

schouw+co

an international industrial conglomerate

ESG Report 2019

Environmental, Social and Governance report



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Statutory report on corporate responsibility pursuant to section 99a of the Danish Financial Statements Act

This ESG report constitutes the Schouw & Co. Group's report on corporate responsibility for the 2019 financial year provided in accordance with section 99a of the Danish Financial Statements Act. The report's statutory sections also include our reports on diversity pursuant to section 107d and gender composition pursuant to section 99b of the Danish Financial Statements Act.

This publication is a translation of the Danish ESG report 2019. The original Danish text shall be controlling for all purposes, and in case of discrepancy, the Danish wording shall be applicable.

Sustainable value creation

Over the past 142 years, Schouw & Co. has built a reputation as a responsible and reliable business with a long-term focus. This is a reputation that we wish to maintain and to that end we benefit from the fact that our six portfolio businesses all originate in Denmark. Although our businesses operate in many parts of the world, our approach to running a business is based on solid Danish roots and values.

Duty of responsibility to the future

Investors increasingly look for non-financial information from a company in order to get a more realistic idea of the future value which the company may create. As a consolidated group headquartered in Denmark, we are in fact met with demands that our businesses explain their approach to corporate responsibility and sustainability. This makes good sense, and responsible business operations have been a focal point for us for several decades. The way a company acts in the community of which it is a part is not only important for our common future; very likely, it will also have an effect on its financial results.

Improving our ESG reporting

With that in mind, we are pleased to share non-financial information in a report covering all Schouw & Co. businesses. We plan to gradually improve on the form and content of our ESG reporting, but we are also seeing the emergence of more standardised

reporting on material environmental, social and governance data points.

Contributing to the world's best plan

This ESG report continues on from the work performed across the Group's businesses in recent years within the fields of human rights, social issues and labour conditions, anti-corruption and business ethics, and climate and the environment. Our six portfolio businesses all have high degrees of autonomy within their spheres of operation, but they all contribute one way or the other to achieving the United Nations' 17 sustainable development goals through their businesses and their products. Schouw & Co. strives to be among the best to create value in a proper and trustworthy manner. We are committed to acting responsibly, and the companies of our Group must all work to ensure sustainable operations. We must use nature's resources sparingly and with the utmost care and consideration, while always being attentive to the well-being of our employees. This report was prepared in that spirit and in the spirit of the Schouw & Co. Group's long-term commitment to social responsibility.

Jens Bjerg Sørensen

CEO, Schouw & Co.

A portrait of Jens Bjerg Sørensen, CEO of Schouw & Co. He is an older man with white hair and glasses, wearing a light blue button-down shirt and a dark belt. He is standing in front of a large, textured stone wall with circular patterns. A large white quotation mark is overlaid on the left side of the image.

“

Schouw & Co. strives to be among the best to create value in a proper and trustworthy manner.

Results are created by people

The ESG KPIs on social issues and labour conditions in the charts below show lost-time incident rates for the six Schouw & Co. portfolio businesses.

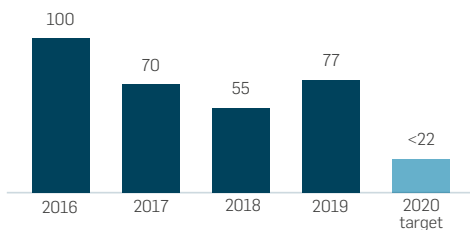
Schouw & Co. and the six portfolio companies all run their businesses according to a principle which may be somewhat obvious and trite, but it is nevertheless an important one: the belief that results are created by people. Positive developments are based on good and decent business management that includes corporate responsibility, environmental and not least, labour conditions.

Our employees are the most important asset for our Group, and proper employment conditions including safe and secure working conditions are a top priority for all Schouw & Co. businesses. Keeping lost-time incident (LTI) rates at a minimum provides peace of mind for all employees, and keeping the workplace safe and secure has a positive impact on job satisfaction, productivity and financial results.

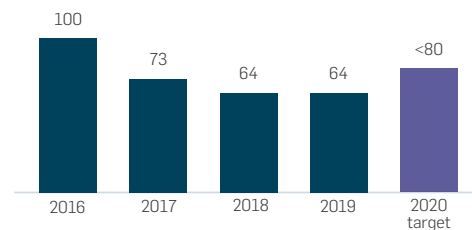
Turning to lost-time incidents, we see occupational injuries that prevent employees from reporting to work the day after their accident. The charts below show the development in LTI rates since 2016 and the 2020 targets which were determined in 2016.

All of our businesses have employee safety as an important focal area with the ambition of a steadily improving performance. We measure the indexed results of our efforts with 2016 or 2017 as the baseline (index 100). That way, we can provide comparable reporting for all six Schouw & Co. Group portfolio companies.

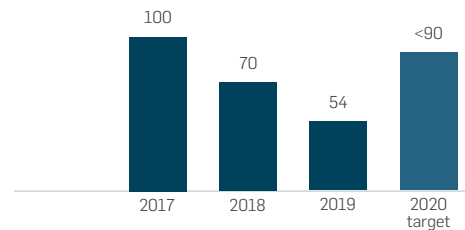
BioMar



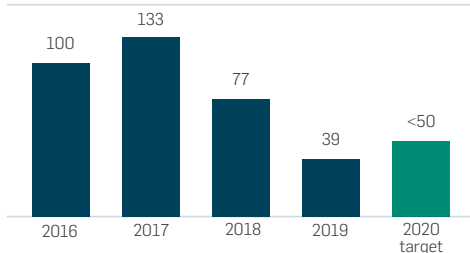
Fibertex Personal Care



Fibertex Nonwovens

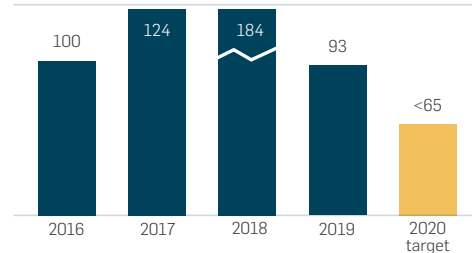


GPV¹



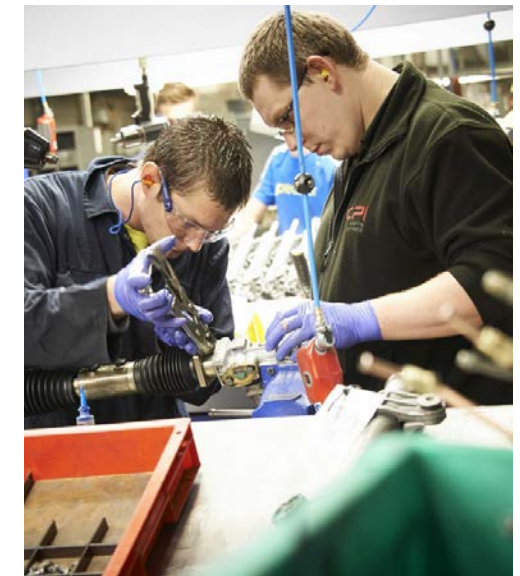
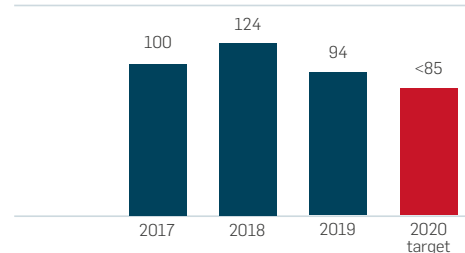
¹Excluding acquisition of CCS

HydraSpecma²



²Reporting method changed in 2019

Borg Automotive



Our Board of Directors & Executive Management



Chairman

Jørn Ankaer Thomsen

Born 1945. Elected to the Board in 1982. Current term expires in 2022.

LL.M., University of Copenhagen. Attorney and of counsel, Gorrissen Federspiel Law Firm. Mr Ankaer Thomsen has special expertise in legal matters, including company law and capital markets, and in strategy, financial reporting, treasury and finance, as well as M&A. Member of the company's audit committee and chairman of the company's nomination and remuneration committee. He is not considered to be independent.



Deputy Chairman

Jørgen Wisborg

Born 1962. Elected to the Board in 2009. Current term expires in 2021.

MSc, Aarhus School of Business and LEAP, Leadership Programme, Insead, France. CEO of OK a.m.b.a. Mr Wisborg has special expertise in management and sales as well as in strategy, business development, financial reporting, treasury and finance. Chairman of the company's audit committee and member of the company's nomination and remuneration committee. He is considered to be independent.



Board member

Kjeld Johannesen

Born 1953. Elected to the Board in 2003. Current term expires in 2023.

Business diploma (HD), Marketing economics, Copenhagen Business School and a professional board member. Mr Johannesen has special expertise in management, production and sales as well as in strategy, business development and international business relations. He is not considered to be independent.



President

Jens Bjerg Sørensen

Born 1957. Appointed in 2000. Business graduate, Niels Brock Business College, Business diploma (HD), Marketing economics, Copenhagen Business School, IEP – Insead Executive Programme, Insead, France.



Board member

Agnete Raaschou-Nielsen

Born 1957. Elected to the Board in 2012. Current term expires in 2020.

PhD, University of Copenhagen and a professional board member. Ms Raaschou-Nielsen has special expertise in business development and acquisitions, macroeconomics, emerging markets, plus international production, sales and marketing. Member of the company's audit committee and nomination and remuneration committee. She is considered to be independent.



Board member

Hans Martin Smith

Born 1979. Elected to the Board in 2017. Current term expires in 2021.

M.Sc. (Economics) Aarhus University and Senior Vice President, regional CFO, Vestas Northern & Central Europe. Mr Smith has special expertise in finance, business development, strategy, M&A, capital markets and investor relations. He is considered to be independent.



Board member

Kenneth Skov Eskildsen

Born 1973. Elected to the Board in 2018. Current term expires in 2022.

Business training from Aarhus Business College and managing director of Givisco Bakery A/S. Mr Eskildsen has special expertise in international business relations, accounting and economics as well as sales and production, including specifically in foods. He is not considered to be independent.



Vice President

Peter Kjær

Born 1956. Appointed in 1993. BSc, Electronic Engineering, Engineering College of Aarhus, Business diploma (HD), Marketing economics, Aarhus School of Business, MBA from IMD, Lausanne, Switzerland.

Our business model

Schouw & Co. creates long-term value by active and developing ownership of leading Danish industrial businesses.

Schouw & Co. is a diversified industrial conglomerate consisting of the parent company and six wholly-owned subsidiaries. The portfolio companies are run as focused sub-groups each with their own organisation, management and subsidiaries, and all enjoy extensive operational autonomy with local operational responsibilities.

More than half of the Group's operations are located in Europe, but it also has extensive operations in other parts of the world. High quality standards are a hallmark throughout the Group, and the ambition is to apply uniform standards to all production activities no matter where a production unit is located.

From raw materials to B2B products

Most of the consolidated revenue is generated from automated or advanced production processes, in which the Group's businesses turn sourced raw materials into products that are resold to customers who then manufacture end products.

Sale of value-added components

Most of the remaining part of revenue derives from technical trading and processing operations, in

which the Group's businesses handle or process sourced components before reselling them to industrial customers.

Sourcing raw materials and components

The Group sources a limited number of different raw materials that mainly include marine and vegetable raw materials and oil-based products generally supplied in large quantities from internationally recognised suppliers.

On the other hand, the Group buys a wide selection of components from many different suppliers worldwide. Generally, these products are manufactured by recognised technical manufacturers that meet high quality standards.

Sales

The Group sells its products to professional customers which either use the products or incorporate them in end products. Most of the process production is sold in large volumes to a limited number of customers. The Group does not sell directly to consumers and only sells to public sector customers to a very limited extent.

Based on the Group's general business model, we have identified certain CR-related matters of special importance.

This applies in particular to matters related to our employees, our use of resources – i.e. energy and commodities – and our business ethics.



The management of Schouw & Co.: (Pictured from the left) Erik Weimar Rasmussen, CFO, Jens Bjerg Sørensen, CEO, Peter Kjær, Vice President, and Kasper Okkels, VP Business Development, Strategy & IR.

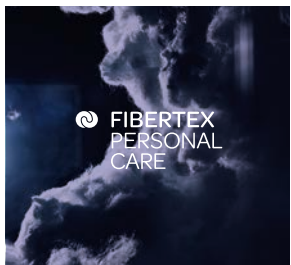
Our businesses

The six companies in our portfolio operate in very different industries.



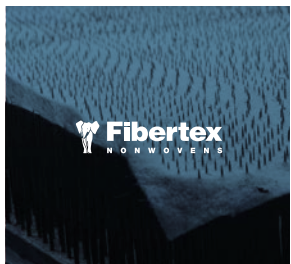
BioMar

BioMar is one of the world's largest manufacturers of quality feed for fish and shrimp farmed in salt or freshwater. BioMar creates value through innovation and product development and applies its many years of experience and know-how about nutrition, environmental conditions and production technology to make efficient and sustainable feed. This meets the need for more healthy and sustainable foods for the growing population.



Fibertex Personal Care

Fibertex Personal Care manufactures spunbond/meltblown nonwovens. These nonwoven textiles are used by global brand names to manufacture diapers, sanitary towels and incontinence products. The company is also a market leader in direct printing on nonwoven textiles.



Fibertex Nonwovens

Fibertex Nonwovens is a leading European manufacturer of nonwovens for specialist industrial applications which are used in cars, in the construction industry and for filtration solutions. The products are often used to replace heavier, more environmentally harmful alternatives. As an example, nonwovens used in a car contribute to reducing the weight of the car and thereby its fuel consumption.



GPV

GPV is a leading European EMS (Electronics Manufacturing Services) company. The company manufactures electronics, mechanics, cable assembly and mechatronics. Its solutions are used in customer end products, including in medical equipment, transport and cleantech, and in this way GPV contributes to the manufacture of highly secure energy-efficient products.



HydraSpecma

HydraSpecma is a market-leading specialist within hydraulic solutions which form part of wind turbines, lorries, contractors' equipment and industrial plants. The customer base includes world-renowned manufacturers of wind turbines and vehicles, and hydraulic solutions from Hydra Specma thus contribute to developing green products and technologies.



Borg Automotive

Borg Automotive is Europe's largest independent automotive remanufacturing company. The company receives defective parts which are remanufactured and sold in the B2B market, such as brake calipers, steering racks, starters and alternators. Borg Automotive has a strong market position with a comprehensive product range and a sustainable business model based on the circular economy.

