



AASTED CORPORATE SOCIAL RESPONSIBILITY REPORT **2019**





We have chosen to include the UN Sustainable Development Goals (SDGs) in our strategic approach to sustainability. Our most important contribution is in relation to 'industry, innovation and infrastructure' and 'responsible consumption and production' (SDG 9 & 12). We report on our contribution and approach to the SDG's on page 5.

Contents

2 Table of Contents

- 4 Preface
- 4 One step closer
- 7 Impact that matters
- 8 Our CSR policy & focus Areas

10 Actions & Results

10 Status overview of 2019

12 Passion for People

- 12 How we lead at Aasted
- 15 Training and competence lift
- 16 Well-being at work & job satisfaction
- 19 Diversity and gender balance

20 Health & safety at work

- 20 Our approach to working environment
- 20 Knowledge and education
- 22 Avoiding accidents
- 24 Contingency plan

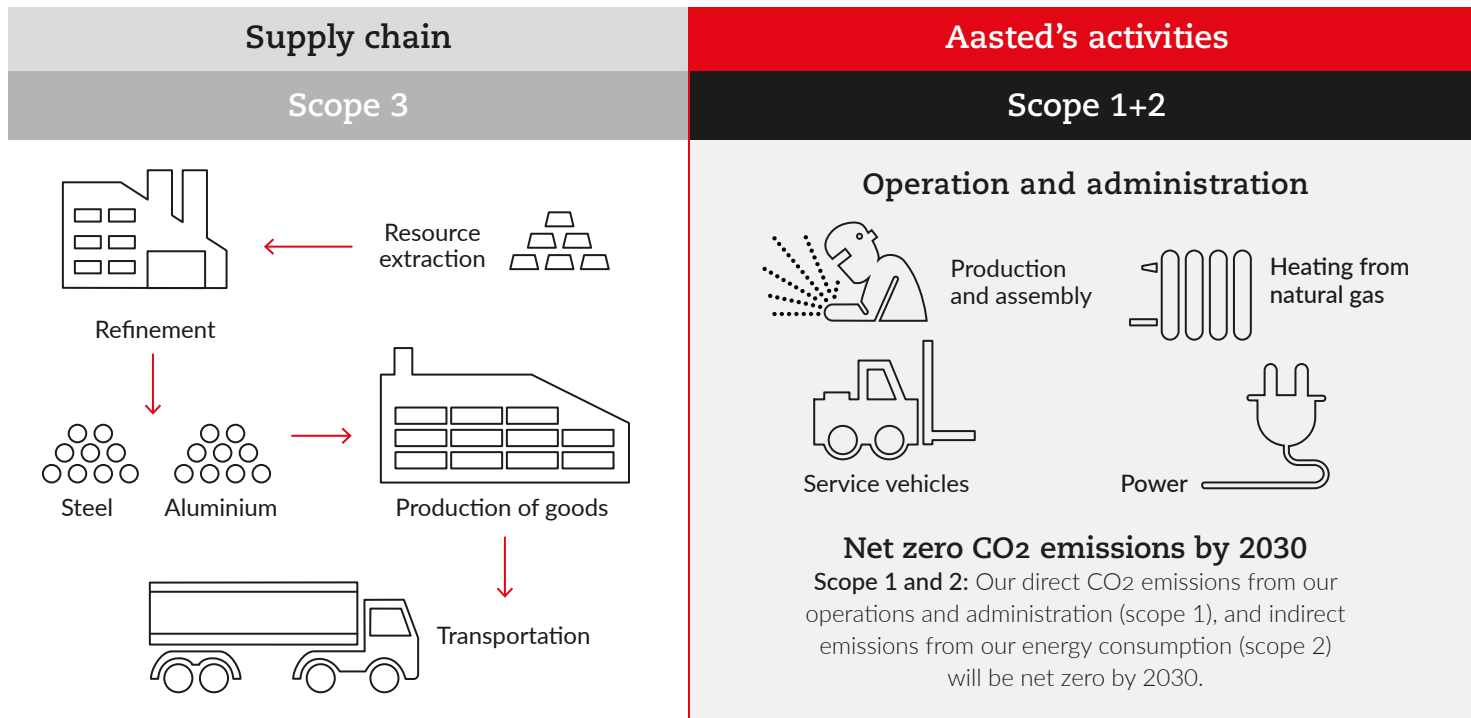
25 Caring for the climate and the environment

- 25 Energy saving products
- 25 Climate and environmental concerns

28 Business ethics & anti-corruption

- 28 Code of Conduct

30 Risk assessment



Preface by Piet Tæstensen (CEO)

One step closer



Last year we published our first CSR report. This marked the beginning of the development of the foundation that our future sustainability approach and activities will emerge from. Our approach to sustainability in Aasted is based on a wish to ensure a net zero carbon footprint in scope 1 and 2 by 2030. As soon as we are well towards this, we will further work on reducing our carbon footprint in scope 3.

I am convinced that this goal will not be reached by launching a series of separate activities. Instead, I believe, that sustainability should be integrated into the core of our business and its strategic approach. This is a new way to think and work with sustainability in Aasted and we

are learning and advancing continuously. But at the same time, it is an approach that is natural for the company to acquire, as our desire to do what is inherently good has been present since the company was founded more than 100 years ago.

Sustainability as an integrated part of our strategy

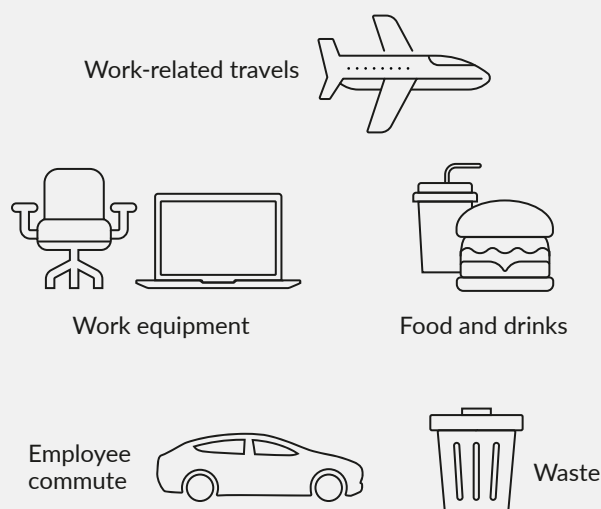
Because we believe that it is important that sustainability plays a pivotal role in everything we do, we are not going to initiate an independent sustainability strategy. Instead, we are developing and pursuing an overall strategy that allows us to do business in a fundamentally sustainable and responsible way.

This strategy will be launched in 2021. In regard to our strategy work, we have made the first decisions about our forward-looking approach to sustainability.

In order to ensure the greatest possible reduction in CO₂ emissions in our value chain as fast as possible, we have initially chosen to incorporate two of the UN's Sustainable development goals in our strategy. These are **SDG 9 'Industry, innovation and infrastructure'**, and **SDG 12 'Responsible consumption production'**. This choice is based on an impact analysis of our business model,

Aasted's activities

Scope 3



Chocolate, confectionery & bakery industry

Scope 3



which exposed that we have a particularly big potential to contribute positively to these SDG's. To initially focus on our possible contributions to these SDG's we allow ourselves to pursue the most significant positive impact as quickly as possible.

We believe that any company or organization, has the responsibility to leave no trash behind and clean up after itself. Therefore, we find it natural to firstly identify which negative impact we are responsible for in the value chain that we are a part of. Only then, we are able to ensure an ongoing reduction of our negative impact and hereby are able to ultimately ensure that Aasted has a net zero CO₂ emission from scope 1 and 2 by 2030. This means that our activities within sustainability will focus on reducing our CO₂ emissions in the coming years.

Throughout 2019 and the first part of 2020, we have worked on identifying our actual CO₂ impact in scope 1, 2 and 3. This means that we have both identified our direct influences, which consist primarily of our energy consumption and our indirect influences in scope 3, including our downstream activities in supply chain as well as our upstream activities at our Customers production sites. At our suppliers, the main sources of emission is transport and raw materials. At our customers production

sites, the main source of the CO₂ emissions is the use and operation of our products.

The first stones on our new road are laid

As a result of our new approach, we have now laid the foundation that enables us follow our CO₂ impact throughout the value chain based on 2019 data and we will continue to follow our development closely in order to ensure that Aasted's CO₂ emissions will be net zero by 2030 in scopes 1 and 2.

With this CSR report, we want to share knowledge about what we have done in the past year to achieve our objectives within our focus areas from 2018, as well as show the direction of our further approach towards taking responsibility for our impact throughout our entire value chain.

