

A close-up photograph of a vibrant green leaf with numerous clear water droplets. A thick, glossy drop of dark brown chocolate is dripping from the bottom edge of the leaf, forming a teardrop shape. The background is dark and out of focus.

aasted



chocolate & bakery solutions

Social responsibility

CSR Report 2018

Preface

The future is knocking at the door

Preface by Piet Tæstensen (CEO)



We have been committed to conducting our business in a responsible manner for more than 100 years. We are a family-owned company and due to this we are used to thinking in long-terms – we have always been looking generations ahead. This means amongst others that we can invest in long-term decisions that aligns with our vision and what we believe in.

When it comes to social responsibility, we are committed to ethics and the environment both for our own part of the value chain and across the entire value chain. In particular, we strive to support our customers in archiving their CSR objectives.

Where can we as a business make the greatest 'impact' on our world?

There are potentially many areas in which we can do many different things. In order to secure maximum impact and compliance with current legislation, we made several deliberated choices and prioritizations. Common for all of our choices is that we pursue actions that are inherently good - i.e. the activities we commit ourselves to must lead to something good for the world, for our communities, customers, business partners, employees and stakeholders.

Growing Together – strategy 2020

We want to grow our organisation in a manner where we integrate CSR into our decision making in relation to everyone we deal with.

We all want to feel good at and with our work. We are therefore committed to constantly ensure the purpose of our work. We will make sure that the results achieved are transparent and clear to all, so we all can improve together. Furthermore, we shall strive to maintain the sense of belongingness and strengthen the relations between us.

With Aasted's first annual CSR report we wish to share our current priorities and how we can succeed, including the objectives and focus areas we will work towards up to 2020.

Regards

Piet Tæstensen

A handwritten signature in black ink, appearing to read 'Piet Tæstensen'.

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Introduction of the organisation

Aasted at a glance

Our business is based on 100 years of experience as a manufacturer of production solutions within the chocolate, bakery and confectionery industry.

We are an international export business and innovation is in our DNA. We develop, design and manufacture machinery, equipment and solutions providing new industry standards. We are a market leading manufacturer because we have the courage, will and ability to rethink quality and processes.

We supply complete processing lines, machinery and equipment and we operate globally via our subsidiaries, agents and our headquarters that is located in Farum, Denmark.

We provide global aftersales and services for all our groups of products. We have a technology centre located in Farum in Denmark where we develop and test various solutions and products together with our customers.



Our approach to social responsibility

Aasted on corporate responsibility

Our practices and behaviour is the foundation of our responsibility and honesty as an organisation. Therefore, we always seek to run our business with due care and respect for financial, environmental and social aspects. And we have always done that. For us, it is an integral part of being a responsible organisation.

We have a set of values that is the foundation of how we work at Aasted and who we are. Our values govern our daily business and decision making and the choices we make: This also applies to our corporate responsibility and CSR goals.

- ▲ We are open, honest and direct.
- ▲ We demonstrate the highest standards of integrity in everything we do.
- ▲ We treat Aasted as if it was our own

We were founded 100 years ago and we are a Danish consolidated company. Moreover, we adhere to strict national laws and rules governing social and environmental aspects that we proudly respect and commit ourselves to.

Our social ambition

We supply customised, technical solutions of high quality to our customers with an underlying purpose - we consider this a way in which we with our passion can bring the smile on the lips of people across the globe when we help our customers to produce quality products for the end users.



A PASSION THAT BRINGS SMILES TO THE WORLD

We are well on the way

Addressing CSR issues and social and environmental aspects is something that our customers and surroundings increasingly expect from us. Working with CSR is not a goal in itself but a process for us. A way in which to do and see things. There will always be new challenges and issues to address. We will never be done but we will endeavour to keep up with and meet the requirements and expectations.

And we are well on the way.

In order to succeed even better with the steps we take, we will work more strategically on our corporate responsibility (CSR). CSR aspects will therefore be an integral part of our strategy "Growing Together – 2020" and Aasted's fundamental values. This means that we shall *grow* together in a responsible way.

Our CSR policy & focus areas

We have evolved a CSR policy that provides an overall framework and common guidelines for our CSR activities. Our CSR policy applies across Aasted and provides the framework and foundation of our business and values. Moreover, our CSR policy is backed by a number of independent internal policies relating to CSR, such as our health and safety policy and staff policies.

Our CSR policy is designed to safeguard that we comply with the requirements and expectations made by us, the laws and our stakeholders. The policy is divided into four focus areas:

CSR POLICY



CSR policy

We believe that social responsibility and sustainability are important factors for the long-term success of our business. We consider our social responsibility an integral part of our business, values and strategic direction.

This means that we will run our business according to the highest standards of social and environmental responsibility as described in our CSR policy. Our CSR policy is designed to safeguard that we comply with the requirements and expectations made by us, our customers and public bodies.

The policy should contribute to:

- ▲ Meeting the needs of our customers
- ▲ Providing a safe and developing employment relationship for our employees
- ▲ Providing maximum added value for society
- ▲ Safeguarding that our business owners obtain added value from company operations

1. PASSION FOR PEOPLE

We undertake to contribute to and respect the protection of internationally declared human rights in all respects under our control. Including to demonstrate social responsibility towards our employees and reject any form of discrimination in relation to employment and occupation and commitment in relation to freedom of association. We want to create the best framework for us as employees where the individual can thrive and develop with the ability to establish a good work life balance. We also believe that this could extend to our customer relations.

2.SAFETY AND WORK ENVIRONMENT

We undertake to promote and maintain a healthy physical and psychological working environment. We want to create a working environment focussed on trust, cooperation and mutual respect as the basis for a healthy and functioning workplace.

3. CLIMATE AND ENVIRONMENT

We undertake to contribute to sustainable social development. We seek to become more resource efficient by combining business goals and care about the climate and the environment - both as regards the use of our products and our own operations.





4. BUSINESS ETHICS & ANTI CORRUPTION

We reject any form of corruption, including extortion and bribery. We want to run our business based on sound business practices and ethics.

Actions & achievements 2018

Status 2018

The table below shows all the steps we have taken during 2018 within each of our policy areas.