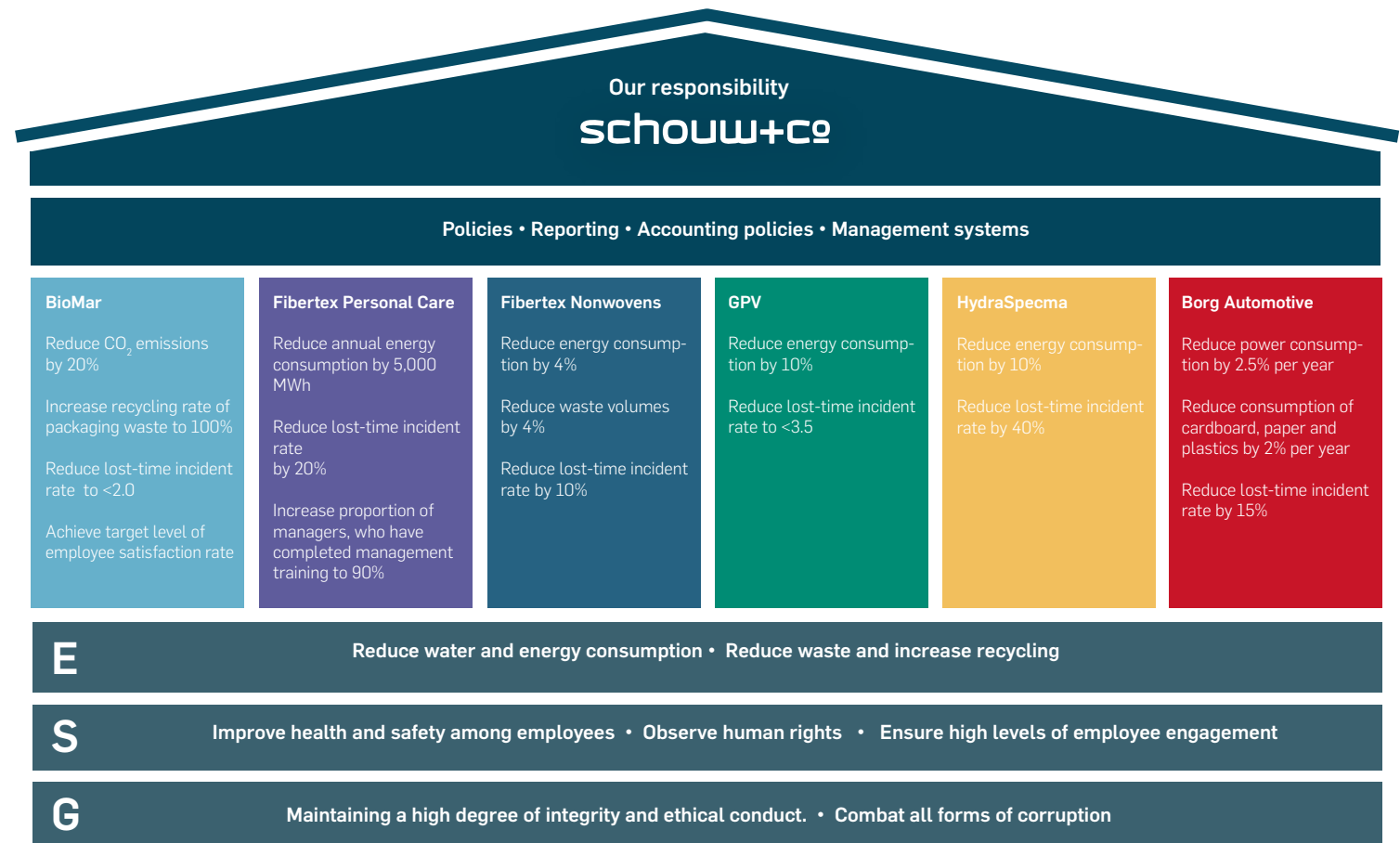
ESG is the foundation of our corporate responsibility

At Schouw & Co., we strive to be among the best to create value in a proper and trustworthy manner. Along with our businesses, we are committed to taking responsibility and acting sustainably while also creating a motivational working environment.

We built our ESG strategy house in 2016 to provide a platform for the Group's long-term corporate responsibility efforts in the period to 2020. This is our first ESG report, and this 2019 issue also relates to our ESG strategy house.

In the corporate responsibility fields of climate and the environment, social issues and labour conditions, our portfolio companies have considerable autonomy in determining what is the most relevant for their particular business; always provided, however, that all efforts undertaken support the Group's overall objectives. In addition to the work involved with the ESG report, we have worked in 2019 on establishing a group-wide whistleblower scheme that provides an anonymous channel through which suspected irregularities may be reported in any relevant language.

The individual portfolio businesses will continue their efforts in all CR-related areas in 2020, and Schouw & Co. also intends to work across the Group on ways to develop and improve the consolidated reporting, including more targeted reporting on ESG issues – Environment (E), Social (S) & Governance (G).



The world's most important plan – Schouw & Co. is on board!

The Schouw & Co. Group comprises a portfolio of leading Danish industrial businesses operating in very different industries. However, they all share the common trait that their products and services can help move society in a more sustainable and responsible direction.

The countries of the world have agreed on 17 Sustainable Development Goals (SDG's) that can lead to a more sustainable future. As a whole, the 17 goals are called the world's most important plan.

Schouw & Co. strives to be among the best to create value in a proper and trustworthy manner, and as our businesses typically have leading positions in their particular fields they wish to help drive a continuing evolution of society in a sustainable, credible and socially responsible manner.

The products and solutions of our portfolio businesses cover a broad spectrum which means that our Group may have connections to practically all seventeen SDGs. Listed in the chart to the right are examples of the relevance of our solutions in a context of challenges to society and a selected SDG, although of course each business contributes to more than one SDG.

OUR SOLUTIONS



ARE CONTRIBUTING TO A POSITIVE DEVELOPMENT OF SOCIETY



BioMar is one of the world's largest manufacturers of quality feed for the shrimp and fish farming industries.

BioMar was founded under the name of Dansk Ørredfoder A/S in

1962



Feed from BioMar is used in +80 countries



One in five fish farmed in Europe or Chile is raised on feed from BioMar

16

feed factories in 12 countries

75%

of the feed BioMar produces, is used for salmon. Salmon has a high content of omega-3 fatty acids



DKK 11.2bn revenue in 2019



BioMar provides the fish feed of the future

Back in 2003, the cover of The Economist magazine featured a photograph of shoals of fish accompanied by the headline 'The Blue Revolution'. One of the most important points of the article was that it is essential to continue the growth and development of aquaculture – industrial fish farming – if we are to avoid overfishing and continue to ensure the availability of healthy and tasty fish and shellfish.

The earth's population keeps rising, and the greater the wealth, the greater the demand for seafood. Aquaculture is therefore the only responsible and sustainable way of increasing the supply of fish in a world that demands healthy foodstuffs with full traceability and high food safety.

Fish feed pioneer

Since BioMar was founded in Denmark in 1962 by a number of local trout farmers, the company has always strived to produce fish feeds with high nutritional value and a sustainable profile.

The fish feed consists of marine and vegetable ingredients sourced from certified suppliers from all over the world.

At BioMar, we feel committed continuing our contribution to the development of the global aquaculture. We were among the first in Europe to introduce dry feed in pellet form, and we are currently a market leader in the use of sustainable alternatives to conventional fish oil. We get the healthy omega-3 fatty acids from fish oil, so it is very important.

BioMar is at the forefront of the movement to develop and produce the fish feed of the future which must combine sustainability and nutrition. For example, we are currently driving the development of bioprotein from plants and single-cell proteins from microalgae which are packed with omega-3 fatty acids.

Carlos Diaz
CEO, BioMar

BioMar – actions and results

This is a brief description of the work we do at BioMar in terms of human rights, anti-corruption and business ethics.



Human rights

BioMar is a large global company with Danish roots and we are committed to running our business in a proper and trustworthy manner, so BioMar may serve as an example to follow. Through its Code of Conduct, BioMar adheres to and supports the human rights provisions and happily benefits from the advantages of a diverse workforce.

Protecting human rights also means safeguarding our employees' health and safety as well as their right to form unions and employee committees. BioMar will not tolerate discrimination or harassment on grounds of race, gender, ethnicity or sexual orientation. The company employs, promotes and rewards employees for factual and unbiased reasons.

Anti-corruption and business ethics

In 2019, BioMar took significant steps to ensure global compliance and alignment with CSR policies. One such step was the implementation of an internationally recognised, cloud-based HR platform which will also promote good management practices, respect for human rights and contribution to the UN SDGs. The HR platform makes it easy to monitor selected parameters, such as equal pay and diversity.

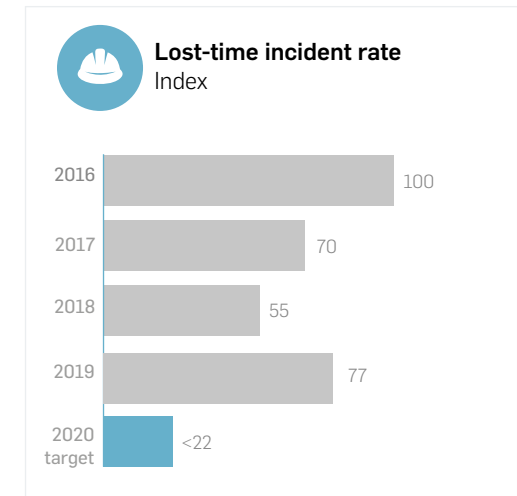
It covers all employees in the BioMar Group and will in future be applied to most of HR-related tasks.

In relation to supplier management, our suppliers' compliance with human rights and decent working conditions will be evaluated on an ongoing basis. Suppliers with increased risk profiles will be visited by BioMar's SAAT team (Supplier Approval, Audit, Traceability).

Social issues and working conditions

Our employees' safety will always be our top priority, and risk minimisation measures are part of daily work at the factories. Unfortunately, in 2019 we saw an increase in the number of occupational injuries, which broke with the positive trend of previous years. Nevertheless, the total number of working days lost per employee dropped, reflecting the less serious nature of the occupational injuries.

To strengthen the focus on safety even further, local projects have been initiated and new tools have been developed to ensure continuous reporting of, for example, near-miss incidents, learning and prevention.



In this connection, dialogue and collaboration are crucial. BioMar continues its worldwide collaboration with trade unions and employee committees to jointly strengthen and develop an engaging and safe working environment which also continues to improve product quality and streamline the production.

Climate and the environment

Read about our initiatives in relation to climate and the environment on the following page.

BioMar – actions and results

Our ESG initiatives also focused on climate and the environment in 2019.

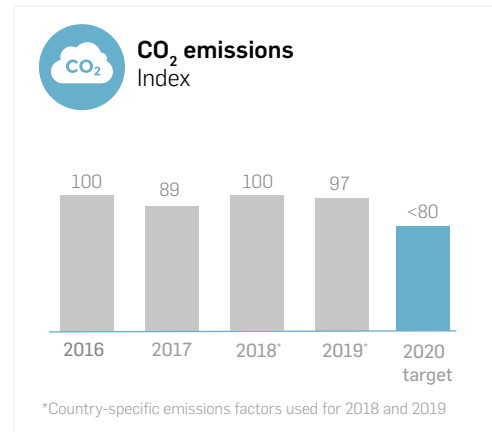
In order to ensure sensible and sustainable growth at BioMar, we are not only concentrating on the value chain, we also take active part in various industry collaborations and cooperate with NGOs. For example, during 2019, BioMar was an active partner in the development of a new industry standard for sustainable aquaculture within the framework of the ASC (Aquaculture Stewardship Council).

This standard will provide essential guidelines for our cooperation with suppliers and may be used to document compliance with human rights at all stages of the supply chain. The efforts to introduce a certification for feeds, targeted at aquaculture, are still ongoing. It will ensure continued focus on responsible procurement and sustainability in practice.



Sustainable cultivation of soya beans

Soya beans form a major constituent of the feeds which BioMar produces, and sustainable cultivation of this ingredient is a top priority. Currently, more than 90 per cent of the soy purchased by BioMar is certified. The target is to use only responsibly produced soy in 2020.



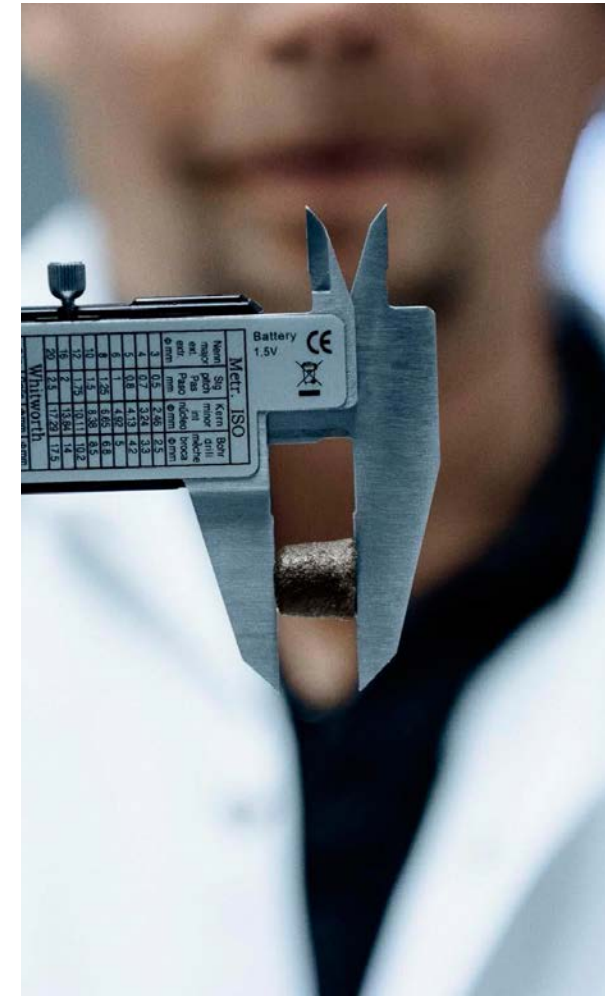
During 2019, BioMar visited Brazilian suppliers of a certified soybean concentrate to ensure continued sustainable practice in the supply chain. The Amazon rainforest is unique and fundamental to life on our planet in terms of biodiversity, rainfall, climate and absorption of CO₂. BioMar's procurement of soy must not lead to deforestation.