I hope you enjoy the reading!

Best regards
Piet Tæstensen

SUSTAINABLE DEVELOPMENT GOALS



- 9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

We have a special focus on aftersales and service, which play an important role in our forward-looking journey. Especially, our commitment to digitalize our products and hereby provide data collection that enables an additional added value for our customers.

- 9.5** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

Aasted is established on research and the scientific work of Dr Kaj Christian Sofus Aasted, which has been passed on and maintained by the many patents complied by Lars Aasted. We have now formalized collaborations and partnerships with a number of educational institutions through which we have 2 PhD projects and one Post Doc in-progress. All of which is done to make a bigger difference for our customers and world that we all are a part of.



- 12.a** Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

We are constantly trying to get closer to our customers globally. Most recently, we have established ourselves in India, where we try to share knowledge about the opportunities offered by our latest technologies, focusing on what value they create for our customers in terms of sustainability.

- 12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

We are seeing an increasing dialogue and communication between many of the multinational customers and us, on how we can jointly reduce our footprint on the world using Aasted's latest Technologies.

Impact that matters

Aasted provides knowledge, machinery and solutions for chocolate, bakery and confectionery industries around the world. We are a development, assembly, test and service company with headquarters in Farum, Denmark, just north of Copenhagen. We have subsidiaries with sales and service functionalities in U.S and Turkey and solely sales subsidiaries in Germany and England.

Our overall strategic objectives for the period up to 2020 is to develop a future-proof and scalable foundation for Aasted and the world we are a part of.

We create this foundation by combining our ability to develop tailor-made solutions, with a focus on putting together high-quality and competitive solutions that can be delivered, put into operation and serviced quickly and efficiently.

This means that we must continue to have the ability, will and courage to develop and patent new developed processes and solutions within our industries. At the same time, we need to cultivate and simplify our product range so that it meets our customers' dreams, demands and desires.

In order to succeed with this, we will focus our efforts on having the right leadership approach, the right organization structure and the right processes that support our journey towards being pioneers in sustainable and innovative solutions for our industries.

We have chosen to include the UN's Sustainable Development Goal Number 9 and 12 in our strategic approach to achieve our goals and within the two goals, we are working specifically with goal 9.4, 9.5, 12.a and 12.6 (see page 6).

For us, it is necessary that we develop and renew our products and services. Both to be competitive, but also to be able to ensure responsible consumption and production

at our factory as well as at our customers' production sites.

However, we are not able to achieve our objectives and remove all negative impact associated with the production of our machines and solutions, by simply developing new technologies. If we take a simplistic look at our initial data collection regarding CO₂ emissions in the different stages of the value chain, there is a tendency to what we call "a factor 10 in difference".

Aasted is responsible for;

- **Scope 1 and 2** emissions in our own production and administration of approximately 1000 tons of CO₂.
- **Scope 3** emissions from flight transportation and procuring raw materials of approximately 10,000 tons of CO₂
- **Scope 3** emissions from customer operations and use of Aasted equipment of approximately 100,000 tons of CO₂
- A potential to reduce of CO₂ emissions by using Aasted's latest technologies in industries that we operate in, at a saving of around 1 million tons of CO₂.

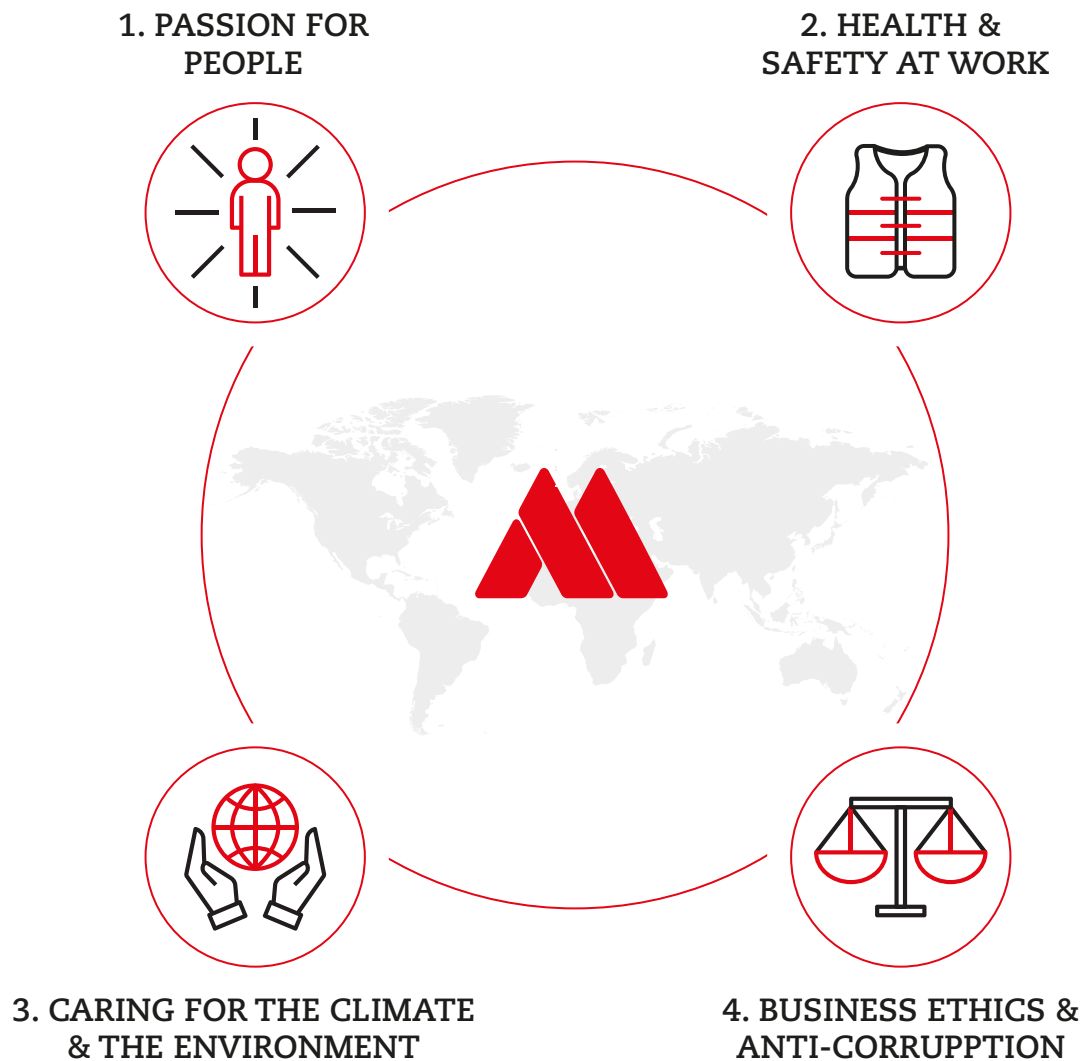
Hence, we have already stated in our last CSR report that we must clean up after ourselves to become a company whose CO₂ emissions are net zero in scopes 1 and 2. But furthermore, we want to ensure that we continue to focus on innovating new technological solutions, provide potential for reducing our customers' impact around the world.

There is a need for everyone to stand up and take responsibility for their impact, and we believe that we can do more than we already do. Therefore, it requires that we rethink how we do things in given areas of our business, that we develop new business areas and that we dare to push our industry in a more sustainable direction.

It also requires us to cooperate with both customers, suppliers, colleagues and educational institutions to ensure that we together can create an even better world for future generations.

“
**We need to do more and
we need to do it now**

Piet Tæstensen (CEO)



CSR-Politics

Our **CSR policy** and focus areas

We have developed 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:

Aasted 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 thus 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 are committed to contribute to and respect the protection of internationally declared human rights. Including demonstrate social responsibility towards our employees and to 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 our employees, where the individual can thrive and develop with the opportunity to create a good work-life balance. We also believe that this could extend to our customer relations.

2. HEALTH AND SAFETY AT WORK

We are committed to promoting maintaining a good physical and mental work environment. We want to create a work environment that focuses on trust, cooperation and mutual respect as basis for a healthy and well-functioning workplace.

3. CARING FOR THE CLIMATE & THE ENVIRONMENT



We are committed to reducing our CO₂ emissions in scopes 1 and 2 and hereby making sure that our CO₂ emissions are net zero by the end of 2030. We will strive to become more resource-efficient by combining business goals and considerations for the environment and climate – both in our purchase of raw materials, in our own operation and when our products are used at productions sites.



