

DOVISTA®



COMMUNICATION
ON PROGRESS

HUMAN RIGHTS
LABOUR STANDARDS
ENVIRONMENT
ANTI-CORRUPTION

2019



UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

COMMUNICATION ON PROGRESS

We welcome feedback on its contents.

TABLE OF CONTENTS

THE DOVISTA GROUP

DOVISTA AT A GLANCE	4
REPORTING STRUCTURE	5
THE MANAGEMENT'S STATEMENT OF SUPPORT	7
OUR APPROACH	9

Firmly anchored in the business
Model Company

GROUP INITIATIVES AND RESULTS

HUMAN RIGHTS AND LABOUR STANDARDS	10
Responsible organisational behaviour	
Employee Foundation	
Code of Conduct, suppliers	
ENVIRONMENT	20
The environment and climate change	
Innovative development and experiments	
ANTI-CORRUPTION	31

THE DOVISTA GROUP

The DOVISTA Group is a group of companies that develop, sell and manufacture façade windows and doors. DOVISTA itself is part of the VKR Group and has its main activities on the Scandinavian and Northern European markets.

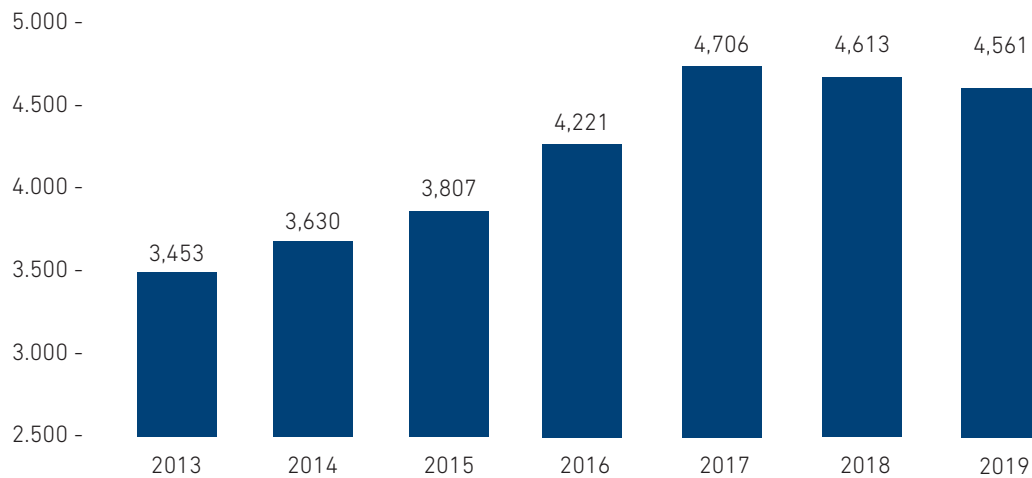
The DOVISTA Group's main impact on society relates to the way we source the raw materials used as inputs to produce our façade windows and doors, including in particular the social and working conditions in our suppliers' production as well as the impact related to the environment and climate change. Another important aspect is the working conditions of the employees working for the DOVISTA Group.

DOVISTA joined the UN Global Compact in 2016, making this report its fourth Communication On Progress (COP). This report has been drafted at DOVISTA Group level on the basis of systematic reporting from the companies and units of the DOVISTA Group. The report covers the period 1 January 2019 to 31 December 2019.

Group main activities in Europe



Number of employees



REPORTING STRUCTURE

Under the general DOVISTA headline: "Distinctive Brands – Shared Excellence", the companies in the DOVISTA Group do business in their own product portfolios, organisations and markets. However, all units in the DOVISTA Group operate on the basis of a strong shared set of values, formulated in the objective of being a "Model Company", resting on a strong and deep-rooted focus on social responsibility no matter where the individual company happens to do business.

The general responsibility for CSR within the DOVISTA Group lies with the board of directors of DOVISTA A/S but is carried out by the DOVISTA board of management through the active ownership of the companies in the Group.

This report has been drafted by the DOVISTA management and covers the entire DOVISTA Group. The report has been compiled on the basis of systematic reports from all units in the Group on specific quantifiable facts, supplemented by individual descriptions of initiatives and activities demonstrating how CSR works in practice. This systematic reporting on CSR has been the norm for a number of years and is now also used as a follow-up mechanism in relation to the UN Global Compact.

