the deliverables we manufacture and install for our customers are almost always very voluminous, any step towards reducing volume and in some cases also weight, can contribute to reducing the energy consumption of transportation from our manufacturing site to the installation at the customer's factory site. During the year 2019/20 this has had our continued attention.

**A constant eye on and concrete efforts towards using the best possible technologies reduce the energy consumption of our delivered products:** Compliance with all relevant legislation and standards for all our products and services is still a natural and inherent basis for our business activities.

All projects for customers with a total time consumption of more than 100 man-hours always include a focused review at the end of gate 2. This ensures that we are able to incorporate the newest technologies and knowledge into the project. We consider the results from following this principle to be fully satisfying – in many projects actual adjustments are added based on the review.

All electric motors in our project solutions shall live up to the EU IE3 norm even if it is not required by the customer or local regulations. In most projects this principle will give a lower energy consumption until end of life of the motor.

To support a high degree of energy efficiency, we still integrate motor drive instead of air drive in relevant projects as part of our solutions.

During the year we have developed a new machine for packaging produced items (e.g. kitchen cupboard) in foam or film instead of cardboard. Shifting from cardboard to foam/film will reduce our customers' total carbon emissions.

**Ensuring that we have responsible and sustainable suppliers is in our focus:** During the year we have updated and strengthened parts of our procedures and concepts for responsible supply chain management. One main development is that, going forward, all new suppliers will be signing our Supplier Code of Conduct, just as obligations for support for human rights have been highlighted.

The principles define strict requirements for suppliers to respect human rights, labour rights, environmental, climate, anti-corruption issues etc. Supplier contracts still include the suppliers' confirmation and adaptation of our Supplier Code of Conduct.

**Supporting recognized international human rights:** In close cooperation with an external partner, we have defined an updated policy on our approach to ensure that we live up to recognized human rights, including the part deriving from the cooperating with our suppliers. For instance, the policy has formed the basis of parts of our principles and procedures for responsible supply chain management (see above) and will also be the basis for future human rights due diligences, when relevant.


**Developing and maintaining competences on sustainable product designs:** In some cases, our customers require that we incorporate their CSR policies and other sustainability requests into our work processes and thereby into the final solutions for the customers. As we work in a very specialized field, there are only relatively few sources from which we can acquire relevant competences in sustainable innovation, but we constantly participate in and follow the dialogue and development within sustainable product design.



*Picture: ABB robot solution*

## CSR-area 4 – The Surrounding Society

Our goals	Goals in numbers	2019/20	2018/19	2017/18	2015/16 (baseline)
Complete anti-corruption training	As of 2017/18: 100 % of "high-risk positions" (Previous: 90 %)	100 %	100 %	0 % <sup>5</sup>	N/A
Ensure high level of data security	2 initiatives/year	2	2	4	3
Comply with all marketing rules and internal policy	No violations	None	None	None	None

SDG directly supported by our CSR strategy	
	<p>We have specific policies for anti-corruption, data security and responsible and ethical communication, all aimed at our own company and at relevant business partners. In a continuous process, we ensure a high level of knowledge and appropriate, continuous work processes within these three areas.</p>

### Our principles

The policies within this area are unchanged compared to last year.

The **anti-corruption** policy supports our effort fighting corruption, cartel formation etc. The purpose of the policy is to ensure that management and employees on all levels have a good understanding of anti-corruption and anti-cartel formation as well as the effort required of each employee.

The policy states that we do not accept corruption or any form of price fixing – whether the achieved advantage is financial or non-financial. We do not accept dubious or illegal business agreements, regardless whether we are the supplier or the recipient of goods or services. We do not accept attempts to influence political or regulatory decisions, which affect our business.

Qubiq's **IT policy** constitutes the foundation for the daily operation of our company, with built-in safety and standardized business processes as well as focus on a reliable and high-level IT performance. This ensures a high degree of satisfaction among users, and that data are stored and used in compliance with current legislation and our other policies.

Our policy for **responsible and ethical communication** ensures consistency in our communication – internally as well as externally. Communication about our CSR work is also part of the policy. Through our communication we want to ensure a clear, honest, ethically correct and responsible perception of our results and activities. We focus on a transparent expression within our competitive boundaries. We will keep our stakeholders up to date on our activities in an ethical and responsible manner.

<sup>5</sup> During 2017/18 only one new employee within the specified risk roles (purchasers, sales staff, top management and project managers) has been hired. Due to this no anti-corruption courses have been performed in 2017/18. Missing courses has been held during 2018/19.



### Our activities and results

**Compliance is essential to us:** Throughout the year we have acted in full compliance with legislation and with our own policy for responsible and ethical communication.

Thus, there has been an ongoing effort to ensure that our principles of accountability and fair balances in written materials have been applied.

**Internal training in our anti-corruption principles and concrete measures:** During the year we have held four anti-corruption training courses, with the participation of all new-hired employees from our Danish site within the defined job positions, as well as all employees from our Polish site within the defined job positions<sup>6</sup>. The course has a duration of 3-4 hours and is aimed at giving the participants a strong and relevant knowledge and awareness on how to avoid situations within the corruption area.

All employment contracts contain a clause regarding anti-corruption and cartel formation, and it is still the duty of our managers to provide guidance for employees in situations where they have questions or might be put in potentially difficult situations relating to anti-corruption.

Where to draw a line between general hospitality and bribery – so called facilitation payments – is an important area, which is a constant focus of the courses as well as the ongoing dialogue.

We have had no cases of corruption or cartel formation during the year.

