





CEO Statement

We have a wide range of contacts especially within Danish Industry and infrastructure, but also in Norway and Sweden. As we have a wide range of contact to suppliers worldwide. We are involved in more than 20 countries throughout the world and do acknowledge and respect our responsibility and obvious opportunity to exert our influence on society in matters of social responsibility.

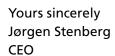
Trade, distribution and technological development is all about relationships. Our main role is to be the link between supplier and customer, and through longterm cooperation's on both sides, we create a mutual understanding of needs and characteristics and better business for all parties. Our long-lasting partnerships - some of which have lasted 50 even 60 years -are stable but not static. The longlasting partnerships tend to have their own dynamics, where development takes place with an iterative application of innovation, thus customer, distributor and producer jointly follow the market development with a mutual acceptance of the opportunities existing and new markets offer.

As from July 1 2014 Hans Følsgaard A/S has a new majority shareholder, viz. Addtech AB. Addtech AB consists of more than 100 operating technology-trading companies in the Nordic countries that all work 100% autonomously. There will be no changes in the day-to-day business and management in HF. Addtech runs long-term Corporate Social Responsibility (CSR) work that covers all subsidiaries in the Group. Addtech's overarching goal is to fulfil the requirements and expectations of customers, shareholders

and employees regarding sustainable enterprise. Addtech has a Code of Conduct that covers all subsidiaries, and each year a sustainability report is produced to present the results of the CSR work. The reporting complies with the guidelines for Application Level C of the Global Reporting Initiative (GRI). See Addtech CSR Report

HF joined the UN Global Compact 12.12.12 to manifest our commitment and to promote socially responsible business and ethical behavior. We are pleased to confirm our continue support the UN Global Compact and its ten principles.

Our employees are our most valuable assets. Endeavoring to give them increased job autonomy our CSR work too is based on a high degree of employee involvement. Our employees have made a catalog of ideas and from this we have all jointly selected three topics we wanted to work with in 2014, viz. work environment, suppliers and how to reduce CO2 emission, paper and energy consumption. The outcome of which you will find in this year's COP report.





Jørgen Stenberg CEO



Employees

You get what you give; in HF, we allow employees a high degree of autonomy. They have the freedom to manage much of their own work and to determine whether to work from home or in the office. Giving our employees freedom with responsibility - we get flexible, dedicated and satisfied employees.

Place of work assessment

Wishing to maintain and improve the good work environment, we initiated a place of work assessment in 2014. The assessment comprised a safety evaluation of the buildings and equipment and a questionnaire with a long series of questions on the physical and psychosocial work environment.

The response rate was 66% and the result of the assessment more than satisfactory.

Conclusion

The assessment resulted in a report and a plan of action. The report concluded that we have a positive and healthy work environment, physically as well as psychosocially. The open office is bright and sound absorbing with focus on a good work environment with plenty of space for the individual employee. The open office is an important factor for the knowledge sharing principle in HF, thus any downsides of the open office will be attended to.





As from the end of 2014 all employees have tables with lifting/lowering mechanism and an extra sound-absorbing screen on the table.

Warehouse

In our warehouse, we have also taken measures to make the work environment as safe and comfortable for our employees as possible. E.g. we store in four only to spare the neck of the lift truck driver, we have aids for heavy lifts, tables with lifting/lowering mechanism and ramps for trucks to unload themselves.

Massage and coaching

As an extra improvement of the work environment, we have in 2014 expanded our weekly massage to include coaching. Offering our employees these two options on a weekly basis has been a great success measured by the affirmations given by the employees and the number of users.

Attract and keep the best employees

HF has appointed a small internal committee that will look into the report and plan of action to see whether new initiatives could be made endeavoring to make HF one of the best working places in Denmark attracting and keeping the best employees.

No incidents of involvement in labour rights violations have been reported in 2014.

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- Administration/Sale/Purchase/Finance 50
- Warehouse 9
- Norway 7
- Sweden 1 Average age: Average seniority:8,7 years

Female 17 Male 50

Our employees are our most

valuable assets and we treat

them; their well-being and job

satisfaction are important to us.

them as such. Our future

development depends on



Environment

In HF we care about the environment and aim to build environmental sustainability into our business functions and processes wherever possible.

This year we have as mentioned had focus on how to reduce CO² emission, energy and paper consumption. In order to reduce CO² emission we need to measure it and monitor it:

Paper consumption

Small everyday actions make a difference too:

This is another proof of the dedication and involvement from our employees. Our IT manager came up with this idea to create focus on our paper consumption and implemented a programme that constantly monitor and tell you how much paper is used when printing from the individual PC.

This small measure has created focus on our paper consumption and reduced it by 9% in 2014.

Warehouse

Our central warehouse is located 100 meters from our HQ and employs nine people. Our warehouse is designed and organized out of consideration for our employees as well as the environment. We have focus on creating the best possible work environment and constantly strive to find ways to find ways to reduce CO2 emission.