4. BUSINESS ETHICS & ANTI-CORRUPTION

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

Status overview of 2019

The table below provides an overview of the 2019 actions, objectives and key figures as well as targets for 2020 and onwards within each policy area.

Aasted's Policy	Objectives for 2019	Key figures	Objective for 2020 and onwards
Passion for people The best framework for our employees. 	<ul style="list-style-type: none"> • "How we lead at Aasted" • Education and competence lift • Gender distribution and diversity 	<p>How we lead at Aasted has been implemented and we have held 4 Aasted Leadership Academy events for the management team.</p> <p>5.4 educational days were held in average per employee.</p> <p>Sickness absence has been reduced from 4.6% in 2018 to 3.4% in 2019.</p> <p>We have partly digitalized our SUS process.</p> <p>In 2019, 20% of management were women, 22% women at board level and 15% women in the workforce</p>	<p>4 Aasted Leadership Academy events must be held for the management team during 2020.</p> <p>Regarding education and competence lift the 2020 objective is to maintain an average of 5 education days per employee.</p> <p>By 2020, we need to implement an E-learning system.</p> <p>For sickness absence, we have an objective for 2020 to have max. 3%.</p> <p>We need to conduct an APV during 2020.</p> <p>By the end of 2020, we need to have prepared an index for well-being.</p> <p>We have an objective to have 30% women at board level and in the management before the end of 2025. As well as 20% women in the workforce by the end of 2025.</p>
Health & safety at work Our level of safety must be outstanding 	<ul style="list-style-type: none"> • Towards a zero-accident culture • Focus on safety • Lean & working environment 	<p>We have established a new registration and follow-up structure for near-accidents.</p> <p>We have had 20 accidents at work and 16 registered near-accidents in 2019.</p> <p>All departments in our factory have received lean education.</p> <p>More than 90 improvement proposals at the factory..</p>	<p>The objective for 2020 and onwards is to continue to work towards a zero-accident culture. Specifically, our goal is to have max. 10 accidents at work by 2020.</p> <p>In this regard our objective is to have 0 accidents at work in 2020 related to traffic.</p> <p>We will develop a generic annual wheel and a concrete campaign summary for 2020-2021 regarding AMO activities.</p> <p>Regarding lean, we need to create a uniformed concept for target management. The process for target management must be deployed in the factory during 2020 and in the administration by 2020 at the latest 2021.</p> <p>We have an objective to get 100 improvement proposals in 2020.</p> <p>It is our objective for 2020 and onwards to conduct at least one fire drill annually. In addition, we will upgrade our evacuation technology for an app solution</p>

Aasted's Policy	Objectives for 2019	Key figures	Objective for 2020 and onwards
<p>Caring for the climate & the environment</p> <p>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 in environmental footprint in our operation • Energy savings in the operation of our Products 	<p>Our water consumption has decreased by 9%, our electricity consumption is unchanged and our consumption of natural gas has decreased by 23%.</p> <p>We have replaced approximately 10% of our light sources for LED lighting.</p> <p>We have sent 5,533 kg of paper for recycling during 2019.</p>	<p>In 2020, we will establish recycling and disposal rates and criteria on our equipment.</p> <p>By 2020, we must have a garbage sorting system at our administration.</p> <p>We will introduce digital assembly folders in our operations by the end of 2021.</p> <p>We will measure and follow up on our CO₂ emissions throughout the value chain in scope 1 and 2, as well as scope 3 both regarding upstream and downstream. We must by have identified all CO₂ emissions in this context by 2020.</p> <p>Aasted's CO₂ emissions must be net zero by 2030 in scope 1 and 2.</p> <p>Our objective for 2020 is that our CO₂ emissions from flight travels are reduced by 2% equal to saving 13 tons of CO₂.</p>
<p>Business ethics & anti-corruption</p> <p>We reject all forms of corruption</p> 	<ul style="list-style-type: none"> • Aasted Code of Conduct 2019 • Supplier code of conduct 	<p>In 2019, we have released our Code of Conduct</p> <p>We have informed all suppliers about our Code of Conduct.</p>	<p>We have an objective to promote our Code of Conduct to our suppliers and customers.</p> <p>We need to start conduct audits in 2020.</p>



Passion for people

When we talk about passion for people at Aasted, it is very much centered on the social aspect. It is about people. The people who work at Aasted are the core of the company and therefore we want to create the best framework for our employees.

How we lead at Aasted

Influencing our employee's engagement, development and well-being is our leadership – both unified and exercised through the individual manager. It is therefore important that all management acts based on the same principles and the same approach. Therefore, we have an important task that revolves around creating the right conditions that our leadership is united in the momentum of the company, as well as the management and development of our Employees.

Activities 2019: How we lead at Aasted and Aasted Leadership Academy

We have chosen to focus on leadership and management in 2019. The project was launched in order to create a common definition of what we at Aasted consider to be good leadership and management, and to further lift the management competence at Aasted. Hereby, making sure that our management becomes more synchronous and even more capable of giving direction, ensuring progress and inspiration to the employees.

At the beginning of 2019, all departments conducted feedback exercises, where the department gave managers feedback on the day-to-day management. With this task we aimed to create a space where employees had the opportunity to express themselves about what they think good leadership includes and what their leaders can do to become even better. All managers received feedback from employees in their department, and from this, the manager was made aware of what works well and where there is room for improvement.

The process was well received by both employees and managers. Another benefit from the process, was that it created awareness about what we at Aasted



expect from the management. Further, this established a common management concept. The process has therefore also contributed to an expectation vote and a clarification, which is valuable to employees and managers.

We as a company have the responsibility to ensure that our management is able to carry out their tasks and have the right tools for handling day-to-day decisions. To ensure this, we have established Aasted Leadership Academy - a program for our leaders – which focuses on education and training, but also synchronizing our management. We conducted 4 sessions, one per quarter. The focus areas we have been working on in 2019, has been:

- How we lead at Aasted – Department feedback sessions
- Setting and working towards goals as a team



- Lean – how do we work with standardization, efficiency and processes
- The culture at Aasted - what works and where we have challenges

To assess whether our initiative has had the desired effect, we have chosen three objectives that we believe to be an indication on whether our employees are thriving and are engaged in our goals for 2019:

- 3% sick absence
- 5 education days on average per employee
- Staff turnover of max. 8%

In general, we have seen positive developments on all three objectives and the concrete details will be further elaborated

in sections below. Even though we have seen a great development, in just one year, we see that we still have a big potential when it comes to ensuring an aligned and well-prepared management team that can drive development, engagement and well-being of our employees while ensuring the company's progress.

Objective going forward:

We will continue to conduct quarterly Aasted Leadership Academy in 2020. As we are launching a new strategy in 2021, one of the themes will be implementation and execution of the strategy. Hence the purpose of this theme is to ensure that our management is able to handle the roll-out of a new strategy and create employee-involvement and hereby create the best conditions for a successful implementation of the new strategy.

3,6

Education days
2018



5,4

Education days
2019



We are proud to be able to give our employees 5.4 education days on average in 2019, as this is more than our objective and a clear improvement from 2018, where we had approximately 3.6 education days on average per employee. This means that we had an increase on 1.5 education days on average per employee for our approximately 370 employees. Meaning that our employees had 1,998 education days in total during 2019.

Education & Competence lift

When it comes to ensuring that we are able to attract and retain qualified employees, training and employee development are two important elements. We, as a company, need to be able to educate and develop the individual employees in order to make Aasted an attractive workplace, but also to ensure the company's progress.

In relation to competence lifting, we have two processes for identifying an executing education and training of our employees.

1. Prior to the SUS process, requests for a competence boost are collected from the managers. These are presented to the Executive Board, so that education can be planned and decided with regards to the total budget for education for the coming year. Thus the managers are able to present the education granted during the SUS conversation with their employees.
2. If a manager or employee identifies a need for education at a time where the SUS process is not able to handle it, they inform the Executive Board about the need for education.

We have an education committee with five representatives, both representing our functionaries and hourly workers, that meet quarterly in order to ensure that conducted and planned training activities are in line with the concrete strategy.

Activity 2019: Education days

In 2018, we have set an objective that our employees on average should receive 5 education days. The number of days was chosen in line with The Danish Industry's recommendations.

In 2019 we have been able to provide our employees 5.4 education days on average, which we are very proud of as this is more than our objective and a clear improvement from 2018, where we had approximately 3.6 education days on average per employee. This means that we have an increase of 1.5 education days in average per employee for our approximately 370 employees. Meaning that our

employees have had 1,998 education days in total during 2019.

Objective going forward

We will continue to have an objective of having 5 education days on average per employee during 2020.