Our policy areas	Objectives and actions 2018	Financial highlights 2018	Status of actions 2018
 <p>Passion for people The best framework for our employees</p>	<ul style="list-style-type: none"> • Health, well-being at work and job satisfaction • Skills boost and employee development • Diversity & gender balance 	<ul style="list-style-type: none"> • Maintaining social events • Improved senior offers • 5 training days on average per employee • Digitization of SUS concept 2018 • 20% women represented at board and other management level • 15 different cultural backgrounds represented 	<p>Achieved: DHL relay race, Christmas lunch party, Team Aasted activities</p> <p>Partially achieved: Min. 3.6 training days on average per employee</p> <p>Achieved: Digitization of SUS concept for office staff</p> <p>25% women represented at board level</p> <p>19% women represented at other management level</p> <p>23 different cultural backgrounds represented in 2018</p>
 <p>Health and safety at work Our safety level shall be top notch</p>	<ul style="list-style-type: none"> • Knowledge and training • Accident prevention • Administration of chemicals 	<ul style="list-style-type: none"> • Min. 1.5 training days provided by the health and safety org. • Reduction of accidents at work in 2018 to max. 15 • Digital system for administration of chemicals 	<p>Achieved: 1.5 training days provided by the health and safety org.</p> <p>17 reported industrial accidents for 2018</p> <p>ChemiControl system procured and implemented</p>
 <p>Caring for the climate and the environment We care about the climate and the environment both in relation to our own operations and the use of our products.</p>	<ul style="list-style-type: none"> • Development of energy-saving products 	<ul style="list-style-type: none"> • Optimization of processing lines • 40% energy saving achieved from new Temper 	<p>Achieved: Energy optimisation of processing lines</p> <p>Up to 50% energy savings achieved from new Temper "StellaNova"</p>
 <p>Business Ethics & anti-corruption Prevention of all forms of corruption</p>	<ul style="list-style-type: none"> • Code of Conduct • Updated Conditions of sale 	<ul style="list-style-type: none"> • Summary of policies in one Code of Conduct 2018 • Updated Conditions of sale 	<p>Partially achieved: Steps taken in relation to our Code of Conduct in 2018 to be completed during 2019</p> <p>Achieved: Updated Conditions of sale for suppliers</p>

Passion for people



When we talk about social responsibility we focus to a large extent on the social aspect. It is about people. We believe that our employees are the real assets of the company and that is why we aim at creating the best foundation for our employees.

We believe in health, well-being at work & job satisfaction

We aim to provide our employees with the best conditions to be able to obtain harmony and work life balance.

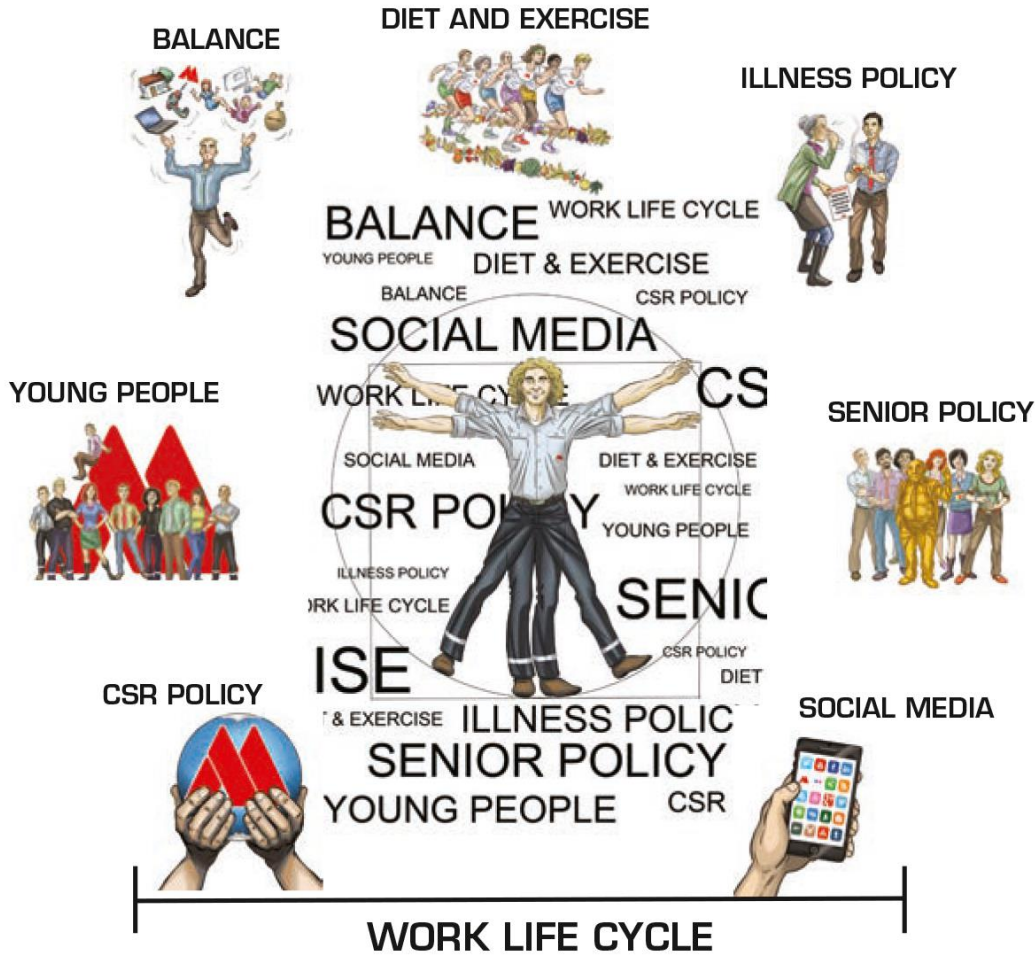
We also want to give our customers exceptional experiences each time we supply our services to them and we believe that there is a direct link between satisfied, committed employees and satisfied, loyal customers.

To promote health, well-being at work and job satisfaction, we maintain our focus on a number of recurring actions taken within Human Resources, while we have launched new actions in 2018.



Our policies for the working life cycle

To create the best foundation for well-being at work, we have adopted internal policies to support the employees' opportunities to being what we call 'whole people'. We therefore try to make the policies embrace the entire working life cycle.



Policies alone are no guarantee for job satisfaction and well-being at work. We believe in mutual trust among employees and management, while we trust in our employees' responsibility to tell us if they need help. That is why we always endeavour to create an open environment and close daily dialogue between employees and management.

At Aasted, we practice amongst others an 'open door policy'. In a growing organisation like ours we experience, however, that it can be challenging to ensure the ongoing dialogue across the organisation. That is why we have developed some formal structures to ensure a minimum of dialogue as we believe that it is a crucial factor for job satisfaction and well-being at work to be heard and to be able to express your ideas freely.

Staff policies

- Balance policies
- Senior Employee Policy
- Policy for alcohol and drugs (narcotic substances)
- Canteen scheme
- Policy for screen goggles and safety glasses
- Onboarding Policy
- Health insurance
- Celebration of anniversaries
- OHS Policy

Onboarding meetings	SUS and 1:1 meetings	Annual dialogue meetings	CEO updates
<p>We have joint meetings for all new employees where one of the owners and our CEO welcome the new employees and talks about our history. This is to make all employees aware of and understand our DNA and how we have developed. Moreover, mutual expectations, values, management philosophy and our strategic direction are presented. At the end of the day everybody will have a box of chocolates and we conduct an evaluation, to invite to interaction from day one.</p>	<p>All employees will be invited to an annual employee appraisal interview (SUS) with their manager as well as a semi-annual follow-up.</p> <p>Furthermore, management will have regular monthly 1:1 meetings to ensure synchronization and sparring at all management levels.</p>	<p>It is our goal to have annual in-house dialogue meetings. All departments will be invited to a dialogue meeting attended by the entire executive board to allow dialogue outside ordinary 'management lines' and to present and discuss current issues directly and in an open forum.</p>	<p>Our CEO gives a short update on recent sales and/or other current issues on Fridays in the canteen. It is possible to ask questions directly.</p>

Work councils

We have also established a work council with representatives from the different staff groups and management who meet 4 times a year. The purpose of our work council is to promote and coordinate cooperation on common decisions across the organisation. Hereby, the council contributes to cooperation and transparency across various groups of professionals and management levels in the organisation.