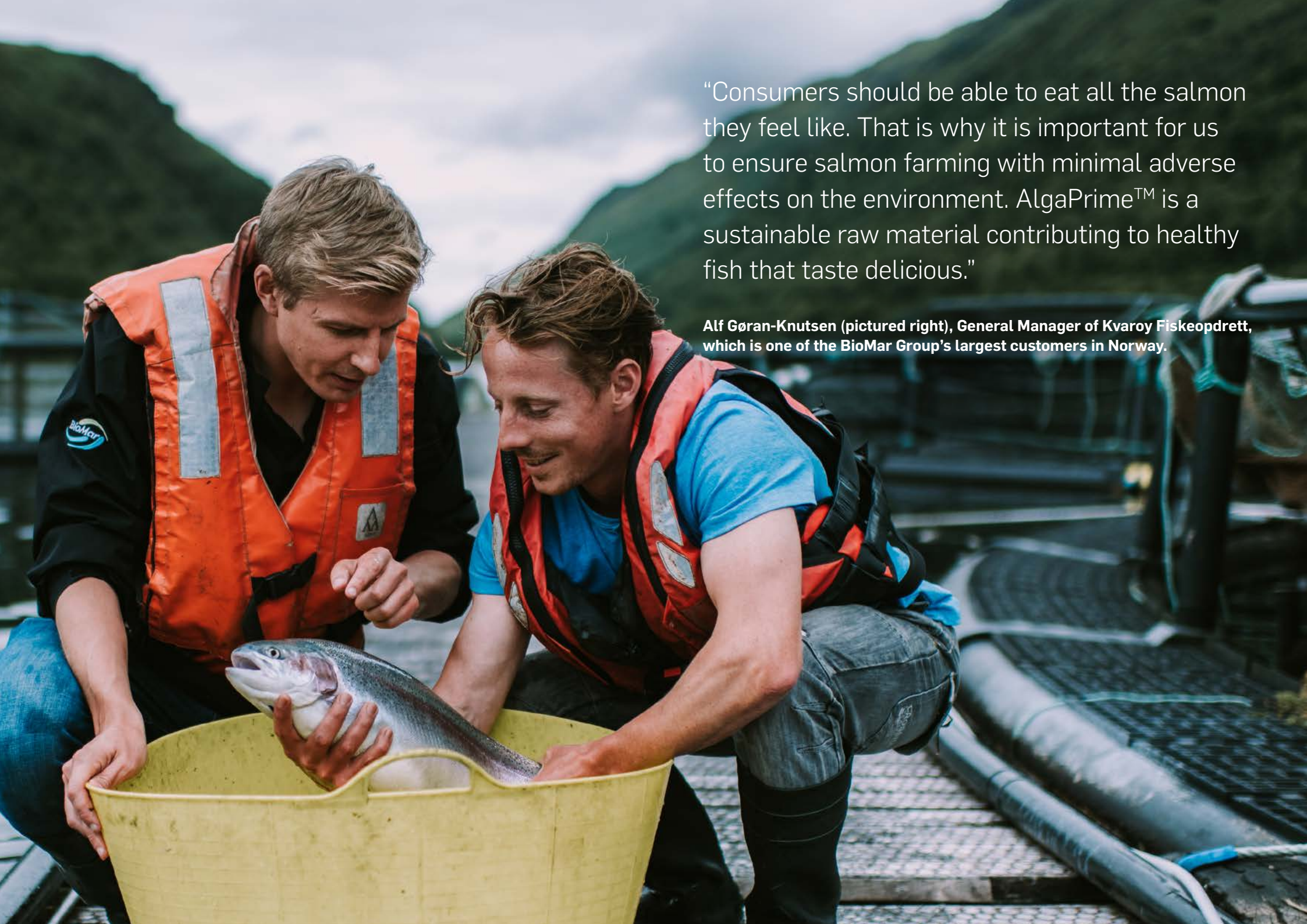
IoT contributes to more energy efficiency

Improved energy efficiency at BioMar's plants has great attention. There is energy-saving potential in optimising the drying processes which constitute the most energy-intensive part of production.

A successful Danish project in this field means that the drying process will also be changed in Spain and will be powered by top-efficient gas burners going forward. Moreover, an IoT (Internet of Things) pilot project was initiated in the UK in 2019. It will be used to receive energy efficiency data and real-time CO₂ emissions by connecting to IoT technology which can record and send data in real time. We expect that this approach will contribute significantly to identifying obvious opportunities for further improvements.

BioMar has been working with targets relating to the UN SDGs and specifically in relation to fresh water, reusing waste and CO₂ emissions. On a global scale, we have succeeded in reducing our energy consumption per tonne of feed produced by three per cent from 2018 to 2019. Energy efficiency is monitored and reported monthly across the entire organisation and is an important KPI for BioMar.





"Consumers should be able to eat all the salmon they feel like. That is why it is important for us to ensure salmon farming with minimal adverse effects on the environment. AlgaPrime™ is a sustainable raw material contributing to healthy fish that taste delicious."

Alf Gøran-Knutsen (pictured right), General Manager of Kvarøy Fiskeopdrett, which is one of the BioMar Group's largest customers in Norway.

BioMar contributes to sustainable fish farming

AlgaPrime™ is the name of a supplement for fish oil. It is now being added to BioMar's fish feeds and is based on fermented microalgae. In this way, BioMar contributes to responsible use of marine raw materials.

It is good for you to eat oily fish, preferably 200 g a week, because they contain fish oil with important omega-3 fatty acids (EPA and DHA) which help to reduce the risk of cardiovascular disease. As we become more people on this planet, the need for healthy and sustainable foods will keep rising. That is why aquaculture is necessary to provide sufficient fish. It is not just about farming fish in sufficiently large quantities, it is also about farming fish that contain the coveted omega-3 fatty acids but with the least possible negative impact on the balance of the seas. For that to happen, the fish themselves will need to get sufficient fatty acids in their diet.

An almost insatiable need for omega-3

This is one of the reasons why BioMar is increasingly using the ingredient AlgaPrime™, developed by the Dutch company Corbion and produced in Brazil.

Vidar Gundersen, Global Sustainability Director, BioMar Group, explains why:

"For decades, the aquaculture industry the world over has obtained fish oil by fishing for trash fish and used it in feed for farmed fish. This trend cannot continue to grow over the longer term as it will adversely affect the stocks of wild fish. We cannot

catch more edible fish in the world's seas, so the farming industry will grow, which is why there is a gap between supply and demand of omega-3 fatty acids. This makes AlgaPrime™ very interesting. This supplement to marine fish oils is based on microalgae and contains exactly the fatty acids which salmon and other fish need to develop into high-quality, tasty fish."

“

It is crucial to us that we use the resources of the seas in a sustainable manner. This is why the single-cell technology is groundbreaking.

Takes place in a closed and clean process

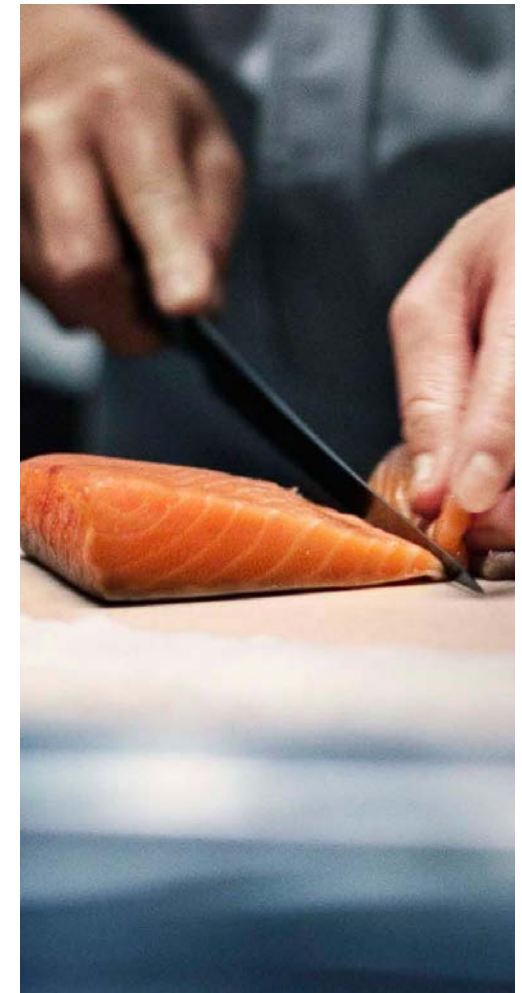
Microalgae are in fact naturally primary producers of omega-3, but the microorganisms that AlgaPrime™ contains are not collected at the bottom of the sea. On the contrary, the production takes place in a clean and sustainable fermentation process which in principle is quite similar to brewing beer. The use of the AlgaPrime™ ingredient also reduces the risk of passing harmful substances through the food chain, which can otherwise be a concern in the case of large

fish, such as salmon. Fish oil coming from a closed fermentation process is cleaner. Vidar Gundersen points out that major changes have taken place in the aquaculture industry over the last few decades. During the 1990s, BioMar's salmon feed contained 80 per cent marine raw materials, while the proportion has now been reduced to 20 per cent. BioMar is far into the development of a farmed salmon feed, and this know-how is transferable and may be used to produce feeds for other species.

A global supplier with moral obligation

"As we deliver the feed for about a quarter of all farmed salmon in the world, we need to be good enough to serve as an example to follow. All fish farmed on feed from BioMar must provide a great taste experience and be healthy. At the same time, it is crucial to us that we use the resources of the seas in a sustainable manner. This is why the single-cell technology is groundbreaking. It is scalable and may be an important contribution to feeding the world, providing the indispensable marine omega-3 fatty acids and essential nutrients. This technology is the future," explains Vidar Gundersen.

All feed products from BioMar comply with official regulations and all ingredients are entirely traceable.





Did you know that **BioMar Ecuador** collects and recycles empty prawn-feed bags, and that in 2019, these bags were used as building material for a playground in Huaylá?

BioMar and the UN SDGs

The life in the seas is crucial to BioMar which produces feeds for farmed fish and shellfish all over the world.

BioMar's operation is especially connected to one particular SDG, namely 'Life below water', and as BioMar is a major player in the global market, the company's products carry weight. BioMar is a supplier to the aquaculture industry which is important to avoid overfishing.



Life below water

SDG no. 14 is to conserve and sustainably use the oceans, seas and marine resources for sustainable development. The

biodiversity in the seas and coastal areas is of crucial importance to all life on this planet. However, it is under threat, because we are currently fishing well above the sustainable level that will allow fish stocks to replenish themselves. In other words, we are far beyond the point where we can just live off the natural fish stocks in the seas. We need industrially farmed fish and shellfish, if we are to avoid emptying the world's seas and if we are to secure access to essential omega-3 fatty acids, which we get from, for example, salmon and other oily fish.

As one of the largest suppliers of feeds for aquaculture, BioMar contributes to making farmed fish an increasing proportion of the fish we eat, thus

reducing the risk of overfishing. Moreover, BioMar provides its customers with feeds that contain low levels of protein from wild fish, reducing the impact on natural fish stocks. Within the industry, we call that FIFO (Fish In – Fish Out). It is a type of KPI for the productiveness of aquaculture, measured as the quantity of fish used to produce the feed in relation to the quantity of fish produced via farming.

Reduced environmental footprint

SDG no. 14 is also about less pollution of the seas. Fish farming at sea affects the surrounding environment, and even though BioMar is not a fish farming business, the company can still contribute to ensuring the least possible impact on the environment. The fact is that the impact on the immediate environment depends on the feed that the fish live on. BioMar works continuously on devising sustainable feeds with the least possible environmental impact while optimising the health and growth of the fish.



Life on land

SDG no. 15 is to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests,

combat desertification, and halt and reverse land degradation and halt biodiversity loss. It may come as a surprise to some that as a producer of feeds for fish and shellfish, BioMar also has the potential to promote SDG no. 15 which concerns protecting life on land. The explanation is that BioMar's feeds

consist in part of plant-based materials, such as soy. In order to contribute to SDG no. 15, BioMar predominantly procures only certified soy which is produced in a manner that considers the health and well-being of forests, nature and the local population to the greatest possible extent.





Fibertex Personal Care is one of the world's largest producers of nonwovens for the hygiene industry.



DKK 2.2bn
revenue in 2019

Was established as a new venture in

1998

under the then Fibertex A/S.
De-merged as a separate company
in 2011

10%

of the world's diapers, sanitary towels
and incontinence products are produced
with spunbond/spunmelt nonwovens
from Fibertex Personal Care



Fibertex Personal Care has
nonwovens production
facilities in Denmark
and Malaysia and print
production facilities in
Germany, the United States
and Malaysia



750 employees

8

large spunbond
production lines

Growing with care

Everyday life as we know it would grind to a halt without the products produced by our customers in the hygiene industry. Anywhere in the world, diapers, sanitary towels and incontinence products are necessary for a free and easy life. For people of all ages, whether newborn or elderly, they enhance quality of life.

Disposable diapers and circular economy

Undoubtedly, hygiene products are of huge importance to health and comfort, but we cannot neglect considering the disposal of the used products, as they are essentially made of plastic (polypropylene). Europe and many other countries have highly developed waste management systems which ensure their safe disposal, but it would be much more interesting, if the products could be recycled. We therefore take great interest in trials with new technologies to recycle used diapers. It is not unlikely that Fibertex Personal Care might be a potential buyer of such secondary raw materials for the production of new hygiene products once the quality lives up to our customers' high standards.

The recycling projects are still in a start-up phase, but we are obviously staying up-to-date with innovations; otherwise we will never work out how to step up the green transition process. We are one of the leading producers of nonwovens for the hygiene industry in the world. This gives us the opportunity –

but also the obligation – to influence developments in a more sustainable direction.

Energy consumption

In 2011, we measured our carbon footprint for the first time. This enables us to compare previous figures with the results that we now achieve through new initiatives. For us, energy optimisation is a constant task – we never finish finding new ways to improve. However, we are pleased to note that our target for reducing our energy consumption in 2020 is within reach. Implementing effective energy management is always worthwhile, not least during periods of growth. When we experience an increase in demand for our products, it is obvious that we would like to be able to deliver. We have therefore invested in new production facilities during the last few years, particularly in Malaysia.

It is very important to us that capacity expansions happen with responsible resource consumption in mind, which is why we draw on our good results and experience with certified environmental and energy management from, for example, Denmark. In this way, our goal on energy optimisation and responsible production contributes to tying our company together across borders.

Mikael Staal Axelsen

CEO, Fibertex Personal Care



Implementing effective energy management is always worthwhile, not least during periods of growth.

Fibertex Personal Care – actions and results

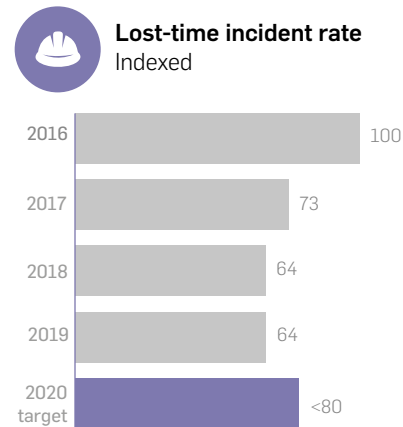
This is a brief description of selected ESG initiatives at Fibertex Personal Care in 2019.