**Secure and efficient IT systems are a vital part our daily operation:** Our IT platform is continuously updated to live up to all relevant and necessary requirements, and we consider it to be an efficient as well as a compliant support for our business.

Information security systems, up to date network equipment devices, secure e-mail functionality, firewalls, switches etc. are part of delivering a high degree of a secure platform. We still use our secure document handling system, and we remain focused on avoiding risks derived from criminal activities.

During the year 2019/20 we have, for instance, performed periodical vulnerability scanning of servers and network units combined with necessary patching activities. Furthermore, we have performed awareness trainings for all employees.

**The EU general data protection regulations are now a natural part of our way of working:** During the previous couple of years we have implemented EU general data protection regulations, into our work processes, policies, and IT systems.

The established solutions are still used in the daily operation, and we consider Qubiq to be fully compliant with the new regulations.

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<sup>6</sup> Risk positions are defined as all job roles within purchase, sales, top management and project management.

## Accounting principles

The quantitative figures in this CSR report are compiled based on the following principles.

CSR-focus areas	Key figures (KPI)	Unit	Accounting principle
Financial key figures	Gross profit	Thou. DKK	These key figures (group figures) are derived directly from the financial annual reports of QUBIQA Holding A/S
	Annual profit	Thou. DKK	
	Total equity	Thou. DKK	
	Equity ratio	%	
	No of employees	Qty	
Environment and energy	Implement initiatives to reduce our energy consumption	Qty	An "Initiative" is a large or small project that is completed and that reduces energy consumptions
	Use carbon-neutral electricity	%	The percentage of the electricity consumption at the site in Esbjerg that is carbon neutral (e.g. hydro power or wind power)
	Saved carbon - emissions	Metric tons	Calculated as the number of consumed kWh of carbon neutral electricity multiplied by the carbon factor in accordance with the annual environmental report (the "Miljødeklarering, 125 % method") for DK by Energinet.dk
Employees	Hire apprentices/ trainees etc.	Qty	Apprentices are calculated as full-time equivalents ("FTE"). An apprentice is also included for the time he/she is at school. Trainees and persons in government supported positions that have been employed with Qubiqa for over 3 months are included
	Conduct annual employee development interviews	%	Percentage of employees that have completed their employee development interview out of the total number of employees that are to be interviewed. Includes data from Denmark only.
	Reduce the No of lost time injuries (LTIs) (frequency)	Accidents per million work hours	<u>Lost time injuries</u> Sudden accident during work hours that requires absence on the day of the accident and at least the next day <u>No of work hours</u> No of possible work hours per year, minus vacation days, extra days off, holidays, special holiday and care days
	Reduce sickness absence (DK)	%	Sickness absence percentage calculated as No of registered hours of absence (only absence due to sickness is included) in per cent of number of possible working hours. Only Qubiqa in Denmark included

CSR-focus areas	Key figures (KPI)	Unit	Accounting principle
	Increase number of female members of the Board of Directors	Qty	The number of women on the Board of Directors of QUBIQA Holding A/S
Customers and products	Incorporate sustainability into our product development	Qty	No of initiatives (e.g. training, education, lectures) to increase the knowledge of sustainable product development and designing
	Perform CSR control processes of suppliers	%	No of suppliers that have been subjected to control processes in accordance with the requirements of our Supplier Code of Conduct compared to the No of suppliers included in the risk categories "medium/high/extremely high" in our Final Risk Score.
	Suppliers to sign Supplier Code of Conduct	%	No of suppliers with new contracts during the year who have signed the Supplier Code of Conduct compared to No of suppliers with new contracts during the year. Until 2019/20 only suppliers to Qubiqa DK included. From 2020/21 all new suppliers will be included.
The surrounding society	Complete anti-corruption training	%	The No of participants (3- to 4-hour course in general anti-corruption and Qubiqa's anti-corruption policy) out of the total No of employees in high-risk positions (e.g. purchasers, sales staff, top management, and project managers) who are to be trained
	Ensure high level of data security	Qty	No of initiatives to increase the data security
	Compliance with all marketing regulations and internal policy	Qty	No of violations of the marketing laws of the countries in which Qubiqa operates, or No of violations of Qubiqa's own communication policy

## About data in the report

The information and data stated in this CSR report cover the group for the period from June 1<sup>st</sup> 2019 until May 31<sup>st</sup> 2020.

The group consists of the holding company QUBIQA Holding A/S with the fully owned subsidiaries Qubiqa A/S (Denmark), Qubiqa Sp. z o.o. (Poland), Qubiqa US Inc. (USA) and Qubiqa PL ApS (Denmark).

The content of this CSR report covers the entire group<sup>7</sup>.

The data collection and data statement for this report have taken place in accordance with recognized principles of balance, transparency, accuracy, responsibility, and comparability.

Some of the quantitative data in this report only cover some of the companies of the group, which is explained where relevant. Where possible, comparative figures from previous years are stated.

In general, numerical data are based on data from our IT systems, invoices, meter readings, regular registrations etc. If figures are based on estimates, this will be stated.

Any major changes in the data used and the content compared to previous years will be explained in each case.



*Picture: Our Multi-flex solution*

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<sup>7</sup> Quantitative data included in the data tables in this report does not include Qubiqa US Inc., due to this company's data levels being insignificant compared to the total group data levels.

If you have any comments or questions, please let us know.

E-mail us at: [info@qubiga.com](mailto:info@qubiga.com)



*Picture: Qubiga management group - from the left: Morten Seeberg/CEO, Anders Andersen/Sales Director, Claus Nielsen/Logistics Manager, Anders Jensen/Director of Technology and Jørgen Løvschall/CFO*

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