Healthy diet in the canteen

We believe that a healthy and varied diet contributes to satisfied and healthy employees. We want to be able to offer our employees healthy and varied lunches. We have joined forces with 'Meyers Contract Catering' who are in charge of the day-to-day running of the canteen. They prepare 30-60% organic food (certified bronze eco label) and compose a menu based on seasonal produce and a balanced diet of carbohydrates, proteins and fibers with a wide selection of vegetables and homemade bread. The lunch scheme is a voluntary offer and is paid 50-50 by us and the employee. Payment is automatically deducted from the salary.



Social events

It is important for the fellow feeling and sense of community to care about interpersonal relations across the organisation and get to know each other in new ways and in other contexts. We organise annual social events to embrace this. We meet across the organisation at the annual Christmas lunch party and we also participate in the annual DHL relay race.

We also want to support events initiated by the employees, why we have established a committee which is composed of six employees, TEAM-Aasted, from which you can be granted financial support. All are welcome to make suggestions for activities. The only requirement is that all employees in our organisation must be invited to participate and at least 10 participants must attend of which three departments shall be represented.

DHL relay race 2018

In 2018 we attended with 9 running teams and 2 walking teams. In addition, we had a pep-squad because the DHL race is also about barbecuing and cold drinks from our lovely canteen as well as the atmosphere and getting together.

TEAM-Aasted activities

TEAM-Aasted stands for employee-organised activities such as fishing, steeplechase, bowling, excursions, go-karting, golf etc.

Christmas lunch party

True to form, the Christmas lunch party is held in DGI Byen and 2018 was no exception. 218 employees took part in the festivities.



Health insurance

We offer all our employees a health insurance as a supplement to the public health insurance. The insurance covers the vast majority of treatments and surgeries as well as chiropractic therapy and physiotherapy.

It is a reassurance that we would like to offer our employees in order to help our employees to recover and return to work as soon as possible after they have fallen sick.

If you are a salaried employee, you will automatically be registered for the health insurance at the start of your employment. Hourly-paid employees with a separate agreement have the option to register for the health insurance through own payment at a reduced price. All our employees may also co-insure their children and/or spouse under the health insurance scheme at a very favourable price.

Senior offers

We arrange an annual senior seminar where the employees will be well prepared in relation to personal finances and pensions, including the pension concept "Safe and healthy seniors" which we have prepared together with Söderberg og Partners. When you have attained 60 years of age, you will also be offered a senior interview where expectations will be matched in relation to job description, meeting time and working hours and plans are made for the future work.

PENSIONSKONCEPT
SUND - SIKKER - SENIOR

Söderberg & Partners
Holte

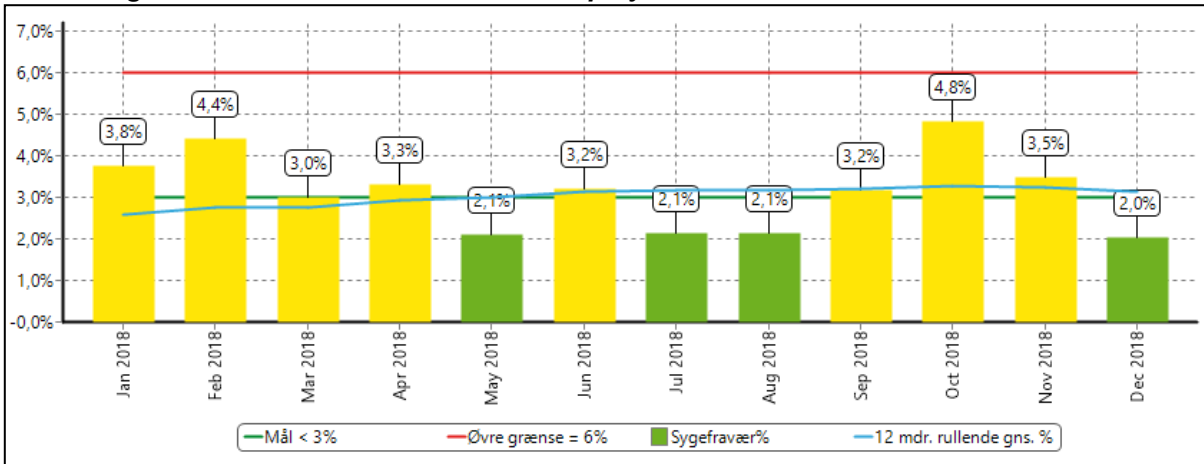
MEDARBEJDERE OG VIRKSOMHED	FLEKSIBEL PENSIONSORDNING	BEHANDLINGS FORSIKRING	BASIS DÆKNINGER	TILVALGS DÆKNINGER	OPSPARINGS MULIGHEDER
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Absence

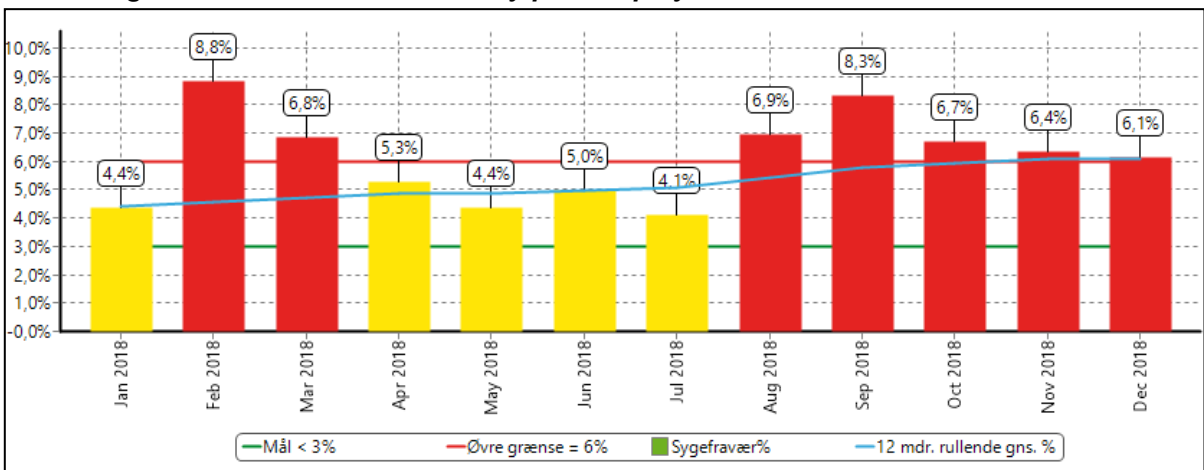
Well-being at work and retaining employees is of great importance for our organisation as we believe our employees are the real assets of the organisation. If this fails, it may trigger sickness absence and a high rate of staff turnover.