Activity 2019: Digitalization of SUS

To ensure that the manager and employee have a continuous dialogue regarding the employees' development, we will annually conduct employee development interviews with a biannual follow-up. In 2017, we have developed a concept named SUS (Strength Based Development Interview), which purpose is to ensure that the individual employee develops in line with our strategic direction. Hereby also ensuring a link between our strategy and the strengths and potential of the employees.

In 2018, we set a goal that our SUS process should be 100% digitalized during 2019 to save time on manual processes while ensuring a better follow-up of agreements.

It has been possible to carry out the SUS conversation digitally since 2018 at our administration. After having evaluated the possibilities of implementing a digitally supported SUS process for our hourly-paid employees, we have decided that a digitalization will not give us the desired efficiency improvements. Therefore, we have chosen to maintain the current format for our hourly-paid employees and hence no further action will be taken to digitalize this process.

New focus going forward: E-learning

As we are a company that is highly dependent on the knowledge that we have collected internally throughout 100 years, we and our customers have a great need to identify this knowledge. We want to be able to collect knowledge in order to subsequently distribute it both internally and externally. Therefore, we have decided that we will implement an E-learning system by 2020 to support an efficient, and uniformed knowledge sharing, that is not dependent on time and place – meaning, a general and highly scalable education system.

Well-being & job satisfaction

We believe that the health and well-being of our employees is a fundamental prerequisite for making everyday life function so that both private and professional life are in balance. We believe that this approach helps to create the best possible conditions for our employees to feel committed and satisfied with their job. We therefore work to constantly offer the best possible conditions for our employees. We do this through a holistic approach to physical, mental and social health and well-being through our balance policy called 'whole people'. Through this, we try to embrace all of the work life cycle. In relation to this, we also offer our employees a range of services and activities that are created to ensure a good health for our employees. This including offering different social events with involvement from across the organization, such as the DHL run, summer parties, Christmas parties and other employee-determined activities. In addition, we have chosen to offer our employees the opportunity of an organic, healthy and nutritious lunch through our canteen.

In the event of long-term sick leave, a sick leave interview will be conducted - the interview is conducted at the latest four weeks after the first sick day. The manager and employee can prepare a declaration of opportunity at the interview to help find the best plan for returning to work. At Aasted, we prepare a declaration of opportunity after three weeks of sickness, but depending on the individual situation, the declaration of opportunity may be drawn up earlier.

Activity 2019: Sick absence

In 2018, we set an objective for having a sickness absence for all employees on max 3%. This objective was very ambitious for us, when taking the data we have on our sick leave from previous years into account. However, we expected that our dedicated approach, especially through our focus on 'how we lead at Aasted', would help us to reach our objective. Even though we did not achieve our objective, we are still very satisfied with our development in 2019, as the average sick absence has fallen to 3.4%. This is clearly an improvement from 2018, where the average sick absence was 4.6%. In general, we are moving

in the right direction, but there is still some room for improvement.

Objective going forward:

We will continue to work towards our objective at max 3% sick absence in 2020 and onwards. It is our belief that the various activities we initiate through 'How we lead at Aasted', education of our employees, as well as the activities mentioned below to support our employees' satisfaction, will all contribute to achieve our objective.

Activity 2019: Retention and staff turnover

We have an objective of having a staff turnover at max. 8%. It is our assumption that our targeted approach with 'How we lead at Aasted' has contributed to reducing the total staff turnover significantly from 2018 to 2019. In 2019, the total staff turnover was 4.5%. We are pleased that we have been able to reduce our staff turnover so significantly.

Objective going forward:

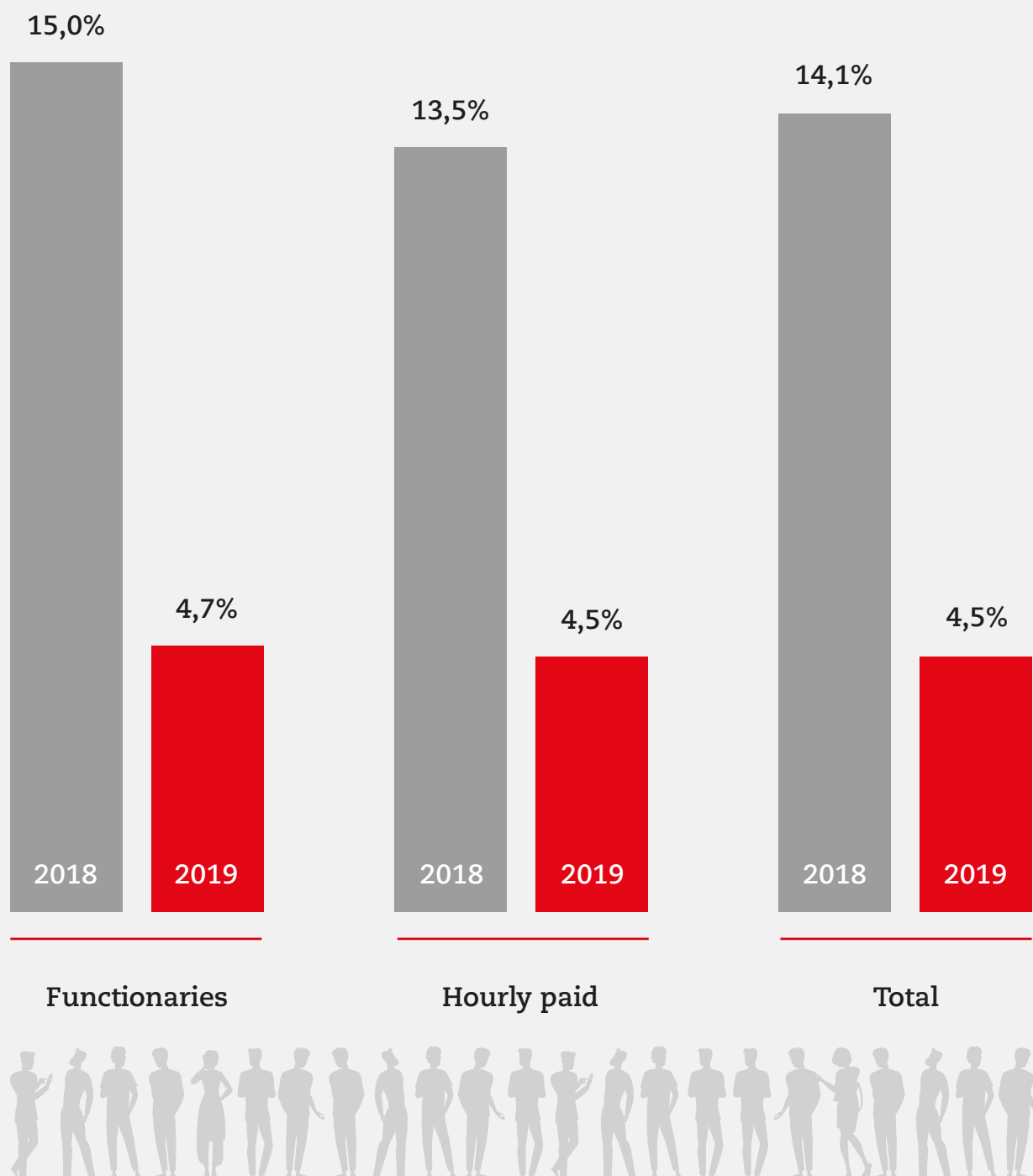
The staff turnover in 2019 has been exceptionally low, and hence we do not believe that it would be realistic for us to keep this level going forward. Therefore, we will continue to target a staff turnover below 8%.

New focus 2020: Well-being index

In the context of our desire to constantly improve well-being of our employees, we want to develop a well-being index. The purpose of this is to ensure closer dialogue on the current mood in order to speed up and more precisely to be able to act and, if necessary, adjust conditions that can improve the well-being of our employees. The objective is that the well-being index itself has been developed during 2020 and that the first measurements are carried out in 2021. In addition, during 2020, an APV for the entire Aasted.

Staff turnover

Staff turnover is based on a calculation exclusive of dismissals and thus it only includes resignations made on the employees' initiative.



Proportion of women by 2025 (minimum)



Diversity & Gender Distribution

At Aasted, we respect diversity and want to create and encourage an inclusive culture in which differences are appreciated and where there is room for everyone. We believe that it creates value for all involved to cooperate across national and cultural backgrounds.

