

## **2019 Statement on Corporate Social Responsibility and management gender composition in accordance with Sections 99a and 99b of the Danish Financial Statements Act.**

The main activity of the company is the manufacture of complex steel structures.

As a manufacturing company, the company's main social impact concerns the supply chain and specifically ensuring human rights and working conditions for employees. Furthermore, there are significant environmental and climate impacts on society.

The East Metal Group's corporate social responsibility policy is based on the company's values and builds on the UNGC/UN's 10 Principles of Corporate Social Responsibility. The Group is committed to ensuring that our business partners also comply with our policies in this regard.

### **Corporate social responsibility policies**

East Metal has a clear position on corporate social responsibility. Employees are treated with respect, just as the company expects employees to behave loyally. Therefore, East Metal has clear guidelines and policies in this area.

The East Metal Group's corporate social responsibility policies include:

- Compliance with legislative requirements.
- Human rights.
- Health.
- Safety.
- The working environment.
- Quality policy.
- Environment and climate policy, and
- Prohibition of corruption and bribery.

Group policies are enforced by management and employees of the Group contributing to:

- Complying with applicable law.
- Promoting a culture where all employees are equal regardless of colour, race, nationality, social background, sexual orientation and political or religious beliefs, gender, or age.
- Providing fair remuneration and ensuring the applicable national statutory minimum wage.
- Complying with the maximum number of working hours set by local legislation.

- Prohibiting child labour and not employing workers under the age requirement of local law.
- Respecting the rights of employees and respecting personal dignity and privacy.
- Taking responsibility for the health and safety of employees.
- Complying with the Group's health and safety policy.
- Ensuring that the Working Environment Programme is followed and maintained in accordance with OHSAS 18001 requirements.
- Not tolerating or encouraging any form of corruption or bribery.
- Not exploiting government support to break the law.
- Reducing environmental and climate impact by ensuring optimal use of resources by reducing energy consumption, waste, and emissions to the environment.
- Promoting employee awareness and responsibility for the environment through training and engagement in environmental work.
- Selecting and approving new suppliers carefully and aiming to have all suppliers.
- Complying with this CSR Policy.

## **Human rights**

Significant risks and policy.

The main risks for East Metal in this area include risks of non-compliance with our values within the Group, as well as with subcontractors. For both, risks are linked to respect for human rights.

The Group's policy is that all employees should work under decent working conditions and according to applicable legislation. The Group supports and respects internationally recognised labour rights as specified in the core conventions of the International Labour Organisation.

Actions and results

In 2019, East Metal continued to live up to its values. Many employees have been updated on values and policies.

## **Activities carried out and their results:**

Quality and working environment.

The Group has a quality and working environment objective and aims for certification to current standards. Current and planned certifications for the East Metal Group include:

ISO-Certificeringer:	SIA East Metal Dobeles	SIA East Metal Jelgava	SIA East Metal Daugavpils	East Metal Nakskov A/S	East Metal Trade A/S
EN/ISO 9001:2015	Ja	Ja	Ja	Ja	Ja
EN/ISO 3834-2:2006	Ja	Nej	ja	Ja	N/A
EN/ISO 1090-1:2018	Ja	Ja	Ja	Ja	N/A
EN/ISO 45001:2018	Ja	Ja	Ja	Nej	N/A
EN/ISO 14001:2015	Ja	Ja	Ja	Ja	Ja
EN/ISO 15085-2	Ja	Nej	Ja	Nej	N/A

A work place condition assessment has been conducted in Daugavpils

### **Safety**

The Group records a number of health and safety issues, which include:

#### ► Personal accidents, in the categories

- Accidents, i.e., accidents in which injuries are recorded with more than 24 hours of absence afterwards.
- Incidents, i.e., accidents where no absence is recorded, or the absence is less than 24 hours.
- Near miss, i.e., identifying conditions or states that could cause a personal accident.

The Group's objective is to have no personal accidents resulting in more than 24-hour absences. In 2019, a total of 17 accidents were recorded, compared to 15 accidents in 2018 with absences of more than 24 hours.

#### ► Fire

It is Group policy that safety around work does not result in fire. In 2019, 2 cases of minor fires were recorded in production and outside areas, compared to 4 in 2018.

► Environmental accidents, i.e., pollution of soil, water, and air.

It is the Group's policy that no environmental accidents occur. In 2019, 1 environmental accident was recorded compared to 4 in 2019.

In 2016, the Group was certified according to EN/ISO 14001:2015. Environmental improvement measures are continuously being implemented to avoid environmental accidents and minimise the Group's environmental impact.

For 2020, the aim remains to avoid serious accidents. The East Metal Group works proactively with "near miss" accident records and risk assessments as preventive activities. All employees participate in safety work and are obliged to ensure their own safety and that of their colleagues.

► Climate

The Group's policy is to reduce climate impacts, including energy consumption by the Group's activities. In 2019, the Group continued its excellent work on climate improvement by optimising resource use.

Continued optimisation of the Group's resource use is planned for 2020.

### **Sickness and well-being**

Regarding employees, sickness, well-being, and safety are the most significant risks, which is why the Group has a strong focus on employee sickness and well-being. The Group's target for 2019 has remained that sickness absence should not exceed 1.5% for salaried staff and 3.0% for hourly-paid employees.

For 2019, the records show:

Hourly-paid employees 2.33% (2018 2.7%), target <3.0%

Salaried staff 0.9% (2018 1.2%), target <1.5%

In 2020, the focus will remain on sickness and well-being. The Group has been conducting performance appraisals for salaried staff & hourly-paid employees with a positive impact, and in 2020, the performance appraisals will be continued to become a regular part of the Group's working day.

### **Anti-corruption**

Significant risks and policy.

Risks related to anti-corruption are mainly considered to be related to the Group's contacts with subcontractors, customers, and authorities of the Group's foreign companies.

The Group does not tolerate any form of corruption or bribery, and it is also Group policy to comply with all laws and regulations, both locally and internationally.

To ensure that all employees comply with the Group's policies, all employees in vulnerable positions working with foreign companies are regularly reminded of the Group's policies.

No cases of corruption or other unethical behaviour were recorded in 2019.

### **Expectations for corporate social responsibility in the future**

The Group is continuously improving, measuring, and recording the impact of our corporate social responsibility policies.

### **Gender representation in management**

The Group is committed to complying with the legislation on the under-represented gender on the Board of Directors and at other levels of management.

The Board of Directors is currently composed entirely of men, as there have been no qualified proposals for female directors for the Group, and, furthermore, there have been no elections to the Board during the year. The Group's objective is that, subject to relevant competence, there is at least 1 woman on the Board of Directors at the time of the 2021 Annual Report.

The gender balance in the Group's management team between men and women are unchanged 66/33

The Group's policy is that both men and women are encouraged to apply for vacant positions within the Group and that men and women are guaranteed equal rights and conditions of employment. The Group expects that the policy outlined here will result in an increase in the under-represented gender.