Our goal for 2019 in relation to absence of both hourly-paid and salaried employees is max. 3%. It is an ambitious goal in relation to our data - and in relation to the percentage of the absence caused by non-work related long-term illness with both hourly-paid and salaried staff. But it is a goal to which we attach great importance and aim at reducing the rate through our focus on well-being at work and job satisfaction.

The average sickness absence for salaried employees in 2018 was 3.1%



The average sickness absence for hourly-paid employees in 2018 was 6.1%



Support during and after disease

We want to prevent sickness absence at work and to help in case an employee falls sick. We do this by helping the employees to retain contact with their workplace when they fall sick. Moreover, we have specific sickness absence interviews with HR or line managers to:

- Ensure that our employees can feel secure and talk freely about the causes of their absence.
- Talk about opportunities to adapt job scope and description - taking into account what is possible in order to be able to return to work.
- Discuss if employment with special terms and conditions can be a solution, if needed.

Retention and staff turnover

Our goal for staff turnover is 8% - and much lower for key staff.

Staff turnover 2018 *	
Total	14.1%
Salaried staff	15.0%
Hourly-paid staff	13.5%
<i>*Employee turnover is based on a calculation exclusive of dismissals and thus includes only resignations made on the employees' initiative.</i>	

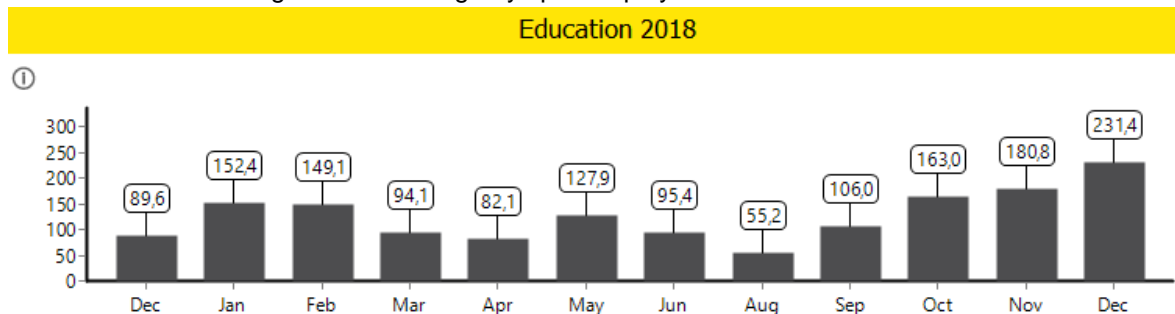
Skills boost and employee development

We believe that training and employee development is an important element of retaining employees and of the growth of the organisation. We have high expectations for our employees. To be able to comply with the job requirements and demands by the organisation, all employees shall be given the opportunity to develop both personally and professionally.

Training

Our goal in terms of training is 5 annual training days on average per employee throughout our current strategy period, which runs until 2020. This is in line with the recommendations made by the Confederation of Danish Industries (Dansk Industri) of 5 annual training days on average per employee.

At the start of our strategy period in October 2016, we had an average of a little more than 2 training days per employee. In 2018, we have spent at least 1437,3 days on training on a headcount of approx. 400 employees as shown in the table below. This means that as a minimum we have had an average of 3.6 training days per employee in 2018.



Education Committee

We have set up a training committee with representatives from management and staff who meet quarterly. The purpose of the committee is to ensure a targeted skills development in our organisation according to the current strategy plan. The committee thus helps to ensure correlation between planned and completed training activities and that we achieve our strategic objectives.

Employee development (SUS)

We conduct annual employee development interviews that are followed up every six months. We call them SUS (Strength Based Development Interview) - a concept we developed during 2017, where we link the contents closely with our strategy to provide a better sense of our common direction and at the same time focus on strengths and potentials.

I.e. we base it on how we can develop the strengths of the individual rather than patching over errors and shortcomings. We will make use of what works well and based on that we will explore what we can do better and smarter. We believe that this approach generates more energy and commitment and thus the greatest possible skills development, both professionally and personally.

Digitalization of SUS

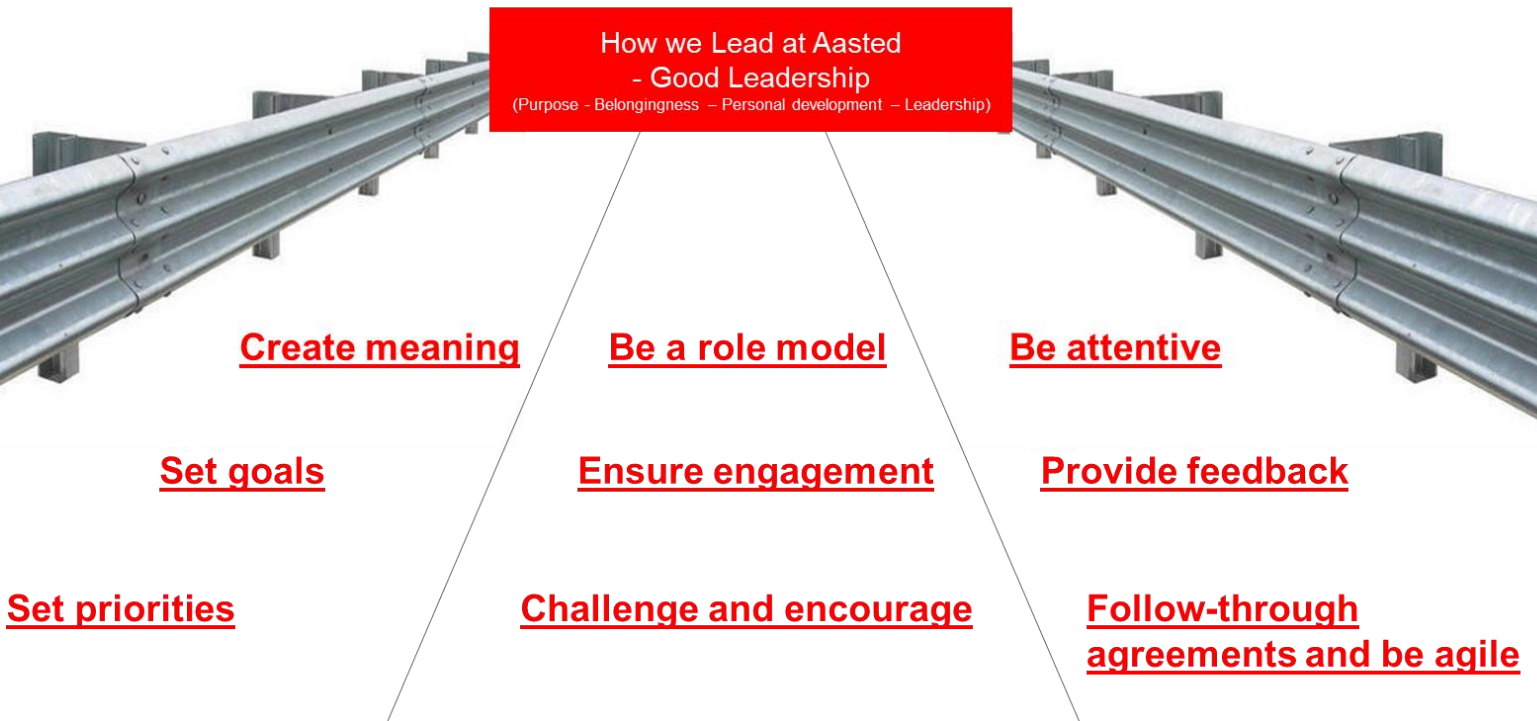
In 2018/19 the concept will be digitalized via our HR Management system to save us time on manual processes and at the same time to ensure better follow-up on agreements from time to time. The concept for office staff is now running digitally, while Operations will be implemented in the new system during 2019.