Activity 2019: Gender balance at board level, management and among other positions

We are generally focused on achieving a greater balance between proportion of men and women at Aasted. We are therefore aware that when recruiting new employees, we should focus on hiring employees based on personality and competences. Further, we focus on offering the same opportunities to all employees regardless of gender, nationality, religion, sexual orientation and political conviction.

We have chosen to set an objective for the proportion of female representation at board level and the other levels of management of 30% by 2025 as well as having a 20% share of female representation among the rest of our staff.

In 2019, we have had 22% female representatives at board level which is a reduction from the 25% we had in 2018. The decrease in the proportion of women is due to a raise in the number of board members, which has caused the distribution to change. On the other levels of management, we have seen a small increase from 2018 to 2019, as we

have gone from having 19% women in other management levels to have 20% women. In general, for the board level and other management levels, we have not reached our objective yet and have not seen any notable development in regard to the distribution of the men and women during 2019.

We aim to increase the proportion of women in management by increasing the representation of qualified female candidates for future leadership positions in Aasted. This is ensured by instructing those responsible for recruiting the new managers. By 2020, we will ensure that all job ads going forward will include a section that encourages applications, regardless of gender, nationality, etc. The gender distribution at Aasted's other positions also show over-representation of male employees. From 2018 to 2019 we have seen a small increase from 12% women to 15% women in other positions. The over-representation of male employees do not mean that Aasted would not hire women. Aasted handles all applications received regardless of the applicant's gender, and recruitment is based on personality and qualifications. When looking at statistics on the gender balance for the education most frequently represented among Aasted employees, there is a clear preponderance of men. Furthermore, there is a clear preponderance of male applicants when looking at the number applications received for advertised vacancies.

Objective going forward:

Aasted aims to increase the number of women representatives at both board level, other management levels and other positions in general, by 2025. That is why we have the following objectives that are to be reached for the three areas by the end of 2025:

- The proportion of women at board level must be at least 30% by the end of 2025.
- The proportion of women in other levels of management must be at least 30% by the end of 2025.
- The proportion of women in other positions must be at least 20% by the end of 2025.

In order to ensure progress in this area, our objective is to ensure that all job ads in the future encourage everyone to apply, regardless of gender, nationality, etc.





Health & safety **at work**

Aasted wants to develop and maintain a good physical and mental working environment and we always comply with applicable health and safety legislation. Safety must always be at the highest level and therefore, we focus on trust and cooperation as a basis for creating a healthy and well-functioning workplace.

Our approach to working environment

Our core business is producing, testing and installing machines and solutions. Due to this, there are multiple risks associated with the work carried out at our factory. It is extremely important for us that our employees' safety comes first when conducting their day-to-day work. Therefore, the purpose of the health and safety policy, is to ensure that we are capable of dealing with the various risks associated with the work, which is being carried out at our factory as well as when we install machines and solutions at our customers sites. Our working environment group (AMO) is the cornerstone of our work health and safety. Representatives from this group is annually sent to participate at update courses to ensure that they have the newest knowledge regarding this area. The group always conduct follow-up sessions in order to make most of the training and ensure knowledge sharing and incorporation.

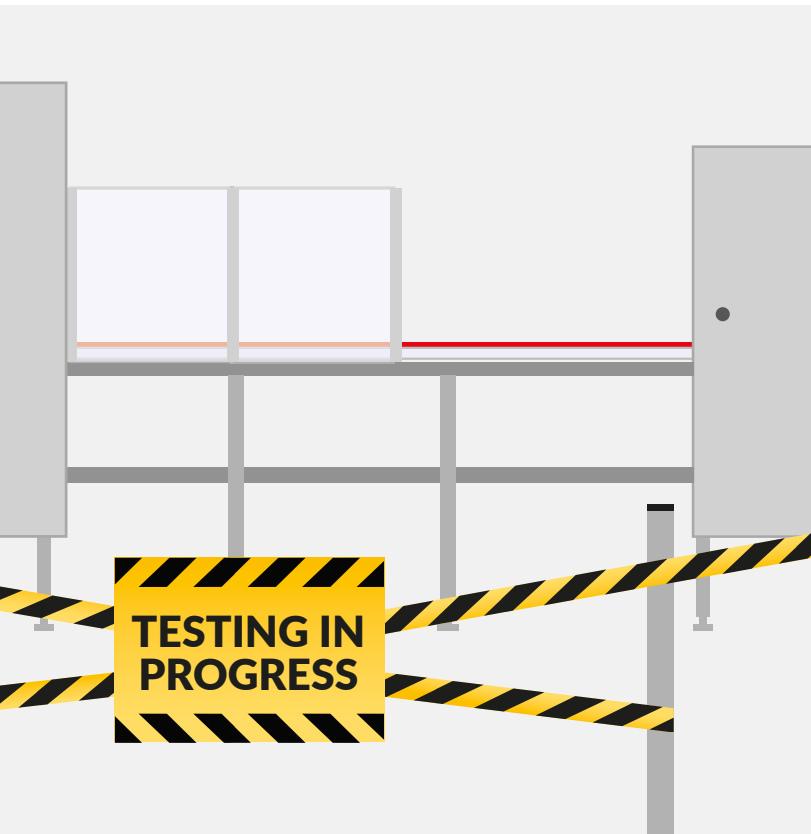
Our approach to health and safety is described in our health and safety policy.

Knowledge & Education

We believe that knowledge, training and education in working environment conditions are an important tool to prevent the occurrence of accidents. We analyze all accidents and near-accidents to be able to prepare and organize prevention campaigns. We aim to learn from what we have observed as a reason for causing the accidents or potential accidents in order to be able to initiate preventive measures that will ensure that we reduce the the risks of the same accidents happening again.

Activity 2019: working environment campaigns

In 2019, we decided to intensify our communication



Working environment 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 reorganizing 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.

efforts in relation the safety restrictions regarding our internally testing and safety procedures. We have conducted an information course that focused on training and informing our management in the safety procedures, with the purpose of enabling them to pass on the information to the rest of the organization. This effort was complimented by a collection of receipts from all employees, where they sign off on having read and understood the safety procedure and commit themselves to comply with the existing safety procedures. The purpose of this effort has been to enable that we as a minimum can ensure that everyone has heard and understood the instructions and that they commit to adjust to the applicable safety procedures. In addition, instruction in the security procedures and sign off under having read and understood them, have become an integral part of our onboarding program, which ensures that all new employees at Aasted is introduced to these guidelines.

Specifically, for 2019, our aim was to prepare a procedure on how we introduce our guests to the guidelines regarding safety restrictions in connection with test and safety procedures. Our guests must acknowledge this, as it is important that they are aware of Aasted's safety restrictions, when they walk around our factory. This

process applies to our customers, subcontractors and external craftsmen. We have implemented a procedure for all external visitors where they must read and sign our instructions, before they access our facilities.

Another campaign that we have conducted in 2019, has been regarding safe traffic at our factory. The focus of the campaign has been separating the driving path and people walkway around our factory.

The third campaign in 2019 had focused on awareness and registration of near-accidents. We believe that by focusing on registering near-accidents, we can predict where actual accidents might happen and thus be able to initiate preventive actions before it is too late.

We have launched a new campaign in Q2, Q3 and Q4, and we will repeat the same campaigns during 2020 to ensure implementation and focus on the desired themes.

Objective going forward::

In order to ensure knowledge and education within health and safety, we will prepare a generic year wheel in 2020, which will entail the activities that our AMO group will be conducting. In addition, we will create a concrete campaign overview for 2020-2021 regarding the AMO activities.

Activity 2019: Lean & working environment

At Aasted, we strive to incorporate the lean principles in our production because we believe that these principles can help us to make continuous improvements to become more competitive. It is important for us to be able to "invite our guests to our home", which is why we work strategically with 'the factory as a showroom'.

We also have an ambition and the assumption that working with Lean can have positive effects on the working environment. It provides an overview of internal processes, a consistency and fewer errors, as well as greater job satisfaction, which results in a more stable working environment that could potentially help to reduce the risk of stress.

Our objective is to implement lean in our production even more. That is why we have invested in education in 5S and continuous improvements for all employees at the factory. In 2019 we decided to roll out uniform and scalable concept for how we work with 5S and continuous improvements at Aasted, and how we maintain this work approach.

We have succeeded with this, and during 2019 this has led to the implementation of approx. 90 improvement proposals at our factory. We are therefore very satisfied with the development, but to ensure constant improvement and that our lean approach is maintained, we hired a Senior Lean Specialist in 2019, who will be responsible for creating a momentum in this area.

