

COP report 2015

Hans Følsgaard A/S



HF FØLSGAARD
Din TeknikPartner

Content



Key Events 2015

- Launch of new sustainable product – the HF manhole
- The establishment of a new division for renewable energy - HF Greentech
- Videoconference is now a well-established alternative to physical meetings
- Supplier screening initiated
- Teambuilding for all employees
- Free Eye examination for all employees



CEO Statement

HF's vision is to be our customers' Technical Partner of choice. Working towards our vision and running a business, we aim to run a sustainable business and to create value for our stakeholders, employees, society and the environment.

Ten years ago, we formulated our strategy for the coming years with the establishment of the so-called "Technology Partner" concept. It has been invaluable to the company. The strength of this concept lies in a strategy pointing towards modular and solution oriented products.

HF chose to focus on a long-term cooperation with both customers and suppliers enabling us to follow projects all the way from development through production and to life expectancy in the market supporting our customers to the fullest before and after the sale. It has proven to be a very wise policy as we managed to maintain an independent life as a Danish / Nordic distributor of industrial products – with continuous growth and a healthy economy for us and for those of our suppliers who chose to go with the concept. In our future strategic role, we must process the products and deliver solutions that are easy for the customer to implement.

The solutions must be based on the qualities that characterize the individual customer, but which also includes the latest and most efficient technologies from the manufacturer in terms of performance, communication speeds, interfaces, consumption, efficiency, robustness and long market life – supporting our customers every step of the way.

The innovative solutions add value and challenge our employees, who are increasingly exchanging ideas and experiences interprofessionally and it calls for continuous training of our employees. In this way, new effective system solutions arise.

In 2015, Hans Følsgaard A/S established a new division HF Greentech the purpose of which is to develop better solutions for the sectors of sustainable energy production, in particular wind energy. By developing modular system solutions, which draws on the expertise from several of our suppliers, the new division could become a competent technology partner for the major players in the wind industry and therefore an exciting and effective new sustainable leg in Hans Følsgaard A/S.

HF joined the UN Global Compact in 2012 and we are pleased to confirm our continued support to the UN Global Compact and its ten principles.

Yours sincerely
Jørgen Stenberg CEO



Jørgen Stenberg
CEO

Employees

Our employees are our most valuable assets and we treat them as such. Our future development depends on them; their well-being and job satisfaction are important to us.

We allow our employees a high degree of autonomy. Giving our employees the freedom to manage much of their own work we get flexible, dedicated and satisfied employees in return.

HF's ambition is to always attract and keep the best employees. Thus, HF conducts annual performance appraisal dialogues in order to identify the areas where the employee would like to grow and develop and to ensure a healthy social work environment.



	2014	2015
■ Employees	67	73
■ Administration/Sale/Purchase/Finance	50	56
■ Warehouse	9	9
■ Norway	7	7
■ Sweden	1	0
■ China	0	1
Average age in years:	46,5	47,8
Average seniority in years:	8,7	9,2
Sick absence:	1,82%	3,5%
Male	50	53
Female	17	20

Education & Training

Our vision is to be our customers' Technical Partner of choice. Being a Technical Partner, we advise our customers on technical solution and therefore we have a professional responsibility to update our employee's knowledge. HF acknowledge the need for ongoing education and competency.

- Annual team-building session with all employees and team-buildings in each department
- Education of all employees at Addtech's business school in areas such as group corporate culture, business acumen and presentation and negotiation techniques.
- Training at suppliers