Focus 2019: How we Lead at Aasted – Good leadership

We believe that the largest *single* factor that affects employee opinion, commitment, development and well-being is our leadership - both general and individual leadership. It is therefore a major prerequisite for job satisfaction and well-being at work.

That is why we have focused on good leadership in 2018 and prepared an in-house process that will be deployed in 2019 to strengthen leadership at Aasted. In 2019, we will continue to work with this focus area and hold four workshops for the whole management board to become more synchronous and raise the level.

How we Lead at Aasted – Good Leadership



Partners and stakeholders

We want to support the development of the society of which we form part and we believe in the value of strong cooperation and partnerships.

Close dialogue with social partners

We see the importance of mutual updates of current knowledge and matching expectations to the condition of the organisation for all social partners. That is why, amongst others, we have introduced monthly coordination meetings between union representatives, chief factory planner, CEO and an owner representative, thereby respecting the right of a worker to be heard and respecting the trade unions rights.

Cooperation with local communities and municipalities

Our organisation and production facilities are located in the municipality of Farum in Denmark and we have ongoing dialogues with the Municipality of Furesø, Furesø Industri and Furesø Erhvervsforening, since we believe that local cooperation and relations provide the best framework for sound growth and development. We also have a seat on the board of Furesø Industri and by virtue of the size of our organisation in the municipality, we have a member in EKV (the business contact committee), allowing us to share knowledge directly between Aasted and the municipality.

Partnerships

In general, we join partnerships with suppliers and specialists in our industry. Moreover, we are dedicated to joining partnerships concerning research and innovation.

We cooperate closely with the University of Copenhagen and in 2018 we recruited a doctoral candidate for a research project about "Modernisation of chocolate tempering". We are members and cooperate closely with MADE who work to promote production in Denmark through research, innovation and training and their members therefore include universities, businesses, foundations and associations. In this connection, we have employed a post doctoral researcher from Denmark's Technical University, DTU, doing research on platform thinking, modularisation and standardisation at Aasted.



Contribution to the development of young people

We want to contribute to the education of young people. It is a win-win situation to be able to contribute to the development of the new generation and labour force and at the same time be challenged by the most recent knowledge and new ways of seeing things. This is why we are always open to requests from students who want to join cooperation projects or who are looking for a teacher - or internship. We also have a long tradition and experience with student assistants and sales trainees in our organisation.

Partnerships in 2018	
Apprentices	10
Trainees	13
Interns	8
Sales Trainees	3
Cooperation projects	CBS, ITU, DTU and Maskinmesterskolen (Marine Engineer College)



We are also happy to organise open house events, in 2018 for KEA and the Marine Engineer College, amongst others, which gives us the opportunity to tell what Aasted has to offer as a workplace.

Social actions

Center for beskyttet beskæftigelse (centre for sheltered employment)

We cooperate with Center for beskyttet beskæftigelse in Hillerød, which was established about 6 years ago. It is a cooperation we are very pleased to have joined and 1-2 days a week we have 2 teams (a *flying team* and a *forest team*) with special needs who come and help us with smaller tasks such as cleaning and filling. They also contribute with a smile and creating a good atmosphere, which we are very grateful for.



"Cocoa for Schools" project

In 2017, the Hedstrøm and Aasted families decided to make a joint donation of 10.000 € for the "Cocoa for Schools" project, initiated by the owner of Kim's Chocolates in Belgium – Mr Fons Maex, who is one of our customers.

Today, the production of cocoa beans takes place under poor conditions, and child labour is widespread on the farms. Since time and time again training has proven to be the most effective and long-term way of improving future opportunities in such societies, the project will concentrate much more effort on this.

"Cocoa for schools" means that local schools are being built which give thousands of cocoa farmers' children greater opportunity to go to school. Today, many of the children do not show up at school because they have to walk several kilometres to get to the nearest school or because they are used as child labourers. More schools and a better school system will have the effect that more children get a brighter future.



The donation was spent on building 4 class rooms for a school in a small village called Kipyola in Tanzania.





Greeting card savings spent on donations

In recent years we have sent our annual Greeting card digitally instead of sending a printed version by ordinary mail as we used to. For many years we have chosen to donate an amount equal to the amount saved from sending our Greeting card digitally – amongst others to Save the Children, UNICEF and Danmarksindsamlingen.

In 2017, we donated the savings to 'Cocoa for Schools'. Fons Maex's personal and direct commitment ensures that the funds go directly to the good cause. We believe that it is still worth donating money for the project and it is continuously monitored by us.



WE SUPPORT:  This year Aasted has decided not to issue our traditional greeting card. Instead we donate the amount to help building schools. 

Diversity & gender balance

We believe in the value of cooperation across national and cultural backgrounds - "Diversity is a strength".

Moreover, we actively bring in our employees language skills when customers from all over the world visit us. We have had good experience with introducing employees with the same background to the visitors to make our customers feel welcome - both culturally and with language - and thereby giving them an even more enjoyable experience when they visit us.

Today, around 23 different nationalities and cultural backgrounds are represented at Aasted:			
Danish German Swiss English Turkish Spanish	French Polish Russian American Dutch Swedish	Icelandic Filipino Pakistani Ukrainian New Zealand Iranian	Moroccan Chinese Bosnian

Targets for underrepresented genders on the board

When we select new candidates for the board of Aasted ApS, we pay attention to skills, international experience and diversity. The proportion of female board members was 25% in 2018.

It is our goal to increase the number of female board members and achieve a proportion of female board members of at least 30% by 2025.

Targets for underrepresented genders at other executive levels

Aasted ApS recruits employees based on personality and skills and offers all employees equal opportunities regardless of gender, nationality, religion, sexual orientation and political conviction.