Human rights

At Fibertex Personal Care, we treat our employees with decency, dignity and respect. We are a global company and very aware of our responsibility, including to our business partners and the communities in which we operate. Fibertex Personal Care respects the UN's Universal Declaration on Human Rights.

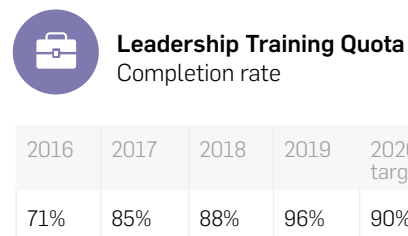
Social issues and labour conditions

The number of occupational injuries at Fibertex Personal Care is low, and also in 2019, we managed to enhance on an already strong safety culture. Thus, we succeeded in maintaining a lost-time incident (LTI) rate that is below the 2016 level even though the company has grown considerably since then. Yet, there was a small rise in the number of minor accidents not causing lost time from 2018 to 2019, owing particularly to cutting injuries. Safety campaigns, including for the correct use of cut-resistant gloves, will be initiated in 2020. The risk of falls as a result of slippery floors was significantly reduced, because critical areas were painted with anti-slip paint. We highly prioritise our employees' health and social well-being and we offer, for example, health screenings, smoking cessation treatment, diet advice, bicycle hire, sporting events and family days. It generates health, well-being and social cohesion, which in turn provides greater job satisfaction.



Anti-corruption and business ethics

Fibertex Personal Care strives to run a transparent business with high integrity and ethical behaviour. The processes relating to supplier management have been reviewed, the requirements were tightened in 2019 and a new Supplier Code of Conduct has been drawn up. In addition, Fibertex Personal Care has



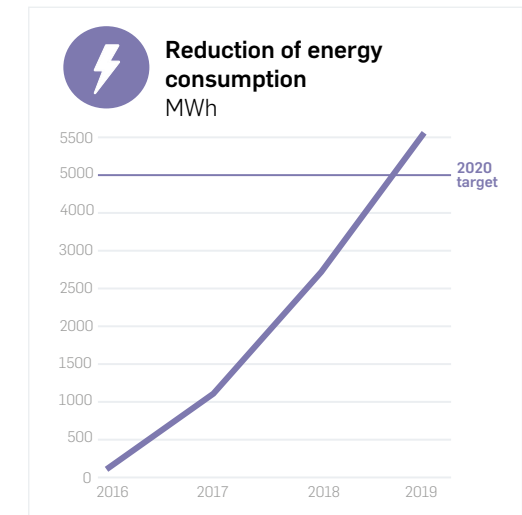
launched a 'Code of Practice' leaflet summarising the main elements of the company's policies of which everyone affiliated with the company is expected to be aware. Members of the management and HR have held meetings at all the factories to communicate the content of the leaflet and make it relevant to all employees. Another milestone in 2019 was the whistleblower scheme 'Report a Concern' which provides everyone with an easy procedure to report suspicious illegal activities. 'Report a Concern' may be accessed from the company's intranet and website and is available in four languages (Danish, Malay, German and English).

Climate and the environment

Our factories in Denmark, Germany and Malaysia focus on reducing their energy consumption primarily linked to the ISO 50001 energy certification in Denmark and Germany. The Aalborg factory has entered a fresh agreement on energy optimisation with the Danish Energy Agency. It will run until the end of 2020 and the factory is committed to implementing selected energy-saving projects with a payback time of under five years. During 2019, we implemented various energy-saving initiatives, including insulation of process equipment and replacement of fans, lighting and IT equipment. In the United States, we started operating at new production facilities, and sustainability was an

important factor already considered in the design stage. For example, the building is fitted exclusively with energy-saving LED lighting which is activated and deactivated via motion sensors.

Fibertex Personal Care wants to reduce the dependency on conventional plastics and is therefore exploring the possibilities of using a certified combination of biological resources and recycled plastics. Plus, our factories in Denmark and Malaysia joined Operation Clean Sweep in 2019; an international programme intended to prevent plastic granules etc. from spreading from the production facilities and into the surrounding natural environment.



Fibertex Personal Care pursues further energy-optimising measures

With the slogan 'Never Perfect, Always Improving', Fibertex Personal Care sets the bar high.

The consumption of electricity is a large entry in the energy accounts of Fibertex Personal Care, which produces spunbond and meltblown nonwovens (textile-like materials). Therefore, the company is continuously focusing on optimising all the sub-processes that can reduce electricity consumption without affecting efficiency and quality which must remain the very best possible. Even the blower systems that are part of the large process plants

are in the spotlight. Blowers that are an essential part of the fibre production and the most energy-intensive subprocess move enormous quantities of air. The company's continuous focus and utilisation of technological innovations make it possible to achieve savings as and when these blowers are replaced by more energy-efficient systems.

Agreement generates momentum

For the second time, Fibertex Personal Care has entered into a voluntary three-year agreement with the Danish Energy Agency. It means, among other things, that the company is committed to identifying promising opportunities for reducing its energy consumption.

"The agreement includes deadlines and milestones, and we really appreciate that. The fact is that it keeps us on track, because even though we have reduced our energy consumption quite a bit in recent years, we can always find something to improve on. We will never finish energy optimising and that's how it should be," says Mette Due Sogaard who is QA & Sustainability Director of Fibertex Personal Care, and she refers to the company's sustainability slogan 'Never Perfect, Always Improving'.

“

One of the most effective measures we implemented in Denmark is now also implemented in Malaysia. It is the insulation of our process plant which in practice proved much more profitable than our calculations indicated.

Sharing experiences across borders

Fibertex Personal Care produces nonwovens in both Denmark and Malaysia, and although there are differences between the two countries, it is definitely worthwhile sharing experiences across borders.

Mette Due Sogaard explains:


"One of the most effective measures we carried out in Denmark is now also implemented in Malaysia. It is the insulation of our process equipment which in practice proved much more profitable than our calculations indicated. In addition, there is a benefit to be had in the physical working environment around the machinery, not least in Malaysia where the temperature is above 30°C all year round."

Employees play a crucial role

Energy-saving initiatives do not only depend on new installations and insulation for their success, it is also essential to involve the employees. At the factory in Aalborg, there is a special signal light on the control panel of the machinery. If it lights up red, the electricity consumption of the current production is higher than the average consumption. When it lights up green, the electricity consumption is at the expected level. The signal light encourages the individual employee to check whether all process settings are as they should be. These days, the attention paid to energy consumption comes from all sides: employees, authorities, industrial customers and end-users – and they influence each other.

"Our customers produce consumer goods and they see retailers increasingly demanding environmental profiles of the goods they have on their shelves. The attention and the demands that we receive spur us on to tighten our energy-saving initiatives. At the same time, a responsible environmental profile affects our ability to attract the right employees, so it makes good sense all round," concludes Mette Due Sogaard.



The background of the slide features a series of overlapping, curved, cylindrical shapes in shades of teal and white, creating a sense of depth and movement. The lighting is soft, highlighting the textures of the surfaces.

Did you know that growth and prosperity in Asia increase the use of hygiene products which promote health and well-being and ultimately improve women's chances of entering the labour market?

Fibertex Personal Care and the UN SDGs

The materials produced by Fibertex Personal Care contribute to improved health and well-being.

It may not be immediately obvious how the materials produced by Fibertex Personal Care contribute to fulfilling the SDGs, but the hygiene industry plays an important role in the development of society when it manufactures the textile-like materials from Fibertex Personal Care into diapers, sanitary

towels and incontinence products. Indirectly, sanitary towels are supporting SDG no. 3 on good health and well-being, no. 4 on quality education and no. 5 on gender equality. Without sanitary towels, many girls and women the world over would be precluded from attending school, and without schooling, the path to

quality education and gender equality would be an impossible obstacle race.

The aim here is not to connect to all UN SDGs and we will therefore focus on only two: SDG no. 6 on clean water and sanitation and SDG no. 12 on responsible consumption and production.

At the same time, disposable diapers enhance the hygiene for babies and their families, just as incontinence products make a world of difference to people living with incontinence.



Clean water and sanitation

By 2030, we need to achieve access to adequate and equitable sanitation and hygiene for all, together with decent toilet facilities, paying special attention to the needs of women and girls and those in vulnerable situations. This is one of the targets related to SDG no. 6. Health and hygiene conditions will improve for people of all ages when they have access to practical personal hygiene products.

Using nonwovens to manufacture such products is currently the production method with the least environmental impact. Disposable diapers, produced with Fibertex Personal Care as a sub-supplier, save countless hours of work and eliminate a considerable consumption of water which would have been needed to wash cotton diapers.



Responsible consumption and production

Target 12.5 is worded as follows: By 2030, substantially reduce waste generation

through prevention, reduction, recycling and reuse. Disposable hygiene products have obvious undisputed qualities but at the same time, they generate a great deal of waste. It is therefore crucial to develop the global infrastructure for collecting and handling this type of waste and to promote innovation and development in terms of recycling.

However, it is also important for us to reduce our in-house waste. Fibertex Personal Care is committed to contributing to sustainable forms of consumption and production, and already over 90 per cent of the waste generated at the factories in Denmark and Malaysia is recycled. In addition, we are working actively with the waste hierarchy to ensure reuse of as many waste fractions as possible.



Fibertex Nonwovens is a leading European manufacturer of nonwovens for specialist industrial applications used in cars, in the construction industry and for filtration solutions.



DKK 1.7bn
revenue in 2019

Fibertex was founded in

1968

and until 2011 also included
Fibertex Personal Care

100%

consistent production
standards and quality
control at all sites



Fibertex Nonwovens
has customers in more
than 70 countries



1,000 employees

8

Production facilities located in
Denmark, the Czech Republic,
France, Turkey, the USA, Brazil
and South Africa

Helping to shape a greener future

At Fibertex Nonwovens, we are quite excited about the 2020s, because we supply a large number of cleantech solutions to different industries. So, being one of Europe's leading manufacturers of nonwovens, we are headed for a greener future. This is something we value, as it benefits both the communities we serve and our business.

When you mention cleantech, most people think of sustainable energy. However, it is much more than that: it also applies to products and services that enhance productivity, performance or efficiency, while reducing energy consumption, waste and pollution. Keeping that definition in mind, we also provide several cleantech solutions on account of our comprehensive product portfolio. We produce advanced filtration solutions that help reduce air pollution, sound absorbing solutions to combat noise pollution, materials used in the production of wind turbine blades and geotextiles for infrastructure projects that help roads and railways last longer.

Focused on our in-house production

We have a large global setup with production facilities in many different countries. That makes it important to think about how we manufacture

our products. This applies both in terms of the environmental impact and the security and well-being of our many employees going about their day-to-day work.

We have developed specific action plans in order to reduce our environmental impact, our energy consumption and waste volumes. We set the same high standards in terms of safety across all of our countries of production.

Plastics are the raw material used in most of our products. The vast majority of our products are long-lasting and durable, and is only discarded after long-term use. As part of our environmental action plans, we work to minimise our resource consumption and to find alternatives, as long as it does not reduce the durability and strength of our products.

Being focused on our in-house production is equally important as our cleantech solutions when it comes to being part of a greener future. We are part of the solution.

Jørgen Bech Madsen
CEO, Fibertex Nonwovens

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We have a large global setup with production facilities in many different countries. That makes it important to think about how we manufacture our products.

Fibertex Nonwovens – actions and results

Our company's corporate responsibility has stayed on the 2019 agenda at Fibertex Nonwovens.

Human rights

Fibertex Nonwovens aims to encourage a diverse organisation and to ensure that its employees are able to apply and develop their skills in the best possible way regardless of gender, ethnicity, religion, political persuasion, age, disability, sexual orientation, etc. This approach has always been part of Fibertex Nonwoven's DNA and equal opportunities for all are a top priority.

In 2019, Fibertex Nonwovens continued to follow up on the observations from a project involving human rights that began in 2017. Fibertex Nonwovens continues to define clear goals and requirements for the work with human rights, both at the head office in Aalborg, Denmark, and at the many production units in its international organisation. The scope for running a business varies from country to country, and focus has been on getting an overview of matters applying to the company's individual units in order to organise initiatives suitable for every individual unit. All employees are able to point out and call attention to issues, including in terms of corporate responsibility, without necessarily having to bring the issue to their immediate managers. Instead, they are able to take the issue to a well-defined HSE unit that all employees are aware of.

Social issues and labour conditions

Ongoing improvements to health and safety at Fibertex Nonwovens are a real benefit to every individual employee and to the company's operations. It is necessary for Fibertex Nonwovens to remain an attractive place of work that is able to attract, develop and retain skilled and engaged employees at all levels.



Maintaining or securing health and safety is always considered when it comes to procurement, projecting or maintenance works. Employees are kept informed and trained in the importance of responsible conduct both on the intranet and during training processes, and they are expected to always

look out for themselves and their colleagues and to comply with prescribed safety measures.

At our factories in the Czech Republic, the USA, Turkey, Brazil and South Africa, we have completed dedicated safety campaigns in order to reduce the number of occupational injuries. The various efforts had a positive effect in 2019, and as a result, the company has now successfully reduced lost-time incidents by a large margin. In other words, Fibertex Nonwovens is now well ahead of the 2020 target defined in 2017.

Anti-corruption and business ethics

Fibertex Nonwovens aims to be a responsible company, and it is essential for its reputation and continued success that the organisation and its employees act responsibly in all financial, social and ethical contexts. The first issue of a Fibertex Code of Conduct was prepared in 2019. It is written in English because it was initially introduced to employees dealing with international customers and suppliers. All employees involved in the initial phase have now signed the Code of Conduct. In the next phase, the Code of Conduct will be translated into local languages, including Danish, and will be communicated to the rest of the employees. The

company updated its Supplier Code of Conduct in 2019 in order to strengthen its responsible supplier management. Both the Supplier and our in-house codes of conduct are available on the intranet and the company's website.

Climate and the environment

Read about our initiatives on page 28.





Did you know that recycled polyester is a resource and that **Fibertex Nonwovens** uses 60 per cent recycled polyester when making new products?

Fibertex Nonwovens using fewer resources

Work involving climate and the environment is a big priority at Fibertex Nonwovens.