Health

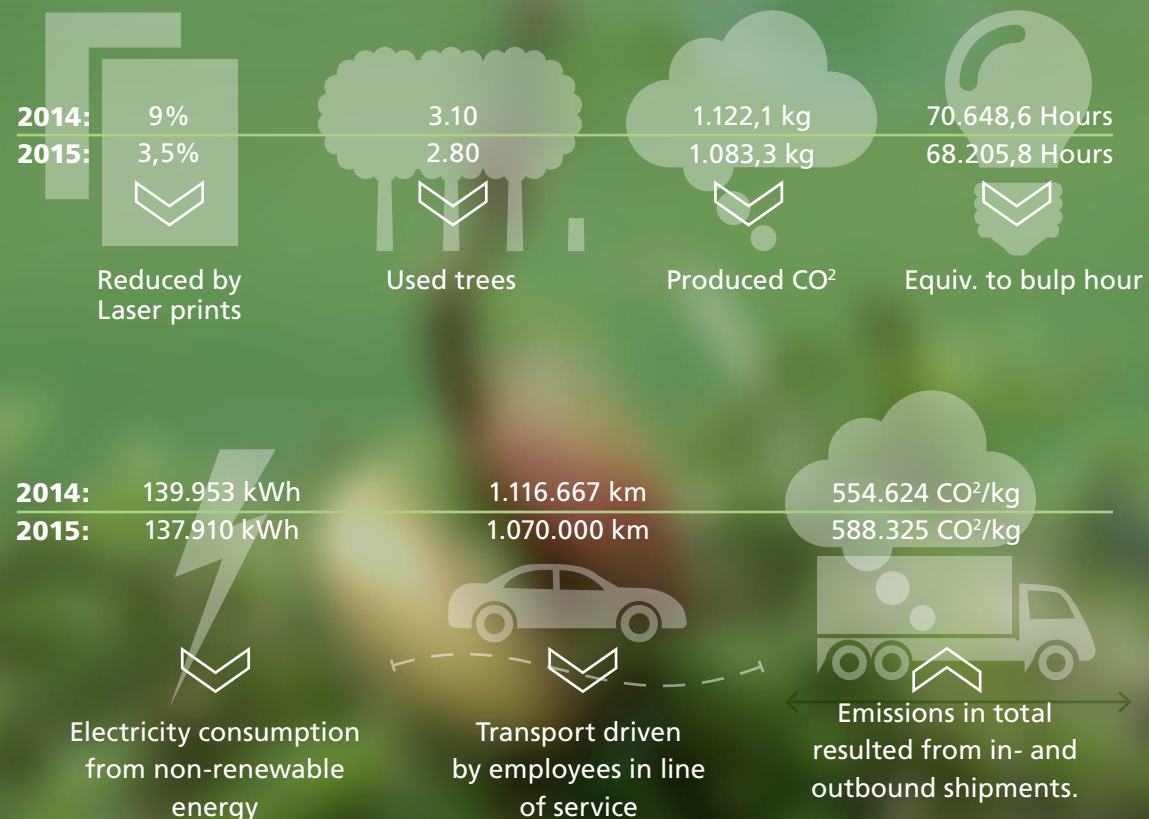
Health and safety forms a priority area for HF. HF has an ambition to focus constantly on promoting better health and wellbeing among our employees.

- Free health insurance – even for our employee's children below 21 years of age.
- Free eye examination.
- Group health & free time insurance
- Company insurance.
- Free Massage and coaching

No incidents of involvements in labor rights violations have been reported in 2015

Environment

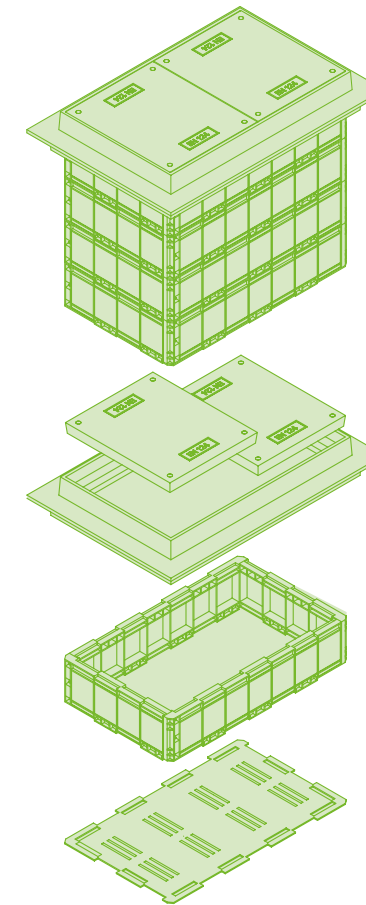
A strong intention to safeguard the environment forms part of HF's business strategy. The aim is to minimize HF's impact on the environment by working to reduce waste, CO² emission and energy and paper consumption.



HF's main operations consist today of technology sales and distribution and only very limited production. HF's main direct impact on climate is from the handling, packaging and transportation of finished goods, and business travel. The majority of purchases is from suppliers outside Denmark; ie. from Europe, the US and Asia, necessitating a high transport volume.