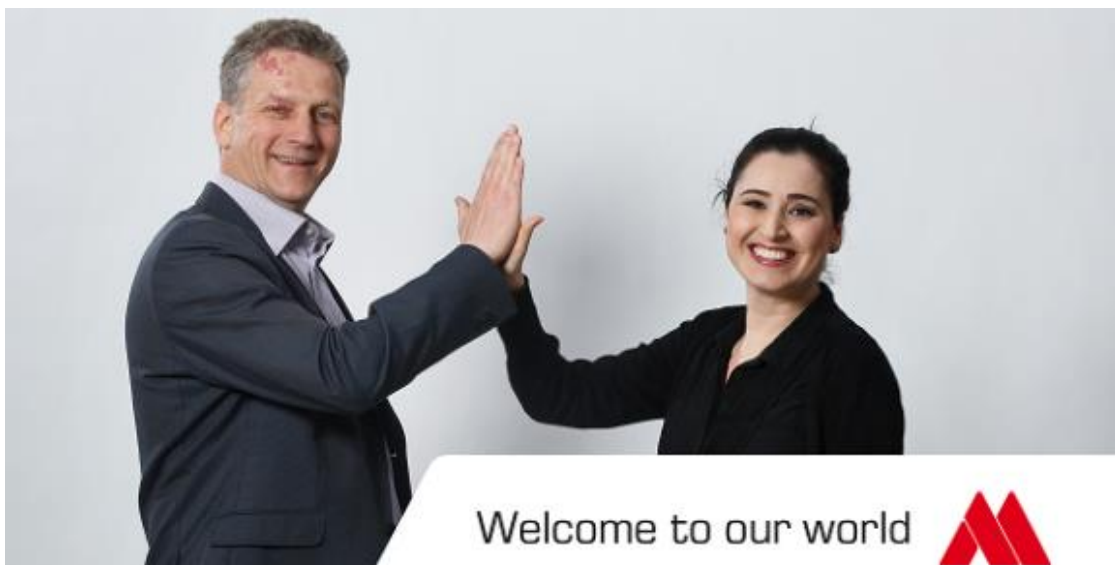
The present gender balance across other executive levels is 19% women and 81% men. Our aim is to increase the proportion of women at executive level by increasing the representation of qualified female candidates for future executive positions in Aasted ApS. This is ensured by in our recruitment policy for those responsible for the recruitment of new leaders in the organisation and by stating in all future job ads that everybody is encouraged to apply, regardless of gender and nationality etc. We are satisfied with the representation of women in management of 19% naturally achieved as we believe that it will benefit the management forum when both genders are represented and, moreover, it is higher than the representation of women in other positions.

The objective for women on other executive levels is 30% by 2025.

Gender balance in other positions

Our gender balance in other positions also shows an overrepresentation of male employees. The present gender balance is 88% men and 12% women.

The overrepresentation of male employees does not reflect Aasted's stance on gender balance. We consider all applications equally, regardless of the gender of the applicant and employment is based solely on personality and qualifications. Looking at statistics of the gender balance for the educations that are most frequently represented among our employees, there is a clear prevalence of men. And looking at the number of applications received for open and published posts, there is also a clear prevalence of male applicants.



Health and safety at work



We aim at promoting and maintaining a healthy physical and psychological working environment. As a minimum we will ensure compliance with the relevant health and safety laws. We want to maintain the highest safety standards irrespective of what legislation says. Therefore, we focus on trust and cooperation as a basis for creating a healthy and well-functioning workplace.

How we approach health and safety at work

We have a strategic approach to health and safety in our organisation and we cooperate closely with the Danish Working Environment Authority to ensure compliance with current legislation. Our health and safety organisation, AMO, is the cornerstone of this approach. AMO observes and keeps the objectives and guidelines provided in our health and safety policy in mind.

OHS Policy

The objectives for our health and safety at work are:

- ▲ That we focus on the whole person (see our work life balance policy).
- ▲ That all our employees can carry out their work in a safe and healthy manner.
- ▲ That we always comply with relevant legislation, and if relevant, we will exceed what the law prescribes.
- ▲ That health and safety considerations are included when reorganising the work.
- ▲ That our work is fun, exciting and challenging in an innovative environment where we learn from each other and make use of our shared experiences and expertise.

Knowledge and training

We have a strong focus on maintaining a high level of knowledge among all our employees to be able to share knowledge about health and safety issues and prevent accidents. We also provide training for health and safety representatives, managers, union representatives and other stakeholders working within this area in order that they will have the right framework and knowledge from which to act.

Internal communication about safety procedures

In 2018, we intensified our efforts in relation to communication and information about internal safety procedures in a number of areas as the awareness level has not been high enough.

Objectives for 2019:

We have planned a course in 2019 where we will inform and train management in the safety procedures and communicate it to the rest of the organisation via that channel. We also obtain acceptance from all our employees that they have understood the safety procedure and undertake to familiarise themselves with relevant safety procedures. It should not stand alone, but as a minimum we want to safeguard that everyone has heard and understood the instructions initially and take a measure of responsibility for familiarising themselves with the relevant procedures. We are going to integrate this so that part of the intro for new employees already on day 1 has the effect that the employee will be introduced to and have to accept these guidelines.

One of the objectives for 2019 is that we will establish a procedure for how we introduce our visitors to the guidelines and ask them to sign it, as it is important that they are aware of our safety rules. This applies to our customers, suppliers and external staff working for us.

Health and safety courses

AMO arranges relevant courses under the existing regulatory requirements. The course duration is one and a half day per year and they aim at boosting skills of the members of AMO. In order to ensure that we get the most out of the training, subsequent follow-up sessions are arranged to share knowledge and incorporate what has been learnt in the team. We also train other health and safety staff to ensure that we possess the necessary and most recent knowledge in-house.

The following is a summary of the course activities we have been focusing on in 2018:

Courses 2018	Objectives	Results	Participants
"How to make campaigns that work"	To be equipped to make campaigns that work, avoid falling into the common traps	Common reference to what works and what does not work. Unfortunately, we have not arranged any yet.	20 persons from AMO, HR and Marketing 2018
Handling of chemicals at Aasted	To be provided with a tool that is easy to work with. Make it easy to comply with legislation regarding APB.	Purchase and implementation of website for control and management	2 persons in 2018
Defibrillator and first aid course	Enable the employees to provide first aid should the worst happen	Provide security for the individual employee	97 employees completed since 2017
Machine safety	Make our employees prepared to address legislative issues	Provide awareness of legislation, look at the workplace in a new light.	1 person in 2018
Supp17	Supplementary health and safety training	Input from the various workshops. Sharing of knowledge	AMO, 12 persons in 2018
Update19	Supplementary working environment training	Input from the various workshops provide a wide range of knowledge and input in the field of health and safety at work	AMO, 10 persons, scheduled for May 2019

Health and Safety Course	Mandatory for members of AMO	To prepare and ensure our representatives and management are well equipped for their duties.	January 2017 (12 persons) 2018 (3 + 6 persons)
Lift / Carry Technique - Course 13 Ergonomics	Individual course for Aasted	To ensure correct ergonomic working positions	64 persons in 2018

LEAN and health and safety at work

We want to work according to the LEAN principles in our production because we believe that these principles can help us to improve and become more competitive. It is important for us to be able to "invite our guests to our home", why we work strategically with 'the factory as a showroom'.