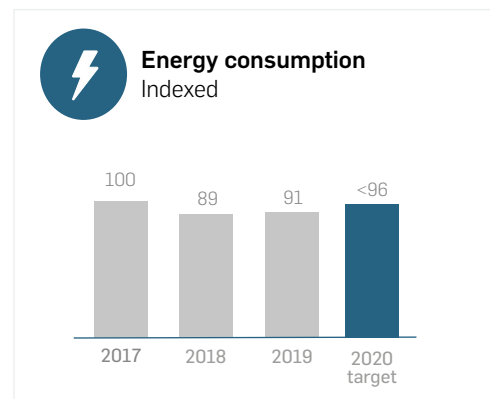
Reducing consumption of resources and the environmental impact of products and processes is an ongoing task at Fibertex Nonwovens. Among the successful environmental footprint and energy-saving projects initiated at Fibertex Nonwovens in 2019 is an improved geotextiles programme. We have succeeded in reducing our consumption of raw materials for specific geotextile products by up to 1,400 tonnes. The lighter the product, the less the environmental impact all through the value chain.

How to reduce energy consumption

All Fibertex Nonwovens factories work consistently to reduce energy consumption. The company provides information, education and training to motivate employees to think about energy efficiency at the project planning stage and encourage them always to find new ways to improve.

Since 2017, the overall goal has been a relative reduction of energy consumption. Production processes at Fibertex Nonwovens requires large automated machinery with powerful blowers and various heating processes. The company analysed and successfully reduced the consumption of energy for both of these processes in 2019.

In addition, the factory has developed a more energy-efficient way of heating air for the production process, and several pumps have been insulated resulting in less energy loss.



In 2019, the factory in Aalborg was re-certified to the ISO 50001 standard on energy management. It was first certified in 2016 and at that time, the company entered into an energy agreement for the period 2016–2018 with the Danish Energy Agency.

The agreement involved preparing action plans and identifying projects for reducing energy consumption. Fibertex Nonwovens made a new agreement with the Energy Agency in 2019.

Environmental management under control

The Fibertex Nonwovens site in Denmark has been certified to the ISO 14001 environmental management standard for nearly two decades. In addition, the factories in Brazil, France, Turkey and the Czech Republic are also certified to the ISO 14001 standard, the Czech site gaining certification in 2019. In the USA, preparations started for ISO 14001 certification of the Ingleside factory in 2019, and the site is expected to obtain certification in 2020.

Certification of environmental management indicates that Fibertex Nonwovens maps its environmental footprint in detail and prepares specific action plans on how to reduce it. The company is continuously working on specific projects to reduce its waste volumes and optimise reuse rates.

Since 2017, the overall goal has been to reduce waste volumes by 1 per cent per year. A calculation of the effects of these efforts in 2019 showed a relatively much larger reduction of waste volumes.



Fibertex Nonwovens and the UN SDGs

Innovative solutions from Fibertex Nonwovens are being used in many different industries and contribute to several SDGs.

Products from Fibertex Nonwovens contribute to several SDGs by promoting innovation in many different industries, including construction, wind turbines and not least automotive – industries that are all of great importance to infrastructure, urban societies and the environment.

As a supplier to the wind turbine industry, for example, Fibertex Nonwovens connects to SDG no. 7 on affordable and clean energy being a supplier of composites for the production of some of the world's longest turbine blades. Similarly, the company's advanced materials for filtration solutions that provide a cleaner environment and better air quality connect to SDG no. 11 which includes better air quality among its targets.



Responsible consumption and production

Ensure sustainable consumption and production patterns: this is the subheading to SDG no. 12 on

responsible consumption and production. Products from Fibertex Nonwovens often replace heavier and more environmentally harmful products. This applies especially to the automotive industry, as nonwovens products, being lighter, contribute to less

fuel consumption and great comfort. In addition, the products are easier to recycle when the car reaches the end of its lifecycle. This way, the products contribute to SDG no. 12 on responsible consumption and production.

Another important link between the company and the SDGs is SDG no. 9 on industry, innovation and infrastructure, which several Fibertex Nonwovens products relate to.



Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and

foster innovation. This is the subheading of SDG no. 9 and, undoubtedly, there is a need to find lasting solutions for both economic and environmental challenges. Fibertex Nonwovens contributes indirectly by delivering innovative solutions to many of the industries targeted by SDG no. 9. A case in point is the construction industry, because nonwovens are used in concrete structures, or to help extend infrastructure lifecycles or reduce the use of commodities such as sand or gravel.





GPV is one of Europe's leading EMS businesses. Manufacturer of technical electronics, mechanics and mechatronics for global customers in cleantech, measuring instruments and industry.



DKK 2.9bn
revenue in 2019

GPV was founded in

1961

18

certificates across QMS, Workmanship and People and Environment. For example, GPV was one of the first companies to receive the TLS 8001 Thai Labour Certificate for its high HSE standards



GPV has factories in 9 countries: Denmark, Switzerland, Germany, Austria, Slovakia, Thailand, Sri Lanka, China and Mexico



4,000 employees

33m

Products supplied in 2019



“

Safety at work and employee well-being are top priorities at GPV, regardless of location.

Responsibility makes good business sense

Being a global manufacturing business with some of your sites in low-wage countries requires a responsible approach and proper standards. At GPV, we fulfil our responsibility as a corporate citizen, and watch out for our employees' safety and well-being across different cultures.

Our employees in countries like Thailand, Sri Lanka and Mexico benefit from the standards and practices that are substantially higher than what the local markets generally offer. At our Thailand factory, every working day starts with a safety meeting where employees and the management review any near-miss incidents during the preceding 24 hours and go through procedures. Safety at work and employee well-being are top priorities at GPV, regardless of location.

Results are created by people

We are a leading European EMS (Electronic Manufacturing Services) company, and when our employees manufacture pumps, wind turbines, measuring instruments, medical equipment or other products for our customers, quality, care and timeliness are of the essence. When we help our customers design and further develop the products we manufacture for them, our employees need a safe and secure place to work.

Since we acquired CCS in late 2018, we have about 4,000 employees worldwide. We successfully integrated CCS with GPV during 2019, and we are very pleased to note that the two – now fully merged – companies also proved to be a perfect match in terms of ESG.

Focus on safety and longevity

Obviously, quality and safety will always be all-important for GPV as a supplier of control and communications systems for transport by sea, air and rail. It is a must and a criterion of success. We also consider it a success when many of our solutions extend the lives of products and systems because we are able to remanufacture minor units for, say, older operating systems. So, GPV supports responsible consumption and helps to optimise high-cost means of transport. As to medtech, we are also a leading partner to our customers, capable of remanufacturing sub-components and able to provide service, software updates and repairs over the long term, even several years after the initial delivery. GPV will continue to create value in a sustainable and trustworthy manner by protecting the environment, all of our employees and exercising good business management.

Bo Lybæk, CEO, GPV

GPV – actions and results

Corporate responsibility on the agenda in 2019 in different contexts.



Human rights

GPV observes and supports human rights. Child labour, whether directly or indirectly, has no place in our production. GPV's suppliers are required to sign our Code of Conduct that includes a declaration of support for human rights. We implemented a supplier management procedure in 2019 for handling our Supplier Code of Conduct and suppliers signing it.

Social issues and labour conditions

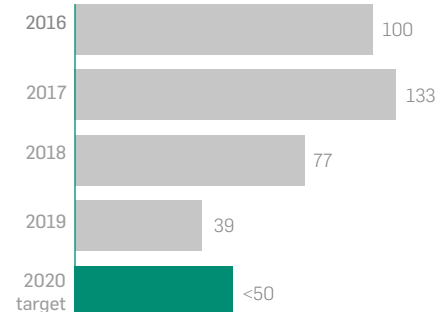
GPV implemented a system for registering near-miss incidents in Denmark and Thailand. In Thailand, we installed a defibrillator, acquired a stretcher and a wheelchair for patient transport, and our employees have taken first aid courses. We also acquired fire-fighting suits. As a business centre working with the job centre in the Municipality of Vesthimmerland in Denmark, GPV has had nine citizens in work placement training during 2019.

GPV Sri Lanka has set up a multi-year scholarship for ten children who lost their parents in the Easter 2019 bomb attack. In response to the sudden lack of blood bank reserves, GPV employees teamed up to donate more than 50 litres of blood. GPV Sri Lanka has donated an incubator to the pre-natal ward at

the public hospital, also repairing free of charge important medical equipment which had not been used for months due to technical failure.



Lost-time incident rate Indexed



Anti-corruption and business ethics

Close to 950 white-collar employees throughout the GPV organisation completed an e-learning programme on business ethics and anti-corruption and also signed an updated version of the Employee Code of Conduct. The Supplier Code of Conduct is updated regularly and sent to all suppliers, including those who also have a customer relationship with GPV.

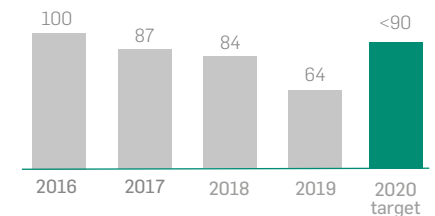
Climate and the environment


GPV successfully reduced its energy consumption in 2019 through a number of initiatives. In Denmark, a new energy-efficient moisturisation system has been installed, and lightbulbs were replaced with LED versions.

GPV Mexico has reduced its consumption of nitrogen in production processes, lowering its carbon emissions. GPV Mexico has also focused on reducing paper consumption and on recycling used paper. GPV Thailand has installed better air conditioning and ventilation systems, reducing its electricity consumption.



Energy consumption Indexed



A man and a woman, both wearing white lab coats with dark blue collars, are working in a laboratory. The man, on the right, has glasses perched on his head and is looking towards the woman. The woman, on the left, has her hair in a bun and is looking down at a piece of electronic equipment on the table. A microscope is visible on the right side of the table. The background shows a modern laboratory with large windows and blue structural elements.

Did you know that **GPV** has a dedicated "factory" – in addition to the 13 other sites producing electronics for customers worldwide? We call it an in-house talent factory, because life-long learning and innovation is the key to economic growth.

GPV Thailand: Safety is part of everyday life

GPV Thailand is well on its way to zero lost-time incidents. Employees understand that safety is a top priority.

GPV is firmly approaching its 2020 target of reducing its lost-time incident (LTI) rate by at least 50 per cent relative to a 2016 baseline. Safety at work is a priority every working day at the production facilities of GPV Thailand in Bangkok. There is a very important morning routine at the factory: the team meet briefly to make sure that everyone understands the importance of safety. These morning meetings are a good occasion to rectify working conditions if the need arises.

Alessandro Marinai, Operations Director Electronics at GPV Thailand, explains:

“At the daily safety meetings, we share experiences and talk about what works well, and what we can improve on. This is also where we discuss any near-miss incidents. We take those events very seriously, but a report on a near-miss is also a big help for us in trying to find solutions and making the necessary changes.”

Approaching the 2020 target

In fact, the different initiatives taken, including the morning meetings, have helped reduce the number of lost-time incidents and reports on near-miss incidents. Bjørn Fiskers, who heads up GPV Thailand, is very pleased with the developments, but he

stresses that efforts to improve safety always are and always will be work in progress:

“The positive developments would not have been possible without the huge commitment from everyone: from top management to the staff operating our machinery and equipment. We have good reason to be proud, but we cannot afford to rest on our laurels, because the road to safety is never ending. Safety is an integral part of our day-to-day work that we must always pay attention to.

Triple advantage

Getting off to a good start is important. When new employees report for work at GPV Thailand, they are required to take a safety course so they are aware of the risks if they do not use personal safety equipment or if they ignore safety instructions. For its safety courses, the site previously used visual materials with explanations and signs of a general nature. These have now been replaced with original GPV materials developed specifically for the employees in Thailand. They make the safety precautions more relevant, easier to understand and show a clear connection between the employees and their place of work. The signs being used today are efficient communication tools that are easy to understand.

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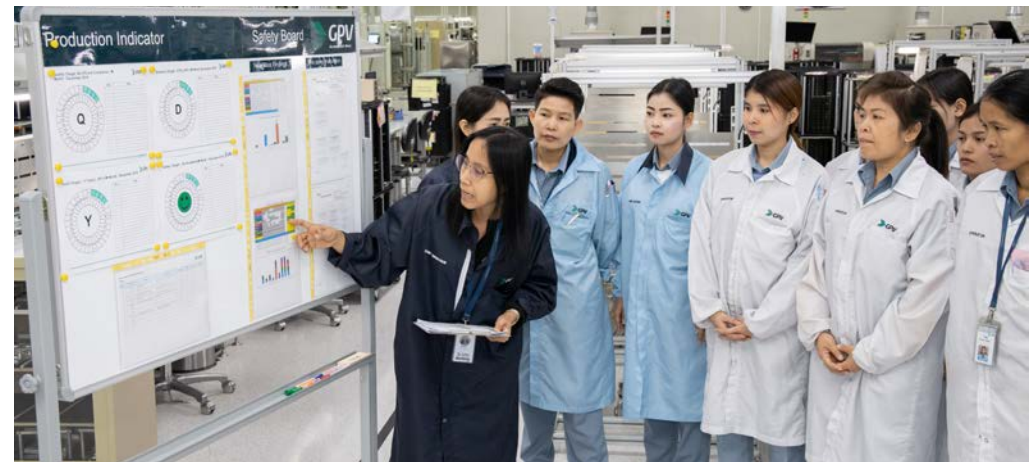
With safety as a top priority, our efficiency and reliability benefits the individual, our production and our customers.

Although the signage project is a very good one, nothing beats the importance of people helping each other, Fiskers explains:

“Thanks to more targeted activities, we are in the process of building a common understanding and awareness among managers and staff about the

importance of safety. Our employees are becoming more and more aware of their own safety risks, and ensuring that safety is a top priority provides a triple advantage: it benefits the individual, our production and our customers who expect efficiency and reliability from us.

GPV Thailand has monthly management meetings on safety, and regular in-house safety checks help uncover critical areas that require immediate action. In addition, the annual safety week gives that extra motivation for everyone. At GPV, they are confident that the 2020 target is realistic – there is no reason to let it slip away.



GPV and the UN SDGs

As a provider of innovative solutions for cleantech and other industries, GPV is a growing business.

Several of GPV's business activities contribute to meeting some of the UN's Sustainable Development Goals (SDGs) that the world's countries have decided to work for. While GPV can contribute directly or indirectly to more than the two SDGs selected, the focus of this article is on SDG no. 7 on affordable and clean energy and SDG no. 8 on decent work and economic growth.



Affordable and clean energy

Everyone should have access to reliable and clean energy in the future. This forms part of SDG

no. 7. It is about ensuring that everyone has reliable, sustainable and modern energy at an affordable price. GPV manufactures electronics, mechanics and mechatronics (combination of electronics, software and mechanical technology). These are advanced, customer-specific products used for various purposes, including cleantech solutions. Our customers are based international and many of them operate in the field of sustainable energy or they develop energy-efficient products. GPV's advanced products are stable and robust, manufactured to high quality standards, which make for longer end-product lives.

GPV works closely with customers, helping them develop and manufacture solutions, for example in cleantech, that can contribute to giving the world's population access to reliable and sustainable energy.