Objective going forward:

In regard to lean and 5S we need to develop a uniform concept to target management during team board meetings for all of the departments during the 2020. The process must be introduced at the factory by 2020 and in the administration by 2021. In regard to developing our target management concept, we need to have identified roles and responsibilities in relation to the different activities that take place before, during and after team board meetings.

It is our objective to implement 100 improvement proposals during 2020. This is important to us as we continuously want to stimulate our creativity when implementing improvement proposals.

Avoiding accidents

We want all employees and external Workers to feel safe when they work at Aasted. Therefore, we have an overarching objective to work towards a zero-accident culture at Aasted.

Activity 2019: Registering accidents and near-accidents

We had an objective for 2019 of having max. 9 accidents, equal to halving the numbers of accidents registered in 2018. Unfortunately, we have not achieved our goal, as we have reregistered 20 accidents in 2019. This is not acceptable and we are aware that we have a lot of work to do, before we can achieve our goal of a zero-accident culture. Part of the increase can be explained by dedicated focus on registration of accident and initiated registration of near-accidents, which was one of our chosen focus areas for 2019. Our improved registration processes on accidents is the first step towards ensuring that we avoid accidents at work.

In 2019 we have introduced registration of near-accidents. We have reregistered 16 near-accidents. We have established a procedure which ensure that we evaluate all registrations, so that we can gain knowledge which can be used to ensuring that we avoid that these develop into real accidents.

Objective going forward:

In regard to our actions that are leading us towards a



zero-accident culture we have set an objective that we will be halving a number of accidents in 2019, which was the 20. This is equal to a concrete objective of having max. 10 accidents in 2020. We believe that by initiating different actions, including safety restrictions in connection with testing of equipment, safe traffic in and around our factory, and generally increased focus on the registration and evaluation of near-accidents, can contribute to a reduction in accidents. Therefore, we further have an objective to increase the number of registered near-accidents.

In addition, we will incorporate our ongoing registration of near-accidents into our target management boards in the factory. The purpose of this is to ensure a proactivity in relation to our work with preventing accidents.

Activity 2019: Safe traffic in and around our factory

To further focus on improving the safety at work, we had a Health and Safety Manager (HSE-manager) during 2019. One of the main focuses of our HSE manager was to initiate more activities that had the purpose of ensuring safe traffic in and around our factory.

As a starting point, all production areas have been categorized as areas of mandatory safety footwear. Individual walking areas, between some rooms and buildings, are excepted from this rule. These areas are specifically marked on the floor with pictograms. Driving

and walking traffic have been clearly separated by marked walkways and crossovers. A speed limit has been put up for driving traffic and unauthorized persons can no longer drive through the company's outdoor areas.

Objective going forward:

Based on all the activities initiated within safe traffic we have an objective for 2020 and forward of having 0 accidents caused by traffic.

Activity 2019: Safe use of chemicals

In order to ensure that we comply with applicable legislation, we implemented 'ChemiControl', which is a system that logs and registers all chemicals. It contains a safety data sheets and instructions easily accessible where it is required.

We have enforced our process that all chemicals must be registered in 'ChemiControl'. New guidelines regarding chemicals requires that we continuously attempt to substitute hazardous chemicals with less dangerous alternatives. We have started to incorporate this approach in 2019.



Objective going forward:

In 2020, we will focus on ensuring that we have the necessary knowledge about all of our chemicals, so that we are able to assess whether there is a need to examine the possibility of alternative products. We will ensure that we substitute hazardous chemicals with less hazardous alternatives to increase the safety of our employees and thereby minimize the negative impact.

In addition, we have a set target to increase the control of purchase of chemicals so that we are able to ensure that all chemicals entering our production have been approved and meet our requirements. Therefore, we need to develop a procurement process for chemicals, as well as establish a structure for how purchases are approved and how we ensure the maintenance of this process.

Contingency plan

In the event of an accident or incidents, such as serious injuries or fire, it is important that we are able to handle these situations as swiftly as possible to contain the situation before i.e. ambulance or firefighters arrive. We have a described procedure for giving first aid with instructions on how to use the equipment, including heart starters, as well as maps where these are located. It also includes contact information for people you should contact for help. We continuously carry out maintenance courses in first aid and the use of heart starter.

We have an annual fire protection inspection, which is carried out by the Danish Fire and Security Institute, after which we receive a report that we comply with to ensure that we have the right safety precautions. Further, all our firefighting equipment is checked annually by Dansk Brandteknik A/S.

Activity 2019: Fire protection and evacuation exercises

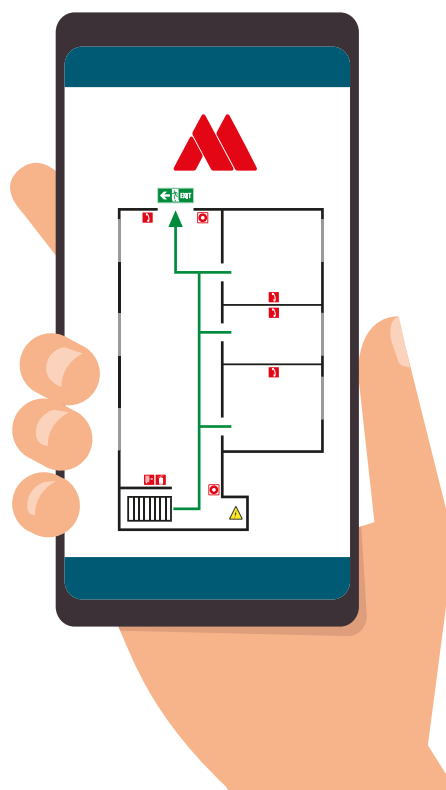
In 2019, we have been SMETA audited by the Norwegian Veritas, which we passed. The audit has resulted in the implementation of the following activities. We have

improved our contingency plan in regard to fire protection to ensure that our employees are able to handle a potential evacuation. Therefore, we established a team of representatives from our staff, who together with all managers have been equipped with a mobile system that allows you to initiate or be informed of the need of evacuating. The system can inform on evacuations for individual buildings or the entire headquarter.

In addition, we have established a procedure description for evacuation and how to act in the event of one, to ensure that all external workers, are informed on how to follow the evacuation procedure. To ensure that our emergency procedure functions optimally, we have held one evacuation exercise, which we passed. Furthermore, we have drawn up escape plans signage and placed emergency equipment in strategic locations.

Objective going forward:

Our objective for 2020 and onwards is to conduct at least one fire drill annually. Moreover, we will upgrade our evacuation technology to an app solution.





Caring for the climate & the environment

We are committed to reducing our CO₂ emissions in scopes 1 and 2 and hereby making sure that our CO₂ emissions are net zero by the end of 2030. We will strive to become more resource-efficient by combining business goals and considerations for the environment and climate – both in our purchase of raw materials and in our own operations and when our products are used at production sites.

Energy savings for our products

We constantly strive to patent and develop new energy efficient machines and solutions for the benefit of our customers and our planet. We have the opportunity to contribute to a significant reduction in CO₂ emissions in regard to the use of our machines and solutions.

During our initial analysis and concretization of the CO₂ emissions deduced in the respective parts of our value chain, it becomes clear that our customers' use of Aasted equipment is the part of our value chain where biggest CO₂ emissions are. At the same time this part of the value chain is also where our largest potential for reduction of CO₂ emissions is to be found.

Activity 2019:

Derivative effects of our StellaNova technology

With our latest technology in the field of tempering chocolate, StellaNova, provides an energy saving up to 50% when compared to a traditional temper. This technology was launched in 2018 and we have since, during 2019, discovered that this technology has even greater potential when it comes to reducing energy consumption in a production system. StellaNova can reduce the cooling time by up to 30%. With this follows even greater energy savings, and StellaNova thus proves that both quality, efficiency and energy savings can be a part of the development of new technologies and products at Aasted.



New focus going forward:

We have decided to incorporate a number of new steps into our development process, as well as in our product lifecycle process from 2020 and onwards. In the future, there will be recycling rates and criteria on all of our equipment and recycling instructions for disassembly and disposal. Processes and criteria for the equipment will be made. In addition, new products will be launched with a permanently defined spare parts packages, as well as defined service intervals, which will ensure the extension of the life of the equipment.

Climate and environmental considerations

As we want to initiate the activities that result in the largest CO₂ reductions, we have established a number of partnerships to help identify, where we emit the most CO₂ and to clarify why this may be. We strive to be as transparent with our data as possible. Furthermore, we strive to get respective partners, both suppliers and customers involved.