We also have an ambition and assumption that LEAN can have positive effects on the working environment - the more tidy the workplace is, the fewer accidents at work. Overview of internal processes, uniformity and minor errors, greater job satisfaction result in a more stable working environment which can potentially help to reduce the risk of stress.

Future objectives:

We have an objective to implement LEAN in more of our production. We have therefore invested in the courses "5S" and "Continuous improvements" for all factory workers. In 2019, we will thus be able to deploy a uniform and scalable concept of how we work with 5S and "continuous improvements" in our organisation and not least how we keep it up to date.

Accident prevention

We want all employees and external staff who are working for us to feel secure in their daily work at Aasted.

Our ambition is that all employees as a minimum shall be aware of and comply with all safety procedures that are designed to minimize risks and reduce accidents. Where necessary, the employees shall wear personal protective equipment, respect the visible markings between pedestrian and working areas. When operating equipment and tools everyone shall observe and apply relevant safety procedures. In case of an accident, a claims report will be recorded and completed in order that we can follow up on the incident and prevent recurrence. 17 accidents were reported in 2018.

Reported accidents in 2018	Type of accidents
17 accidents at work	Accidents ranging from tripping accidents on a slippery staircase (at customer premises), twist in the back and lower back, sprained hand due to falling, abrasion, scratches, cut in finger due to slipped screwdriver, run over foot by a truck (wearing safety shoes), broken tooth, shock, etc.

Objectives for 2019:

We have an overall goal of achieving a zero-accident culture. Our goal for 2019 is to halve the number of accidents at work. I.e. a goal of max. 9 accidents at work in 2019.

We will make greater focus on digitalisation of recorded accidents and 'near misses' and follow-up on this. It is our expectation and ambition to reduce the number of real accidents at work to a much larger extent by learning the lessons from near misses in a structured way. We are designing a procedure for how we can handle this in the best possible way to add as much value as possible.

Use of chemicals

To ensure that we comply with current legislation in relation to the use of chemicals, we have procured and implemented a system called 'ChemiControl'. The system helps us to log and record all chemicals and to make safety data sheets and work place instructions easily accessible where it is required.

Contingency Plan

In order to protect our employees in the event of sudden incidents such as injury and fire, we have procedures in place to help us handling such issues in the best possible way before e.g. the ambulance and fire-fighting vehicles arrive.

Fire protection

We have an annual fire protection inspection carried out by a fire-fighting service (Dansk Brand- og Sikringsteknisk Institut). After the inspection, we receive a report that we will observe to ensure that we have the highest safety standards. All our fire fighting equipment is also checked annually by Dansk Brandteknik A/S.

First aid and evacuation plan

We have issued a description of the procedure for first aid with instructions on our equipment, including defibrillators and where they are physically located. It also includes a description of what you must do and the names and details of contacts to refer to for help. In the event of fire, we have a procedure for evacuation as part of our staff policies.

Caring for the climate and the environment



We want to support a sustainable development of society. We seek to be resource efficient by combining business goals and care about the climate and the environment - both as regards the use of our products and our own operations. For instance by reducing our products' impact on the environment.

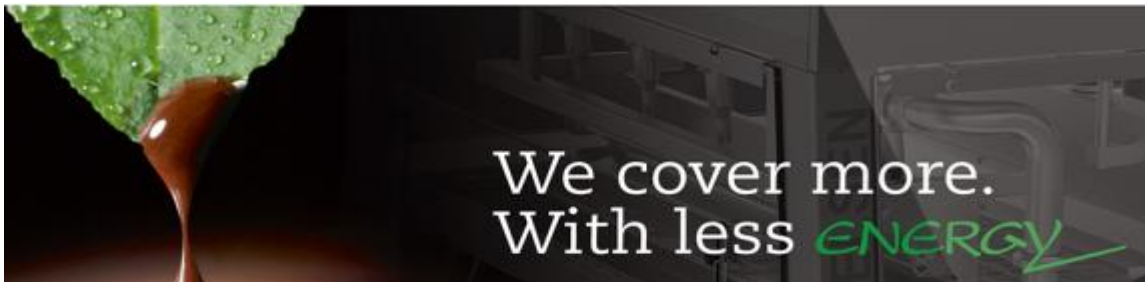
Energy savings from our products

The greatest effect in terms of reducing our products' impact on the environment is obtained by reducing the energy consumption of our machinery and solutions physically located on site at our customers. In connection with the design of our solutions, we have been working to create machinery with less impact on the environment.

Our Energy product range

Our Energy concept was launched in 2011, when we introduced a new energy-saving tempering machine, SuperNova Energy. SuperNova Energy provides significant cost savings of up to 50% in total and at the same time the quality of the chocolate is improved.

In 2013, we introduced Nielsen Energy Enrober which, together with the SuperNova Energy temper, provide energy savings of up to 50%.



Energy Produktprogram



Product optimization of processing lines

All our processing lines are designed to minimize the resource consumption as much as possible. In this way, we will give our customers the opportunity to make energy savings in a number of ways that reduce the impact on the environment and offer financial savings.

Our latest technology 'StellaNova'

With our latest chocolate tempering technology, StellaNova, energy savings of up to 50% can be achieved compared with a traditional temperer.

The high rate of efficiency with this new technology that the StellaNova is based on means that it is almost as energy efficient as our SuperNova Energy tempering machine.

The StellaNova is an example of how quality, efficiency and energy savings become a natural, integral part of our development of new technologies and products. Our customers gain considerable environmental and financial savings from this and this is where we can help making the biggest difference for reducing our impact on the environment.

VALUE 2

StellaNova saves up to 50% energy

The new StellaNova has a 60% smaller motor and column. The new design holds up to 75% less chocolate while still being extremely efficient.

StellaNova's chocolate tempering process doesn't require a reheat. Combined, with having a smaller motor and stack, these two factors save up to 50% energy, compared to traditional tempering machines.

Caring for the climate and the environment in our operations

The day-to-day running of our business here in Farum will inevitably affect the environment and the climate, directly and indirectly. We are paying particular attention to staying at the forefront of what the law prescribes when it comes to addressing environmental issues in our production here in Farum. We are actively working with:

- Waste sorting
- Recycling of waste
- Safe use of liquids and chemicals
- Discharge of waste water
- Noise reduction

Waste sorting

We have a lot of focus on sorting our waste, both for environmental and financial reasons. We cooperate with the company Stena who buys most of our waste and who we consult for potential improvements.

We are sorting in fractions and distinguish between different types of waste with a view to how it should be disposed of and recycled:

- Combustible waste
- Hazardous waste (aerosols, batteries, paint, oil products, etc.)
- Recycling waste (typically paper and cardboard)
- Food waste
- Waste water
- Metal waste (iron, aluminium, chips, stainless steel, scrap, etc.)

Objectives for 2019:

One of our goals for 2019 is to look at ways in which we can sort and recycle more our waste paper.