Activities conducted in HF to safeguard environment:

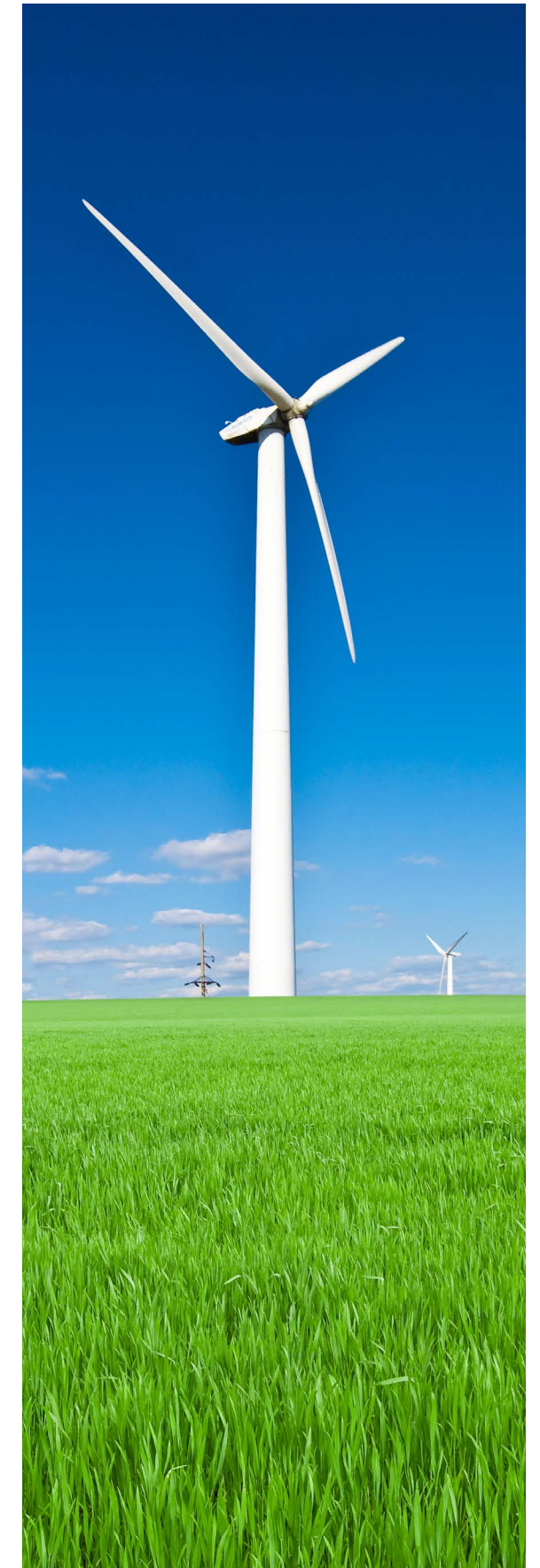
- Packaging materials used from only reusable & biodegradable products.
- Temperature sensors control heating in warehouse.
- We constantly strive to find ways to pack as space saving as possible.
- Garbage assortment to the utmost.
- Videoconferencing and mobile communications and on-line collaboration tools can make a significant contribution to reducing business-related travel and thus CO₂-emission. HF has invested in the latest video conferencing technologies and unified communications; Lync in 2015 and this has become a well established alternative to physical meetings.
- We take pride in developing environmentally responsible and cost effective solutions – in close cooperation with our customers and suppliers. Thus we have in 2015 developed a manhole – that is adding Economic, Social and Environmental value *)
- Renewable Energy in particular wind power and green technologies is a growing market and has lead HF to establish a department to protect and expand this part of our business.



**) HF has in 2015 developed a Manhole for use in the Telecom and Electrical installer marked, the production and design is sustainable in many years to come.*

The new Manhole is characterized by its lightweight and ergonomics that prevent injurie and contribute to a safer job site. It is made from recycle material and recycle no-confirming parts. It takes up little space in transit as in inventory due to its ability to stack 4 on one EUR pallet.

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.

HFs most important positive impact on society lies in our contribution to economic and social growth in the form of jobs and taxpayers. Through our products, we also help, for example, to bring efficiency improvements and to cut energy consumption.