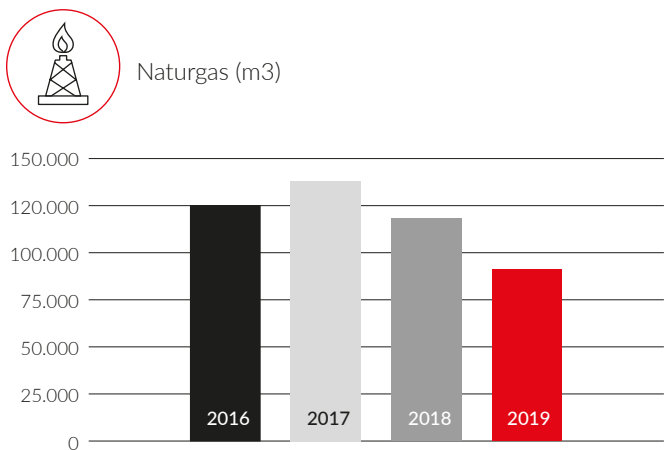
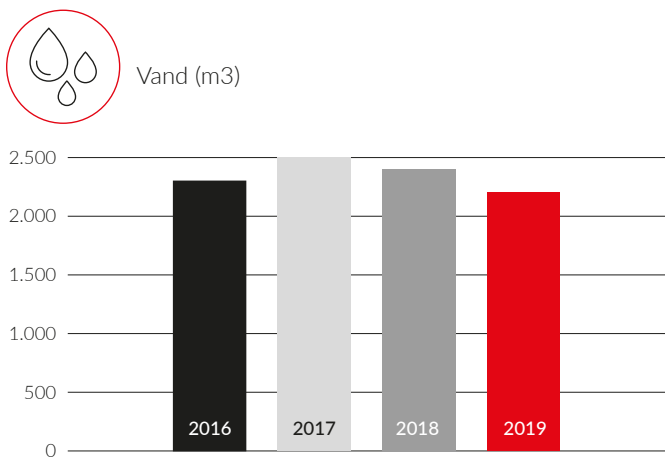
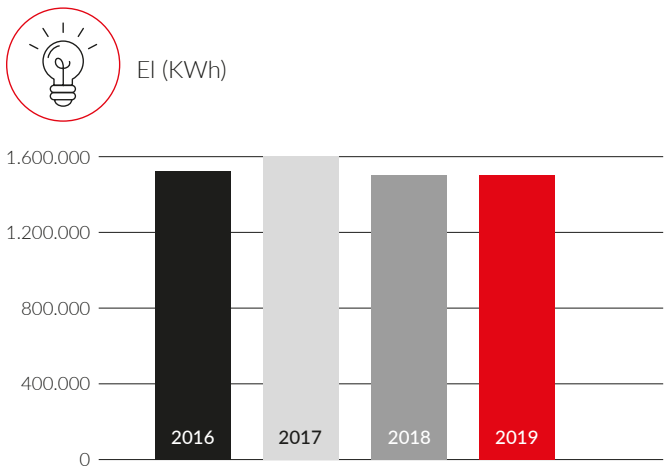
Our daily operations in Farum will impact the environment and climate both directly and indirectly. We want to reduce our negative impact as much as possible and therefore, we are trying to minimize our consumption and use resources as efficiently as possible as well as use green solutions where it is possible to create a positive impact.

Activities 2019: Sorting waste

We are focusing on waste sorting, due to both, environmental and economic considerations. At Aasted, we work with a waste sorting company Stena, who handles the majority of our waste and advises us on how we can improve.

Energy consumption, Farum

Electricity, water and natural gas consumption at Aasted, Farum from 2016 to 2019



We sort our waste into fractions and distinguish between different types of waste in order to eliminate or reuse the materials correctly.

In 2019 our objective was to examine how we can become better a sorting and recycling our wastepaper. This has been solved and therefore we have made a new agreement in cooperation with Stena, which means that we have received a larger container for wastepaper, to ensure that a greater proportion of our paper is sorted and recycled. We have seen an increase in the amount of paper that has been sorted, as we sent 3392 kg for recycling in 2018 and 5533 kg in 2019. Hence, we have decided to set up a target for reducing the amount of paper used in our administration.

New focus going forward:

We want to establish garbage sorting systems in the administration and at the factory, as well as processes on how to sort garbage.

We want digitalize assembly folders for our operation, which will lead to a reduction in paper consumption.

Activity 2019: Energy consumption at Aasted

In general, we see a continuous decrease in our consumption, despite the fact that we have purchased several additional square meters of land over the years. This means that our energy efficiency per square meter is showing a positive development.

We have focused on replacing light sources for LED lights or other alternatives that save energy and improve the quality of the light. We have replaced about 10% of the lights at our head quarter in Farum to LED lights by 2019.

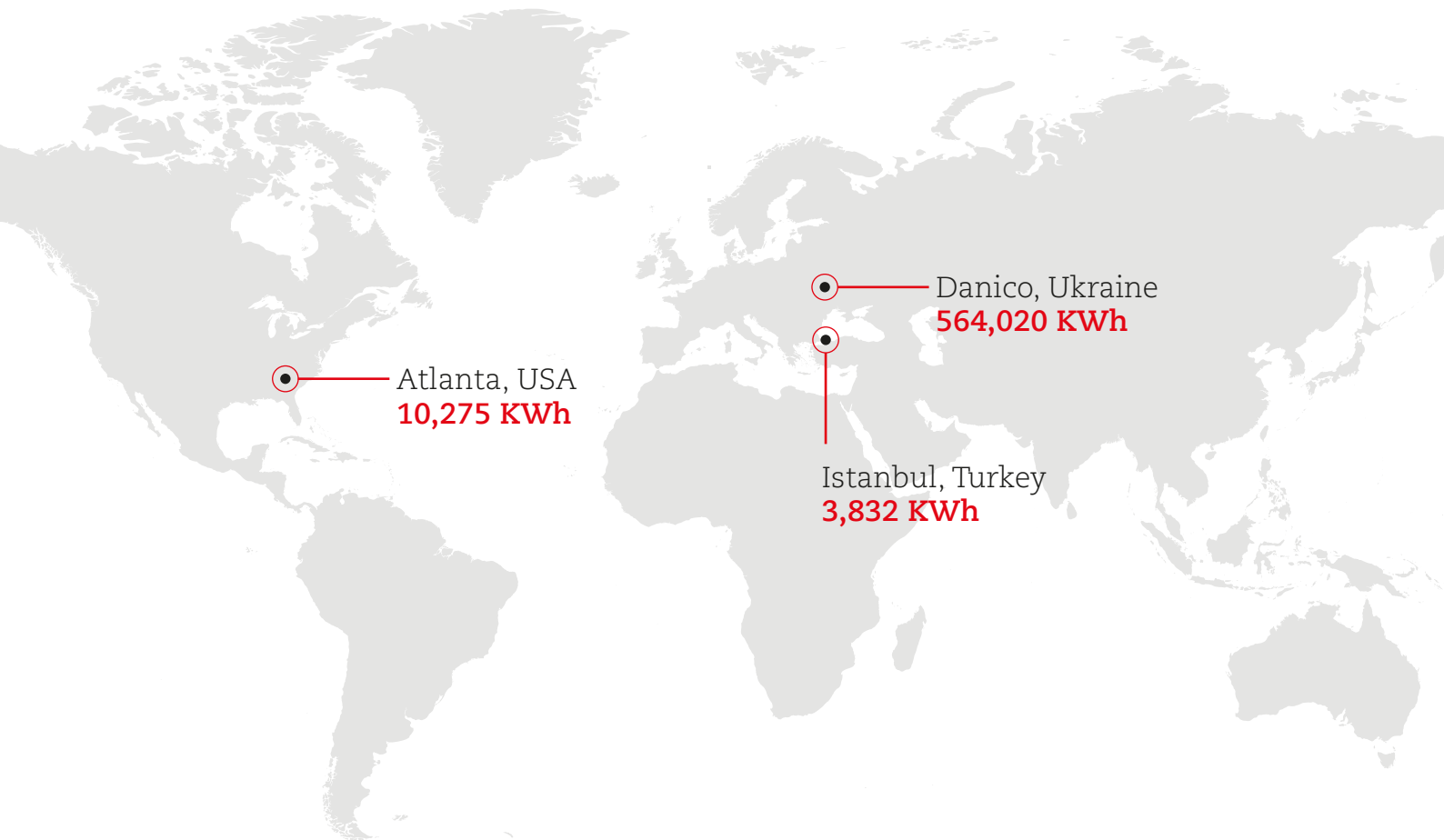
As we focus on CO2 emissions caused across all of our the value chain, we have listed the electricity consumption for the directly owned subsidiaries and suppliers that we are controlling directly.