Digitalisation of manuals

To reduce our paper consumption we have worked long and hard with digitalisation of our product manuals instead of enclosing a printed copy with the equipment. Today, when our customers receive their equipment, they can download all manuals online. This provides savings corresponding to 50,000 sheets of paper and 25-30,000 plastic folders.

Our energy consumption

The table below shows our energy consumption at our premises in Farum over the last few years. While we have increased our level of activities and moved into more buildings, we have also reduced our water, electricity and heating consumption during the period 2016 to 2018.

Energy consumption Aasted ApS, Farum				
Consumption	Unit	2016	2017	2018
Electricity	KWh	1,680,388	1,599,434	1,396,773
Water	M3	2,307	2,504	2,392
Heating	Gas m3	125,253	138,147	118,361

In connection with renovation of our buildings, we are continually replacing and upgrading our windows using energy class versions.

The aim for 2019 is to actively determine where we can take action to further reduce our impact on the climate and the environment. We are examining the possibility of replacing our light sources from light bulbs to LEDs to save energy and improve lighting options.

Focus 2019: Travel activity and transport

We are aware of the fact that our travel activity around the world increase our impact on the environment and climate footprint. In 2019, we will to a much wider extent focus on using digital options, such as our video conferencing systems. Moreover, we aim at establishing new regional and local offices for our subsidiaries which will also reduce travel activities as we will be able to a much higher degree to provide local service to our customers. In 2018, we focussed a lot on safe handling of dangerous goods in connection with shipping and transport of our equipment for the customers. In 2019, we will focus on the environmental footprint in connection with shipping and sourcing.

Business ethics & anti-corruption



We reject any form of corruption, including extortion and bribery. We want to run our business based on sound business practices and our values as an indicator for our behaviour towards each other, our customers and other stakeholders.

Code of conduct

We have adopted different policies and provide guidelines for social responsibility and standards for good business practices for employees and stakeholders. In 2018, we started to update our policies and focus areas to summarise them into a general Code of Conduct for Aasted.

Objectives for 2019:

In 2019, we will publish an updated Code of Conduct which is a summary of our policies for responsible conduct and good business practices. Our Code of Conduct will thus describe our guidelines regarding social, environmental and business ethical practices that apply to all our employees and partners.

Terms of trade

Our terms of trade are based on 'The General purchase conditions (GPC)' and focus on the commercial aspects governing trade with Aasted, such as:

- Terms of payment
- Terms of delivery
- Delays
- Warranty
- Patents and rights
- Product liability
- Force majeure

As part of our CSR efforts up to 2021, our objective is to incorporate clauses in these terms of trade with regard to anti-Corruption, environmental regulations and considerations as well as socially responsible procurement.





Risk assessment

Our policy areas	Risks in relation to our business (1-3 years ahead)	Degree (High, Medium, Low)
 <p>Passion for people The best framework for our employees</p>	<p>Hygiene and contamination There is a risk of contamination in places where our machinery is in contact with food. Therefore, we safeguard compliance with relevant laws pertaining to food-contact and training, learning and knowledge about storage and use of specific food-contact materials. We have incorporated design requirements in the development process in accordance with hygiene standards.</p>	<p>High</p>
 <p>Health and safety at work Our safety level shall be top notch</p>	<p>Injuries at work We are working with large heavy machinery and tools, which can pose a risk of physical injuries in the event of loss or improper handling hereof.</p> <p>Chemicals Our manufacturing processes involve use of chemicals. Our employees are handling chemicals which poses a risk of inhalation and spillages.</p> <p>Mental health As a project-oriented organisation, we always have to meet deadlines which may cause occasional time pressure that may pose a risk of stress and mental health issues.</p>	<p>Medium</p> <p>Medium</p> <p>Medium</p>
 <p>Caring for the climate and the environment We care about the climate and the environment both in relation to our own operations and the use of our products.</p>	<p>Waste management and waste water The day-to-day operation of our business involves generation of waste and waste water which poses a risk of impacting and polluting locally if this is not handled properly.</p> <p>Maximum energy reduction in the operation of our machinery If we fail to inform and educate our customers sufficiently in the proper operation and use of our machinery, we may risk that they do not exploit the maximum energy reduction of this equipment.</p>	<p>Low</p> <p>Low</p>
 <p>Business ethics & anti-corruption We reject all forms of corruption</p>	<p>Compliance with our Code of Conduct Lack of follow-up (audit) with our stakeholders to comply with our Code of Conduct may pose a risk of non-conformity with our Code without our knowledge.</p> <p>Cooperation with new external partners It poses risks when we enter into new partnerships with external stakeholders, e.g. agents or suppliers, as we are not aware of their past practices for compliance with the Code of Conduct.</p>	<p>Medium</p> <p>Medium</p>

Objectives for 2019:

Summary of Objectives for 2019

The table below shows our planned activities for 2019 and beyond for each of our policy areas. Moreover, in 2019 we will be working with UN's 17 Sustainable Development Goals as part of our social responsibility activities.

Our policy areas	Objectives 2019:	Financial highlights	Objectives 2020 and 2021:
 <p>Passion for people The best framework for our employees</p>	<ul style="list-style-type: none"> • "How we Lead at Aasted – Good Leadership" • Training and skills boost • Gender balance & diversity 	<p>Complete arranged leadership course</p> <p>5 training days on average per employee</p> <p>Max. 3% sickness absence</p> <p>Digitalisation of SUS across the organisation</p> <p>At least 30% women at executive level by 2020</p>	<p>In 2019 and up to 2020/2021 we will continue working with health, well-being at work and job satisfaction. We will focus on "How we Lead at Aasted – Good Leadership" as an important factor for this work.</p>
 <p>Health and safety at work Our safety level shall be top notch</p>	<ul style="list-style-type: none"> • Work towards a zero-accident culture • Focus on safety and well-being at work • Lean and 5S 	<p>Improved follow-up structure on near-misses</p> <p>Max. 9 accidents at work</p> <p>Campaign on safety procedures (emp. and customers)</p> <p>Deployment of common concept across the factory</p>	<p>We have an overall goal of achieving a zero-accident culture. The aim is to halve the number of accidents at work during 2019 compared to 2018.</p>
 <p>Caring for the climate and the environment We care about the climate and the environment both in relation to our own operations and the use of our products.</p>	<ul style="list-style-type: none"> • Reduction of the impact on the environment in relation to our own operations • Energy savings in the operation of our products 	<p>Reduction of electricity, gas, water by 2% in 2019</p> <p>Reuse of waste paper and transition to LED lighting.</p>	<p>Looking forward, we aim at actively determining where we can take action to further reduce our impact on the climate and the environment.</p>
 <p>Business ethics & anti-corruption We reject all forms of corruption</p>	<ul style="list-style-type: none"> • Aasted Code of Conduct 2019 • Supplier Code of Conduct 	<p>Publish concise Code of conduct</p> <p>Info campaign on Supplier Code of Conduct</p>	<p>We will continue to review our Code of Conduct. Our aim is to getting ourselves in a position to incorporate socially responsible procurement and anti-corruption into our Trade conditions.</p>