Some of the measures we have taken are:

- Dome light in our warehouse using the daylight as far as at all practicable out of consideration for our employees as well as the environment.
- We use gas heating.
- Only areas where employees come regularly are heated. Temperature sensors control the heating.
- Energy efficient fluorescent lamps (Argon). Only one gate to minimize draught.
- We use only electrical trucks and stackers Packaging / reusable & biodegradable products.
- Our suppliers directly reuse approx.20% of all our dispatch packaging.
- Our packaging is reusable board without print.
- Our package stuffer is either reusable paper from the suppliers, or biodegradable air bags.
- Our logo tape is made with watercolour and the tape itself is made from fibre instead of oil.
- We assort all garbage into paper board – metal – electronics – wood and combustion.
- We constantly strive to find ways to pack as space saving as possible to reduce CO² emission.

Carriers

In HF we only want to contract with socially responsible carriers and we aim to get reports on the CO² emission from all our carriers. The first figures we have received in 2014.

Products

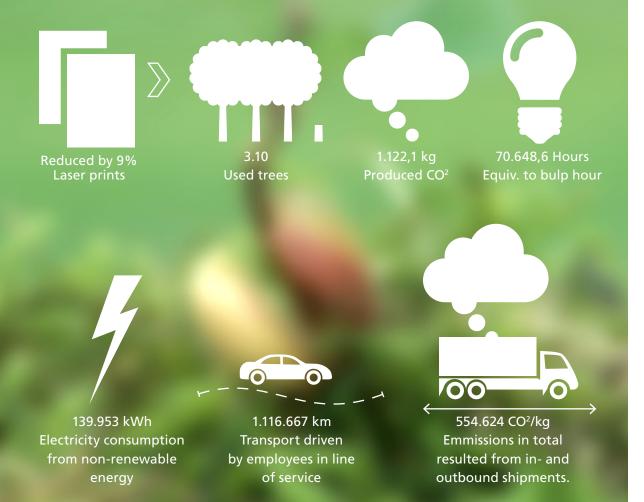
As Technical Partner for our customers, we take pride in developing environmentally responsible and cost effective solutions - in close cooperation with our customers and suppliers

Example:

Hans Følsgaards R&D department work closely with our customers to develop sustainable products. Thus, our R & D department has just developed a unique product with multifunction that can replace an existing product that due to its construction has a very short lifetime. The new product reduces raw materials consumption by 50% having a beneficially environmental and financial impact.

The product will be launched mid-2015 on the world market.

HF has neither been sued nor fined or received any penalties for violation of environmental laws or environmental regulations.





Society

HF actively supports many worthy causes in the community, thus provide financial support to humanitarian organizations and sports associations.

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This year we have donated to the fight against cancer and to UNICEF

HF has a long history of supporting sport and its young people and providing them with as much help as possible in meeting their potential goals.

Small everyday actions make a difference too:

In December our warehouse got the idea that they wanted to support the efforts of Julemærkehjemmet* to help overweight children. Our warehouse asked all carriers not to bring any Christmas presents but instead donate an equivalent amount of money in a box dedicated the children of Julemærkehjemmet. This amounted in 4.000 DKK, which were handed over personally by our warehouse manager –he got a very warm welcome and a tour around the premises of Julemærkehjemmet – a memorable day.

In our office in Norway our employees decided not to give customers any Christmas presents but donated 5.000 NKK to UNICEF instead.





DKK 547.107 Sponsorship & donations

* Facts about julemærkehjemmet:

Julemærkehjemmet Has room for 48 children aged 10 to 14 years. The children come with various symptoms (including obesity) of not thriving optimally in their everyday life. Changes in diet and physical standards, confidence lifting challenges and pedagogical efforts give the children a completely different appearance, a more appropriate behavior and an improved quality of life without bullying.





We consider ourselves the right-hand man not only for our customers but also for our suppliers throughout the world.

It is characteristic of HF to have very longlasting partnerships with both customers and suppliers. Our oldest partnerships go back 50 and even 60 years. Immediate advantages being that communication and mutual understanding ensures efficient trade and technological development as the alliances also provide solidity and stability that benefits all parties in the supply chain.

Our choice of suppliers is essential for our business and we are very selective with our suppliers. We ensure not only that their product match our customers' requirements, but also that our suppliers are socially responsible and prepared to observe the principles of the UN global compact.

Better Business for all

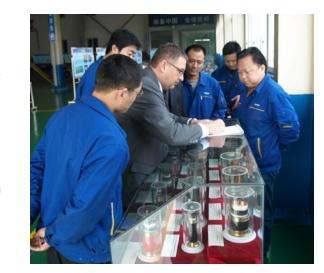
We help our customers make the right decisions in their choice of product as we help our suppliers match customer requirements. Thus, we aim to make better business for our clients, our suppliers and for us.

Supplier Code of Conduct

We have taken several measures to promote supplier sustainability. We encourage our suppliers to sign our supplier Code of Conduct that support the ten principles of the UN global compact.

Audits/supplier screening

We screen our suppliers biennially and next screening will take place in 2015. Based on a risk assessment we audit selected suppliers. In 2014 based on our risk assessment, we audited two suppliers in China.



The outcome of the audit showed no violations of principles and regulations.













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