New focus going forward:

From 2020 we will no longer look at our energy

Electricity consumption, Worldwide

Directly owned subsidiaries
suppliers in 2019



consumption but instead we will be looking at our CO₂ emissions. Our objective is to have net zero CO₂ emissions in scopes 1 and 2 for Aasted and our directly owned subsidiaries by 2030. Therefore, we will be drawing up a catalogue of possible improvement measures during 2020, that can be initiated and implemented 2021. This includes examining what the concrete effect would be if we decided to convert to green energy.

Activity 2019: Travel activity

As we are mainly an export company, we are aware that our travel activity around the world has a negative impact on the environment and climate. Therefore, we decided in 2018 that we would focus on making greater use of digital opportunities, such as our video conferencing systems, to reduce our travel activity in 2019. Likewise, we have a goal

to set up new regional and local offices, which can also help reduce travel consumption when we are conducting service at customers' local production sites.

We have reduced our CO₂ emissions from traveling, which means that we have gone from emitting 652 tons of CO₂ in 2018 to 644 tons of CO₂ in 2019. This equates to a reduction of 7.5 tons CO₂.

Objective going forward:

Our objective for 2020 is to reduce the CO₂ caused by our flight transportation with 2%, which is a saving of 13 tons of CO₂. We believe that we can achieve this goal by focusing on using other types of transportation and video calls whenever possible.



Business ethics & anti-corruption

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

Code of Conduct

At Aasted, we have different policies and guidelines for social responsibility and good practice for employees and business partners. The purpose of our Code of Conduct is to create a common understanding of the commitments we have towards each other in order to reflect standards for good behavior. Our various policies are summarized in our Code of Conduct, and we want to ensure that both we and our business partners meet common standards for good business practice.

Activity 2019:

Preparation and promotion of the Code of Conduct

When we took the first steps to develop our Code of conduct in 2018, our objective was to publish an updated version of our Code of Conduct in 2019. This objective has been reached and we now have a Code of Conduct, which is available for everyone on our website. In addition, during 2019, we would be focusing on communicating this Code of Conduct to our suppliers to ensure that they agree with our policies and that they are commit to follow them.

Objective going forward:

By 2020, we will further promote our Code of Conduct both in purchases and sales. In relation to procurement, we need to intensify our work to increase the share of the Code of conducts that has been signed by our suppliers. We need to establish a process where we collect, archive and respond to the Code of Conducts, we have been sent from our suppliers. In addition, we must take action towards any suppliers who have not shown acceptance of our Code of Conduct. We are interested in the intention

and content of the principles which our Code of Conduct contains, and this is crucial for us, when deciding whether to use our or our suppliers Code of Conduct. Likewise, we will use the same approach when using our Code of Conduct in relation to sales and our customers.

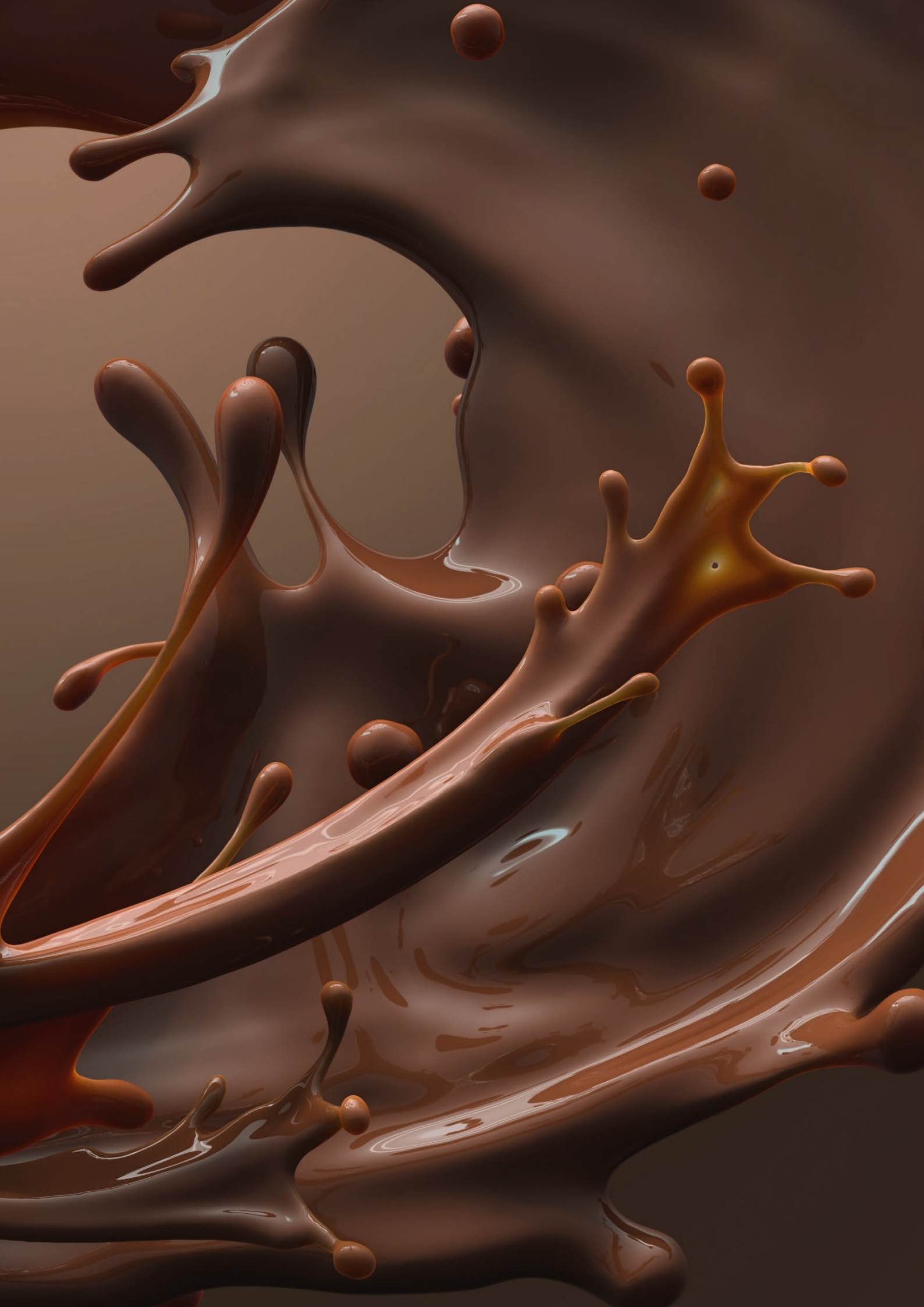
We need to carry out the first audits at our suppliers during 2020. Furthermore this means that we will be establishing a system for documenting and archiving of activities carried out as well as a process for how to deal with any deviations in regard to our Code of Conduct.





Risk assessment

Aasted's policy areas	Risks associated with our business (1-3 years ahead)	Degree (high, medium, low)
 Passion for people The best framework for our employees.	Mental health As a project-oriented organization, we always have to meet deadlines which may cause occasional time pressure that may pose a risk of stress and mental health issues.	Medium
 Health & safety at work Our level of safety must be outstanding.	Injuries We work with large and heavy machinery and tools that can pose a risk of physical injuries in the event of loss or improper handling hereof.	Medium
	Chemicals Our manufacturing processes involve use of chemicals. Our employees are handling chemicals that poses a risk of inhalation and spillages.	Medium
	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.	High
 Caring for the climate & the environment We care about the climate and the environment both in relation to our own operations and the use of our products.	Waste management and wastewater The day-to-day operation of our business involves generation of waste and wastewater which poses a risk of impacting and polluting locally if this is not handled properly.	Low
	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.	Low
	CO2-emissions from our scope 3 activities There is a risk of negative impact on climate and environment associated with our activities related to scope 3, including i.e. purchase of raw materials and transport, which are the activities we see, cause the biggest CO2 emissions.	Medium
	Disposal of our machines There is a risk of impacting the environment and climate negatively when disposing of our machines due to the materials they are made of. Therefore, if the machines are not disposed of correctly, a risk of pollution can be associated with it.	Low
	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.	Medium
 Business ethics & anti-corruption We reject all forms of corruption	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.	Medium



WE ARE ALL RESPONSIBLE FOR LEAVING NO TRASH BEHIND

We believe that any company or organization, has the responsibility to leave no trash behind and clean up after itself. Therefore, we find it natural to firstly identify which negative impact we are responsible for in the value chain that we are a part of.

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