Decent work and economic growth

Without economic growth, there can be no room for innovation and development. SDG no. 8 is

about promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. GPV is growing well financially. The company reported a positive revenue performance once again in 2019, the sixth consecutive year of growth, but GPV is evolving through more than just acquisitions and new investments. GPV has factory sites in countries whose general standards are well below those of Denmark, but regardless of where its operations are located, GPV emphasises the importance of its employees having decent jobs and safe working conditions. This approach helps to reduce poverty in countries outside Europe. Ongoing technology upgrades, innovation and education are also on the agenda, because life-long learning is key to economic growth. This is how GPV contributes to achieving SDG no. 8.





Market-leading specialist within hydraulic solutions



DKK 2.1bn
revenue in 2019

Specma was established in

1918

Hydro-Grene was established in

1974

+14

different industries served by HydraSpecma, such
as cleantech, transport and agriculture



HydraSpecma serves
customers globally from
units in the Nordics, Poland,
the UK, China, India, Brazil
and the USA



1,200 employees

DKK 60 m

invested in new facilities,
automation and energy-efficiency
initiatives in 2019



“

We continuously innovate to make green energy more competitive globally.

Providing solutions to the wind turbine industry

Globally, green technologies are gaining ground. HydraSpecma plays an important role as a dedicated supplier of hydraulic solutions and components to greentech products, wind turbines included. We have gained a solid foothold globally from working closely with major industrial customers and are continuously developing our business in dialogue with them.

As new CEO, I look forward to continuing the work, operating as a sustainable, responsible and trustworthy company in collaboration with my management colleague Henrik Sillesen and the rest of HydraSpecma. Our strong Scandinavian values commit us to doing business with decency and integrity. This is the foundation of our position as Nordic market leaders and has contributed to our global growth. We are experiencing increased demand for our hydraulic solutions. In Denmark and China, we have, for instance, expanded our production capacity for complete units for the wind turbine industry in order to ensure delivery capacity.

HydraSpecma's core products and services contribute to sustainable energy production. We continuously innovate to make green energy more competitive globally compared to traditional energy production with fossil fuels. It is very pleasing to take part in promoting the green transition and to develop products facilitating it. On an ongoing basis,

we assess their environmental value and strive to improve them in our day-to-day work and through close dialogue with our customers and suppliers.

It is part of HydraSpecma's DNA to behave responsibly towards customers, employees and society at large. It is a valuable legacy which we are happy to continue. The market for systems and system solutions is growing, and so we must have the right skills and access to the newest knowledge. The labour market is changeable and shortage of people with the right skills, particularly engineers and technicians, may pose a challenge to our continued growth. Therefore, we always strive to create the very best, inspirational working environment for our 1,200 plus talented employees across ten countries. This is our approach, both on account of our legacy but also because we believe that it is needed to attract and retain well-qualified employees.

Common objectives create cohesion

It is crucial to us that our products are developed with a firm eye on sustainability and that our employees are highly motivated to take that approach. In this way, these ESG objectives contribute towards tying together the entire company across national borders.

Morten Kjær, CEO, HydraSpecma

HydraSpecma – actions and results

HydraSpecma attaches great value to corporate responsibility which is reflected in the initiatives implemented in 2019.

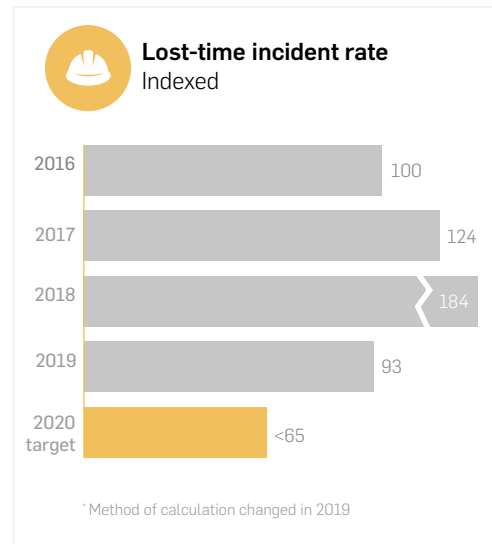
Human rights

Responsible supplier management was also high on the agenda at HydraSpecma in 2019. Observations from the work on human rights that were initiated in 2017 did not give rise to any changes in 2019. Now, as before, HydraSpecma will not tolerate discrimination or harassment on grounds of religion, race, skin colour, gender, disability, age, sexual orientation, political persuasion or anything else. HydraSpecma will not employ any individual below the age of 15.

Social issues and labour conditions

In 2019, HydraSpecma in Denmark was certified to ISO 45001, the internationally recognised standard on occupational health and safety management. The certification illustrates that HydraSpecma is working systematically to improve the working environment and prevent disasters, accidents and other unintentional incidents. It is also an indication that there is consistency between the declared policy and actual day-to-day operations at the place of work.

The preparations for a successful ISO 45001 certification had been ongoing at HydraSpecma since the end of 2018 and were based on



close collaboration between management and employees. The well-known management principle of Plan-Do-Check-Act forms part of the plan which now also constitutes the formal framework of the company's occupational health and safety management. HydraSpecma is now ISO 45001 certified in all major production units in Denmark, Sweden, Poland and China. One initiative in 2019 was to upgrade the production building in Shanghai which has already created a better working environment and reduced the risk of fire.

Anti-corruption and business ethics

In 2019, the topics of anti-corruption and business ethics remained on the agenda, for example via the e-learning program that was launched by the Schouw & Co. Group in 2018. Employees have also been made aware of the whistleblower scheme via various internal channels. The scheme was established in 2019, also at group level, and

provides all employees, customers and business partners with a safe channel to report suspicions about criminal or unethical activities. Reports may be submitted anonymously and in all relevant languages.

Climate and the environment

Read about our initiatives on page 40.





Did you know that the world's leading wind turbine manufacturers use hydraulic solutions from **HydraSpecma**? In this way, the company makes a substantial contribution to green energy.

HydraSpecma – actions and results

This is a brief description of HydraSpecma's initiatives and results relating to climate and the environment in 2019.

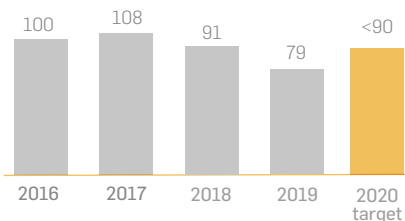
Climate and the environment

HydraSpecma in Denmark now gets all its electricity from wind energy. This is one of the most significant milestones reached by the company in 2019.

However, it was a continuation of an energy-saving project that was initiated in 2018 and a natural consequence of the professional role played by the company as an important supplier to the wind turbine industry.



Energy consumption Indexed



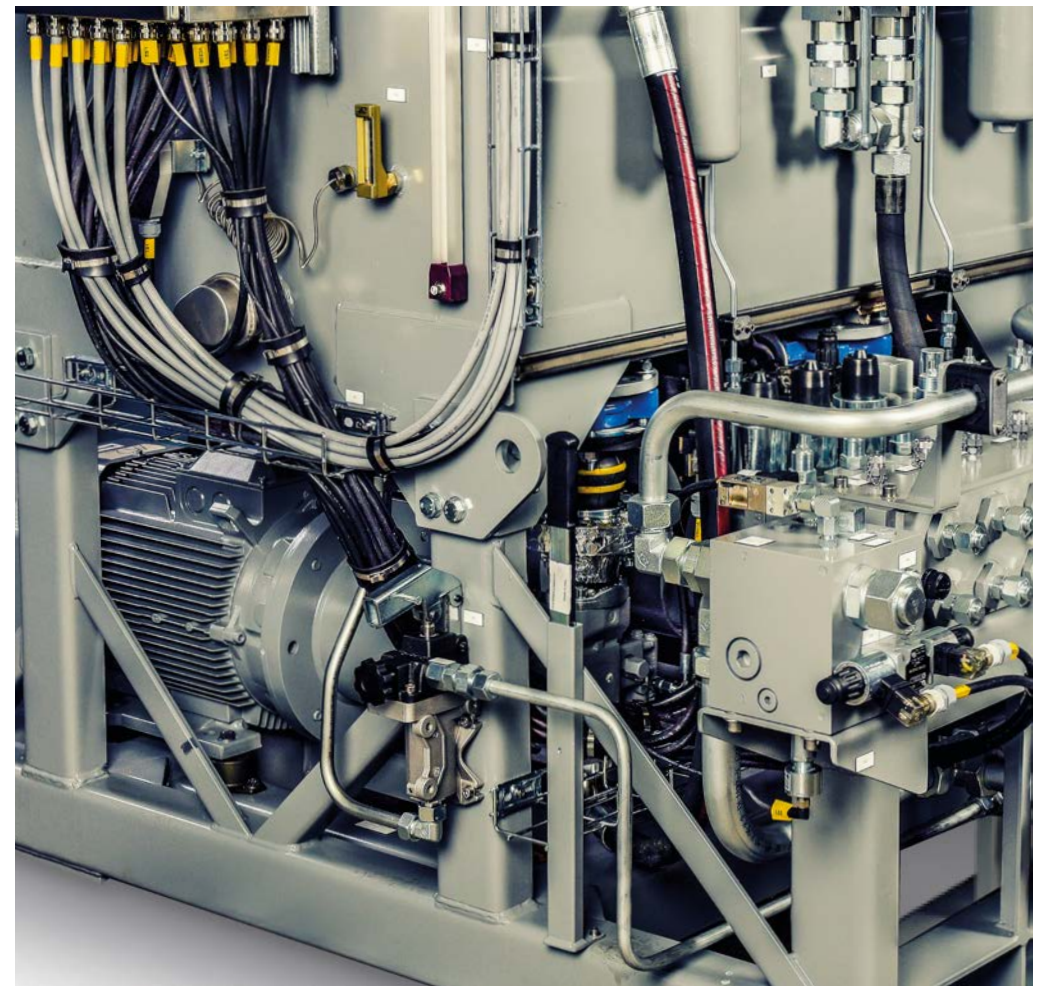
Another important result for the Danish section of the group is that the company was certified to the international standard ISO 14001 on environmental management. At the facilities in Tranemo (Sweden),

Örnsköldsvik (Sweden) and Stargaard (Poland), all strip lights and filament bulbs have been replaced by LED lighting. As part of ongoing improvements, production machinery was replaced by more efficient and modern equipment. The replacements use less energy and thereby contribute to the overall objective of reducing the energy consumption at HydraSpecma.

In addition, HydraSpecma has strived to improve the logistics management of express shipments. The objective is to reduce the number of shipments and thereby the number of kilometres travelled on the roads by coordinating several deliveries per shipment – without compromising on delivery reliability or the expected fast delivery.

An enhanced shipping system has a positive impact on the consumption of both packaging and fuel.

DKK 60m was invested in new facilities, automation and energy-efficiency initiatives, contributing to improved energy efficiency and a better working environment. HydraSpecma in Poland has also replaced local gas heating with district heating.



HydraSpecma and the UN SDGs

HydraSpecma delivers hydraulic solutions to large OEMs and experiences strong market growth.

Over 25 per cent of HydraSpecma's activities are indirectly supporting SDG no. 7 on affordable and clean energy which the world's countries have agreed to work towards.

In addition, it is worth highlighting SDG no. 8 on decent work and economic growth on which the company has a direct impact.



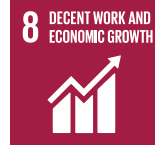
Affordable and Clean Energy

SDG no. 7 is about ensuring access to affordable, reliable, sustainable and modern energy

for all. HydraSpecma is a major supplier to the wind turbine industry, which is a major contributor to the world's overall production of renewable energy.

HydraSpecma provides various solutions that contribute to the operation of wind turbines, such as cooling and lubrication systems, hydraulic brake systems, tubes, pipes and other components that tie it all together. The solutions are developed with a view to making the products more efficient and durable. This will eventually enable wind turbine manufacturers to provide cheaper solutions and thereby cheaper sustainable energy.

There is also a definite need for competitive alternatives to traditional fossil fuels. The number of people with access to electricity rose by 1.7bn from 1990 to 2010 – a figure that will merely continue to rise. Therefore, demand for energy will rise, which is why it is so important that we continue to develop the technology and enhance the efficiency of our products for the wind turbine industry.



Decent Work and Economic Growth

SDG no. 8 is about promoting sustained, inclusive and sustainable economic growth,

full and productive employment and decent work for all. Operating in nine countries and with its more than 1,200 employees, HydraSpecma makes a point of ensuring good working conditions. By continually applying the ISO 45001 standard, HydraSpecma makes sure that its employees worldwide work under safe and healthy conditions.

HydraSpecma connects to SDG no. 8 by working in various locations to provide jobs for young people and giving them a sound introduction to working life through traineeships.



BORG AUTOMOTIVE

Europe's largest independent automotive remanufacturing company.



DKK 0.9bn
revenue in 2019

Borg Automotive was established at
an auto repair shop in Denmark in

1975

8

product groups in which Borg Automotive
remanufactures cores, including brake
calipers, starters and steering racks



Borg Automotive has
facilities in four countries:
Denmark, the UK, Poland and
Belgium



1,700 employees,
of whom 1,400 are based in Poland

2m

units refabricated annually by Borg
Automotive across car makes





We are proud of having developed a business model that significantly reduces CO₂ emissions and materials consumption.

The circular economy as the business model

Many companies see the advantages of integrating the circular economy in their businesses. At Borg Automotive, we lead the way, because our business is in fact circular in essence. We are in a key position as Europe's largest independent automotive remanufacturing company.

The circularity of our business model is based on mechanics returning defective spare parts to us when they have repaired a car using new remanufactured spare parts that were also delivered by us. We remanufacture more than two millions such parts every year, and we carry a wide range covering most makes and models of car. In other words, we help extend the lives of quite a number of cars at competitive prices, and we avoid many spare parts being scrapped. Every time that happens, less of the world's resources is wasted. We are proud of having developed a business model that significantly reduces CO₂ emissions and materials consumption by reusing existing items instead of manufacturing new ones.

In terms of climate and the environment, we strive to optimise all aspects of our production, making it as energy-efficient as possible.

As part of our circular business model, we work with our business partners to reduce our environmental footprint. For example, by reusing the boxes we use to deliver our products.

Social responsibility is one of our core values. We care and are interested in the safety and well-being of our employees. It is our employees who create our results, and we support them in any way we can.

We listen to our customers

Our customers demand competitive prices, but increasingly also more responsible use of resources and more remanufactured products. We wish to help our customers develop a more sustainable profile without having to compromise on price, quality or service. In addition, we are working to expand our product portfolio so that even more spare parts can become part of the circular economy. That way, we can make a bigger contribution to developing the circular economy in our industry – and that goes hand in hand with our business.