Examples of social commitment projects in 2015 include:

- Donations to schools that help children locally and abroad, Sunway Foundation which helps the untouchables, the homeless, the sick children in India to live with dignity and Julemærkehjemmet in Denmark which helps children who have problems with bullying and social isolation.
- Donations to organizations that help fight cancer
- Sponsorship for sports clubs and local initiatives

During the period, HF was not ordered to pay any fines because of offences in the form of breaches of laws and regulations governing the provision or use of products and services.

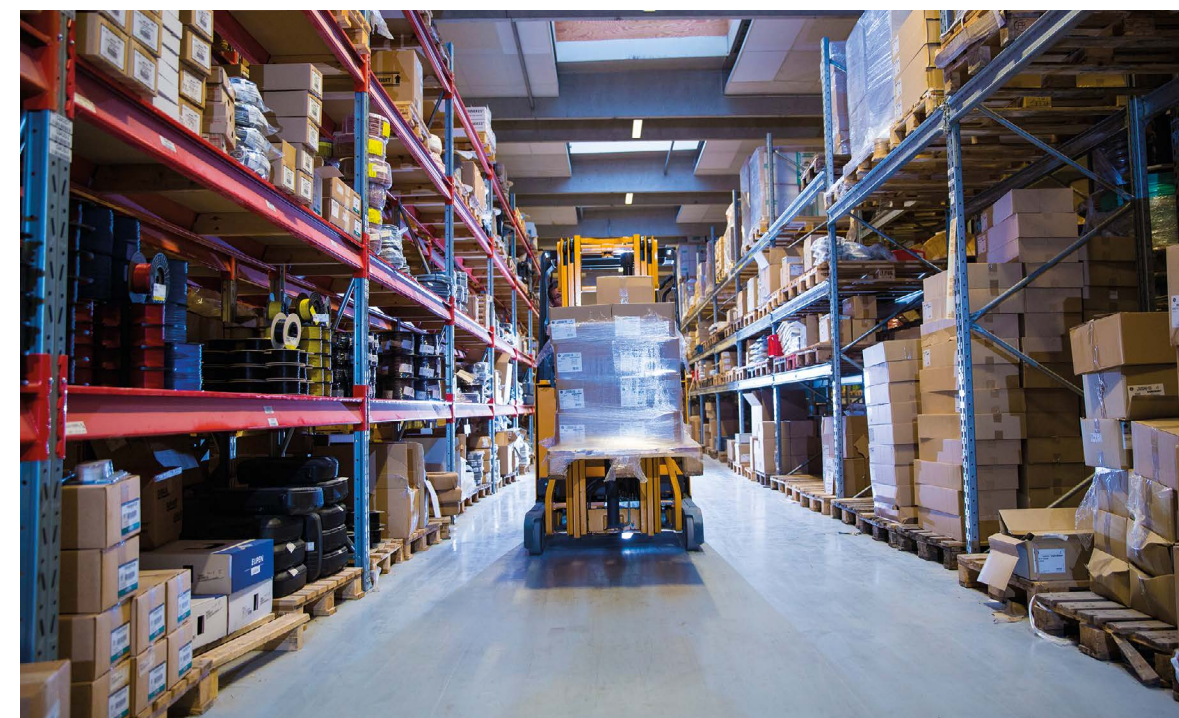


Suppliers

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

Hans Følsgaard A/S work with some of the world's foremost manufacturers of innovative and market-leading technical products and trade with over 20 countries in Europe, USA and Far East. Our long-standing and close relationship with our partners make the way from manufacturer to customer and vice versa shorter, processing time faster and customized solutions possible and accurate.

Our partnerships are long lasting some of them go back 50 and even 60 years and HF works continuously on deepening supplier relationships. Our choice of suppliers is essential for our business and we are very selective. We ensure not only



that their products match our customers' requirements, but also that our suppliers are socially and environmentally responsible.

We encourage our suppliers to sign our supplier code of conduct that support the ten principles of the UN global compact.

As part of these efforts, HF conducted its first supplier self-assessment in 2013 comprising 30 of the company's largest suppliers, and has decided to screen our suppliers biennially. Consequently, we

initiated a supplier screening again in 2015. As we audit selected suppliers based on a risk assessment.

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



Hans Følgaard A/S is a subsidiary in the Addtech Group.

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).



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