Kim Kruse Andersen
CEO, Borg Automotive

Borg Automotive – actions and results

This is a summary of the work on corporate responsibility at Borg Automotive in 2019.

Human rights

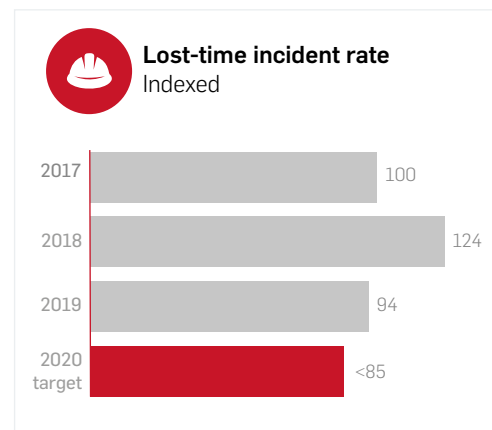
Borg Automotive continued the work on responsible supplier management in 2019, and the main suppliers of defective spare parts for remanufacturing have now all signed our Code of Conduct. When it comes to suppliers of other goods, more than 90 per cent of buyers have their own codes of conduct similar to Borg Automotive's.

The risk of non-compliance with the code of conduct is mostly present in less developed countries. To address this issue, Borg had planned to run a pilot project and to audit three selected suppliers in 2019 and subsequently to develop a standard procedure for this type of code of conduct audits. For practical reasons, however, the pilot project has been postponed to 2020.

Social issues and labour conditions

Employee well-being is a top priority at Borg Automotive, as witnessed by the "Investors in People" bronze medal which Borg Automotive was awarded in the UK. This is an award presented to companies giving priority to developing their employees, working conditions and procedures. The award covers a three-year period from 2019, and

with it comes a plan for further improvements along with a follow-up procedure for the subsequent years. In Denmark, workplace assessments were carried out with very few comments.



Production at Borg Automotive is highly labour-intensive, as it is not possible to automate all processes. However, ongoing follow-ups have helped the company reduce lost-time incidents considerably.

In general, Borg Automotive has less than two lost-time days per 1,000 work days. The incidents recorded in 2019 were all of a less serious nature.

However, all incidents are taken seriously and will be carefully recorded, and root cause analyses are performed in order to avoid repeat incidents. In 2019, the physical conditions for employees in Poland were improved when an air conditioning system was installed. On the one hand, it has resulted in added comfort and improved productivity, but on the other it has driven up electricity consumption.

Anti-corruption and business ethics

Borg Automotive's Code of Conduct clearly states that all employees and business partners must refrain from all forms of corruption. The company trains its employees in anti-corruption and business ethics, including via an e-learning platform.

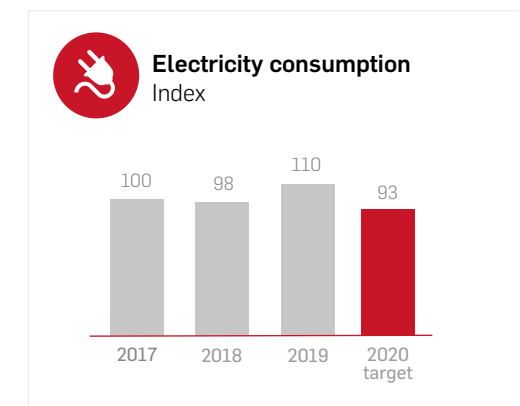
One specific initiative was implemented in 2019: Borg Automotive in Denmark decided to distribute all Christmas presents received from suppliers and business partners randomly among all employees in order to prevent any unfortunate influence.


Climate and the environment

Borg Automotive endeavours to reduce its consumption of packaging materials, both in terms of volume and packaging thickness, and suppliers are

encouraged to deliver their goods in larger volume shipments so as to reduce the consumption of packaging materials.

In 2019, Borg Automotive completed a pilot project involving a cleaning process in production using low-temperature water. Initial results were positive, and the plan is to apply the method to additional cleaning processes. The goal is to reduce electricity consumption per remanufactured unit by 2.5 per cent. However, the electricity consumption per unit has increased relative to 2018, in part because a new air conditioning system was installed to improve working conditions.



A photograph of two automotive components, likely alternators, sitting on a blue metal workbench in a factory setting. The component on the left is new, with a clean, silver-colored metal housing and a black rubber seal. The component on the right is old and worn, with a dark, rusted metal housing and a black rubber seal. The background is a blurred industrial environment with various machinery and equipment.

Did you know that the CO₂ emissions from when **Borg Automotive** remanufactures a spare part are about 80 per cent lower than when a new spare part is manufactured?

Borg Automotive and the UN SDGs

The way forward is less consumption and more circular economy – and Borg Automotive is part of the solution.

The market for product remanufacturing has been growing steadily in recent years. This is a trend across industries; based on an awareness that circular economy adds value. Borg Automotive is a part of this trend, providing the automotive industry with remanufactured spare parts.

Thus, Borg Automotive contributes directly to the development of the circular economy, which generally promotes more responsible consumption and production. The essence of the business model is to bring a defective product back to the same condition as a new product. Therefore, our attention is directed particularly at SDG no. 12 on sustainable consumption and production patterns.



Responsible consumption and production

To achieve this SDG, we must – to put it simply – recycle more and throw less out. This applies

to industries, companies and consumers. Naturally, it also applies to the automotive industry to which Borg Automotive is a supplier. The spare parts which Borg Automotive processes and makes ready to be used again get prolonged service lives. Good materials are not scrapped. This is an example of responsible consumption. It saves large amounts

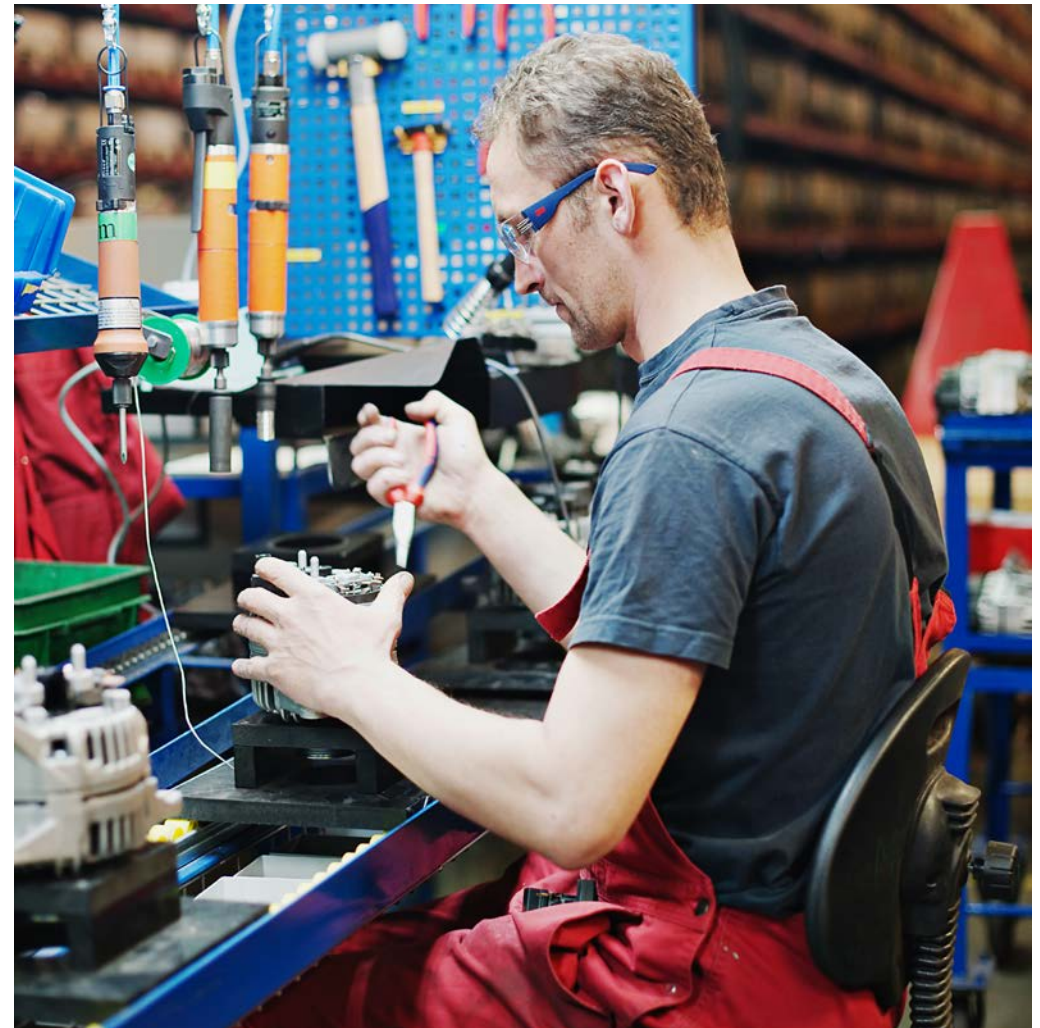
of energy and therefore reduces the emissions of greenhouse gases. Borg Automotive is among the leading remanufacturers of car parts in Europe. We process about two million units a year, such as brake calipers, starters and generators. The units are taken apart, cleaned, inspected, processed, reassembled and tested, so they can finally be reused. This is recycling that makes sense: studies have shown that CO₂ emissions from this process are about 80 per cent lower than when an entirely new spare part is manufactured.



Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and

foster innovation. On the point of innovation, Borg Automotive has also launched a crowdsourcing initiative involving remanufacturing units to be used again. It is a digital platform which is open to the entire industry, making it easy to share knowledge and solutions within mechatronics. In this way, Borg Automotive brings remanufacturing into the digital era, enabling the industry to collaborate and become even more efficient. It promotes sustainable industrialisation and is an example of an innovative approach.



Accelerated Growth for future leaders

Successful talent development programme promotes global perspective and greater diversity.

It is always about having highly skilled up-and-coming employees and giving them the best opportunities of becoming even better. This is how Schouw & Co. operates, and talent development is one of the ways in which it is implemented. A talent programme targeted at young people is used to develop employees, enabling them to handle increasingly strategic and complex projects and managerial tasks. During 2019, employees from Borg Automotive and the BioMar Group completed the internal talent programme 'Accelerated Growth'. Put simply, it consists of a mentoring scheme and lessons at the international business school Insead as well as participant-driven company projects with executive management sponsors. Together, the three areas provide professional and personal development at a high level.

Fifty per cent are women

Accelerated Growth was developed and is organised by BioMar in collaboration with Insead, but specialists and managers from the entire Schouw & Co. Group may be invited to participate. An above-average learning potential and managerial capabilities are the most important criteria for being selected. In the light of the Group's efforts to create a good environment for women to pursue a career, it is significant and positive that 50 per cent of the participants who

completed the programme in 2019 were women. In the longer term, it may have an impact on the proportion of women in managerial positions.

“

A more equal gender distribution among senior executives provides us with more perspectives on management, and it aligns well with the general view at Schouw & Co. that diversity is healthy.

Diversity is essential

Sif Rishøj is Director Global HR & Corporate Communication, BioMar Group. She heads the Accelerated Growth programme:

“We quite simply need our full management potential. Naturally, women have just as great a potential as men, but for several reasons, women with managerial talent are not always as noticeable as their male colleagues. This means that we must focus particularly on ensuring that their talent is brought into play. Diversity is an important factor for effective management dynamics at all levels, and a more equal gender distribution among senior executives provides us with more perspectives on

management. This aligns well with the general view at Schouw & Co. that diversity is healthy. We believe that differences contribute to better collaboration and more qualified decisions at all levels.”

Support from management level is crucial

The mentor scheme fosters collaboration, among other things, and the participants' final project presentations for the top management at Schouw & Co. forge new links between people.

“We set great store by personal leadership. With the programme, we want to ensure that selected employees engage with and are given influence within the organisation, so they can drive change and take ownership of the development of the company. It is not just about paying the course fee and sending off the employees. A hugely important criterion of success is the personal feedback and attention that the participants get from their immediate superiors and top management as well as the discussions that they engage the participants in,” explains Sif Rishøj.

The 2019 participants came from China, Denmark, Chile, Poland, Italy and France. This shows that Schouw & Co. is a global group that values diversity across genders, cultures, professional disciplines and geography.

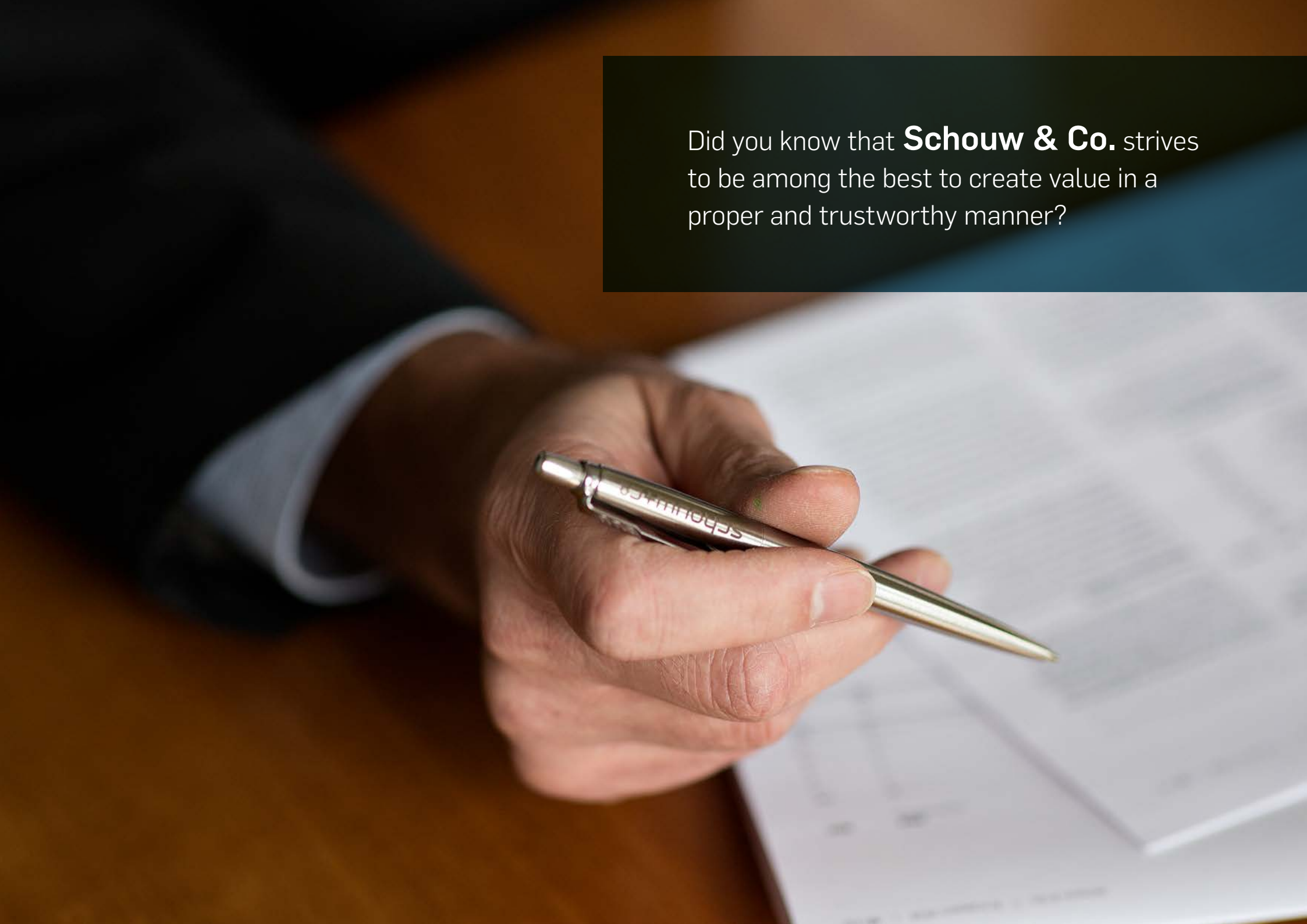


“It was all worth it”

Evaluations of the international talent development programme are generally very positive. Katarzyna Galis, Business Controller at Borg Automotive in Poland, shares her experience:

“Accelerated Growth pushed me far beyond my comfort zone. The programme has expanded my horizons and given me new skills, international experience and more courage to contribute in management contexts. The Insead modules comfortably exceeded my high expectations, and my mentor was a great help. The encouragement and support that I received, also from top management, mean so much to me, and if you asked me, if I would do it all again, the answer is a resounding YES. The hard work was all worth it.”

Did you know that **Schouw & Co.** strives to be among the best to create value in a proper and trustworthy manner?



Corporate responsibility policies and risk assessments pursuant to section 99a of the Danish Financial Statements Act

Schouw & Co.'s corporate responsibility policies have been in place since 2016. They involve the fields of human rights, social issues and labour conditions, anti-corruption and business ethics together with climate and the environment. The Group's policy forms the framework of the approach which our employees take in respect of our values and our objective of ensuring sustainable and responsible conduct. The policy describes a number of guidelines and the expectations we have to each other, and it summarises how we should conduct ourselves in our respective roles as employees and as an employer. The policy is based on the Ten Principles of the UN Global Compact.

Further to adopting the corporate responsibility policies, Schouw & Co. has performed a collective risk assessment of these corporate responsibility areas. The Group expanded its business operations in 2019, but did so within existing areas of activity, so the general risk exposure is unchanged. The principal risks are described below in the context of the policy applying to each individual CR area.

Human rights

Schouw & Co. operates in a number of different countries worldwide. Regardless of which country we operate in, we endeavour to observe human rights and to treat our employees with dignity and respect. We support and respect the protection of internationally proclaimed human rights as set out

in the UN Universal Declaration of Human Rights and in the declarations and recommendations of the ILO. Schouw & Co. has performed a general risk assessment in relation to human rights. The Group has operations in many different countries, including some that may be defined as high-risk countries. The production units of our portfolio companies generally operate on a very similar basis, and we strive to uphold the same high standards at all production units, regardless of geographical affiliation. The latter is believed to contribute to reducing the risk of adverse human rights impacts.

Social issues and labour conditions

At Schouw & Co., we believe that results are created by people. We aim to be a responsible employer and to provide proper employment conditions, healthy and safe working conditions and a motivational working environment for our employees.

Schouw & Co. has performed a general risk assessment in relation to social issues and labour conditions. At Schouw & Co., we believe our employees constitute our most important asset. As a result, we consider risks relating to social issues and labour conditions to be of material importance. The large proportion of automated production and the handling of many different technical products make heavy demands on our employees' qualifications and skills. In Europe as well as in all of our other countries of operation, we generally employ skilled

labour and well-trained employees who acquire the necessary skills by undergoing teaching and training, thereby enabling our portfolio companies to comply with their quality and safety standards. This contributes to ensuring and maintaining a high level of health and safety, and constant efforts are made to minimise risks in this field.

Anti-corruption and business ethics

Over the years, Schouw & Co. has built a reputation as a company maintaining a high degree of integrity and ethical conduct. We combat all forms of corruption, including bribery and facilitation payments. Schouw & Co. has performed a general risk assessment in relation to corruption and business ethics. Schouw & Co.'s vision is to be among the best to create value in a proper and trustworthy manner by committing ourselves and our businesses to taking responsibility and acting sustainably in all the countries we operate in. This vision is firmly anchored in the way we run our business, and it has contributed to building the Group's strong reputation over the past many years.

Based on the Group's general business model and its long-standing tradition for responsible business operations, this area is not assessed to constitute a significant risk, with the exception of the inherent risk that not all employees – and especially not new employees – may be aware of the Group's policy. Hence, appropriate provision of information

is required to ensure that Schouw & Co.'s high standards are maintained.

Climate and the environment

Schouw & Co.'s portfolio companies are to a wide extent involved in large-scale processing of commodities, and we recognise the environmental impact of our production processes. Our policy on climate and the environment goes hand in hand with good business acumen. We work to protect the environment and to reduce our emissions continuously relative to our production output.

Schouw & Co. has performed a general risk assessment in relation to climate and the environment. Due to the extensive use of oil-based products and marine raw materials and the considerable consumption of energy for processing purposes, this area is considered to make up a significant risk for the majority of the Group's businesses.

It is inherent to and an integral part of the Group's business model that we seek to optimise consumption of raw materials and minimise the volume of waste in an effort to reduce the overall volume of energy consumed, reducing the impact on climate and the environment and lowering the relative volume of emissions. Going forward, our individual companies will maintain their focus on improving their performance in terms of climate and the environment.

Statutory report on the company's diversity policy

pursuant to section 107d of the Danish Financial Statements Act

Diversity at Schouw & Co.

In January 2019, the Board of Directors of Schouw & Co. adopted a policy for ensuring relevant diversity at the company's management levels as published on the company's website: www.schouw.dk/cg2019. The policy explicitly applies to Schouw & Co., and given the moderate size of the company's organisation and the resulting simple management structure, the use of the term "management levels" refers in this context only to the Board of Directors and the Executive Management.

The purpose of this policy is to increase and safeguard value creation in Schouw & Co. through a responsible focus on relevant diversity at the company's management levels as a supporting factor for diversity, breadth of competencies and for enhancing dialogue, knowledge sharing and risk management.

Schouw & Co. strives to have diversity in the company's management levels that will ensure a broad range of competencies, views and experiences. Broad representation of educational and business backgrounds, age and gender as well as both national and international experience at the management levels is a big priority. The company aims to ensure, among other things, that its members possess adequate collective knowledge, professional skills and experience to be able to understand the Company's activities and the risks

associated with them. The policy is supplemented by "Competency profile for the Board of Directors of Schouw & Co." which is available from the company's website and which sets out the general qualifications and competencies that are taken into account when members are elected to the company's Board of Directors.

The policy is reviewed and reassessed by the Board of Directors once a year, most recently in November 2019 when the review did not give rise to any changes.

No changes were made in 2019 to the company's Board of Directors or its Executive Management.

Diversity across the Group

The intentions of the policy inherently apply to the entire Group, and the main points of the policy were therefore communicated to the group companies by way of internal guidelines that specify the following, among other things:

The company will always want to have the Group's management positions filled by the most qualified candidates. The fundamental component in any job appointment is a competence assessment that is based on the assignments and the context in which the new manager will perform his/her role. Moreover, in any appointment, whether made in-house or externally, the emphasis should be on diversity, including gender distribution, to the widest possible

extent. In its targets and efforts on diversity, Schouw & Co. aims to attract a diversified group of applicants for management positions in the Group and to avoid barriers of opinion and assumptions (whether or not deliberate) that would restrict diversity or counteract equal employment or career opportunities, regardless of age, seniority, gender, ethnicity or other factors.

Historically, the efforts to increase diversity in the Group have centred on improving the gender distribution, as was also the case in 2019. The detailed report on actions and results can be found in the following report prepared in accordance with section 99b of the Danish Financial Statements Act.



Report on Management's gender composition

pursuant to section 99b of the Danish Financial Statements Act

Targets for the gender composition of management

In 2017, the Board of Directors of Schouw & Co. set the following targets for the gender composition of its management: for the measurement period from 1 April 2017 to 31 March 2021, the target is to increase the number of female board members of Aktieselskabet Schouw & Co. from one member currently, equal to at least 14 per cent, to at least two members, equal to at least 28 per cent. A target has also been set for the Group that all of its Danish reporting class C companies should have at least one female board member, equal to at least 20 per cent. At the start of the measurement period, none of these companies had female board members. No changes were made in 2019 to the composition of the Board of Directors of Schouw & Co. The Board still has six members, one of whom is female.

The Group has seven Danish companies in the relevant reporting class: They are BioMar Group A/S, BioMar A/S, Fibertex Personal Care A/S, Fibertex Nonwovens A/S, GPV International A/S, HydraSpecma A/S and Borg Automotive A/S, each of which have from three to five shareholder-elected board members. At the beginning of the current measurement period, these boards of directors had no female board members. At its 2018 general meeting, a female member was elected to the board of BioMar Group, but this person resigned at the end

of 2019 due to a change of employment. In addition, a male board member in each of GPV International and Borg Automotive were replaced by new male board members in 2019 on the grounds that the persons in question have special competencies and insights which are considered to be relevant for the business area. No other new board appointments were made in these seven companies in 2019.

Policy for increasing the proportion of the underrepresented gender

The policy to ensure relevant diversity at the company's management levels sets out the objective criteria for job appointments. The purpose of the policy is also to promote a desired development in cases where the composition of senior managers is not aligned with the company's general employee mix, and it specifies as follows:

Schouw & Co. is aware that the ratio of women at senior management levels in the Group is proportionately lower than the gender composition of the Group's employees in general. As a result, the Schouw & Co. Group's portfolio companies will make a special effort to create a framework to support the career development of individual female employees, for example through networks, mentoring schemes or other specific initiatives that may help individual employees gain management experience. The Schouw & Co. Group's portfolio companies must also

Proportion of women among staff and managers

	2019	2018	2017	2019	2018	2017
	Management			All employees		
Schouw & Co. (parent company)	20%	20%	20%	43%	38%	33%
BioMar	22%	19%	19%	20%	20%	20%
Fibertex Personal Care	32%	31%	29%	16%	15%	15%
Fibertex Nonwovens	26%	25%	27%	23%	24%	23%
GPV	55%	26%	28%	62%	55%	57%
HydraSpecma	18%	18%	16%	23%	23%	21%
Borg Automotive	14%	13%	11%	38%	35%	31%

make a dedicated effort to ensure the best possible female representation among candidates being considered for management positions.

At the beginning of the current measurement period, there were no women among the registered executives of the Group's Danish reporting class C subsidiaries, and no new appointments were made in 2019. The situation is different at the broader management levels of the Group, as the proportion of women among managers is much more reflective of the general employee mix. In several of the portfolio companies, the proportion of female managers was higher than or in line with the company's general employee composition. In recent years, the Group has measured the proportion of women among managers and all employees of the

Group in a more structured manner with the results shown in the table. The Group's portfolio companies are aware of and aim to comply with the intentions of the general policy to the extent that this is possible without violating their own specific internal policies, serving the purpose of demonstrating that the companies do not discriminate.

The parent company Schouw & Co. is of a modest size, but a new female employee was appointed in 2019, bringing the number of staff to 14. The organisation consists of a number of experts in management positions, including the Chief Legal Officers and the Head of Tax who are both female, but who are not included in the above table, as the definition of management is based on a formal direct management responsibility for other employees.




Measurements and results 2016-2020

The Schouw & Co. Group has had a targeted approach to corporate responsibility in a broad sense. As part of the strategic work done in this field, the Group's portfolio businesses have a great deal of autonomy in directing their efforts towards the areas that they consider to be the most relevant for their particular business.

Accordingly, the businesses have individual performance indicators and success criteria, as reflected in the tables below showing targets and results. Initiatives of relevance to all businesses and spanning across the Group are being strengthened and will be dealt with in a future update.

BioMar




Index

	2016	2017	2018	2019	2020 target
 CO ₂ emissions ¹	100	89	100	97	<80
	2016	2017	2018	2019	2020 target
 Lost-time incident rate	100	70	55	77	<22
	2016	2017	2018	2019	2020 target
 Reuse of packaging	>99%	>99%	>99%	91%	100%

1) Country-specific emissions factors used for 2018 and 2019




Fibertex Personal Care

Index

	2016	2017	2018	2019	2020 target
 Reduction of energy consumption (MWh)	0	1,090	2,800	5,550	>5,000
	2016	2017	2018	2019	2020 target
 Lost-time incident rate	100	73	64	64	<80
	2016	2017	2018	2019	2020 target
 Leadership Training Quota	71%	85%	88%	96%	>90%




Fibertex Nonwovens

Index

	2016	2017	2018	2019	2020 target
 Energy consumption	n/a	100	89	91	<96
	2016	2017	2018	2019	2020 target
 Lost-time incident rate	n/a	100	70	54	<90
	2016	2017	2018	2019	2020 target
 Waste	n/a	100	93	81	<96



GPV

Index

	2016	2017	2018	2019	2020 target
 Energy consumption	100	87	84	64	<90
	2016	2017	2018	2019	2020 target
 Lost-time incident rate	100	133	77	39	<50
	2016	2017	2018	2019	2020 target
 Water consumption	100	104	95	79	n/a

HydraSpecma




Index

	2016	2017	2018	2019	2020 target
 Energy consumption	100	108	91	79	<90
	2016	2017	2018	2019	2020 target
 Lost-time incidents ¹	100	124	184	93	<65

1) Reporting method changed in 2019. Comparative figure restated.

Borg Automotive

Index

	2016	2017	2018	2019	2020 target
 Electricity consumption	n/a	100	98	110	<93
	2016	2017	2018	2019	2020 target
 Lost-time incident rate	n/a	100	124	94	<85
	2016	2017	2018	2019	2020 target
 Packaging	n/a	100	96	97	<94

Relevant links

All portfolio companies run websites with supplementary information

- **BioMar**
www.biomar.com
- **GPV**
www.gpv-group.com
- **Fibertex Personal Care**
www.fibertexpersonalcare.com
- **HydraSpecma**
www.hydraspecma.com
- **Fibertex Nonwovens**
www.fibertex.com
- **Borg Automotive**
www.borgautomotive.com

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