The DOVISTA Group

SVENSKA FÖNSTER
för en ljusare framtid

Lian

natre[®]
VINDUER

Mockfjärds

SNIDEX

[O]H
DOORS & PANELS

rational[®]
drevet af detalien

VELFAC[®]
VINDUER FOR LIVET

KRONE

THE UN GLOBAL COMPACT

The UN Global Compact is the world's largest corporate sustainability initiative. Companies and organisations worldwide have joined the initiative thus committing themselves to observe universal principles of human rights, labour standards, environment and anti-corruption.

The Ten Principles of the UN Global Compact

Human rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights, and

Principle 2:

ensure that they are not complicit in human rights abuses.

Labour standards

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,

Principle 4:

support the elimination of all forms of forced and compulsory labour,

Principle 5:

support the effective abolition of child labour, and

Principle 6:

the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges,

Principle 8:

take initiatives to promote greater environmental responsibility, and

Principle 9:

encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

THE MANAGEMENT'S STATEMENT OF SUPPORT

DOVISTA is part of the VKR Group and, thus, the principles of being a Model Company are also a part of our DNA. In practical terms, this means that the corporate social responsibility and sustainability form an integral part of our way of working. This applies to all our companies at home and abroad and, moreover, all units in the Group have been dedicated to security and corporate social responsibility in their way of working for many years.

Joining the UN Global Compact in 2016 was therefore a logical next step for us and this Communication On Progress (COP) is thus the fourth report for the DOVISTA Group.

We wish to continue to structure and aim our efforts within sustainability and, as part of the UN Global Compact, we wish to share our endeavours and results with the outside world. However, we aim higher than this – for this reason, we have made the conscious decision that, in 2020, we will formulate and implement a definite sustainability strategy for the DOVISTA Group. The strategy will result in a number of processes and objectives as well as a set of follow-up procedures.

As a business, we have a clearly defined desire to bring daylight and fresh air into people's everyday lives and, every day, the Group's employees feel pride at the fact that our products are socially useful and contribute to reducing the emission of greenhouse gases as well as the need for fossil fuels. In all relevant fora, we endeavour to motivate and influence decision-makers to ensure that the future holds more buildings using increasing amounts of sustainable passive energy while ensuring energy efficiency in new construction, renovation and maintenance of existing buildings.

On a personal level, I am proud to be part of a business where responsibility and sustainability make up a significant part of our ambitions and with the decision to take a more strategic approach to sustainability, the start of a new decade also becomes a demonstration of our increased focus on this very important issue.

I wish you, the reader, joy of the DOVISTA Communication On Progress 2019.

Allan Lindhard Jørgensen
CEO
The DOVISTA Group





OUR APPROACH

Firmly anchored in the business

Social responsibility and CSR is a natural and integral part of our business and day-to-day work. This is how it has been since 1965 when Villum Kann Rasmussen, the founder of the VKR Group, formulated the objective of being a "Model Company" – or, in other words, a company that others can look up to. From the very outset, the objective of DOVISTA has therefore been to develop and manufacture products that are useful to society and to always strive to treat our employees, customers, local communities and shareholders better than most other companies.

Model Company

The objective of being a Model Company is the foundation and the core value of all DOVISTA Group companies. This objective reflects our ambition to behave with integrity and is also the essence and overall ambition of our approach to corporate social responsibility:

A Model Company works with products useful to society and treats its customers, suppliers, employees of all categories and shareholders better than most other companies.

A Model Company makes a profit which can finance growth and maintain financial independence.

Villum Kann Rasmussen

This objective has since been followed up by a number of principles and guidelines which form the framework for the work with CSR undertaken by the companies in the DOVISTA Group.

Ownership

The DOVISTA Group is 100% owned by VKR Holding A/S, which is owned by foundations and family.

The vast majority of the profits made by the companies in the VKR Group are channelled back to society via THE VELUX FOUNDATIONS.

THE VELUX FOUNDATIONS are comprised of the two philanthropic foundations VILLUM FONDEN and VELUX FONDEN. Among the grant areas are science, environmental, social and cultural purposes in Denmark and internationally. In 2019, the two foundations gave joint grants of approx. EUR 178 million.

Both foundations were established by graduate engineer Villum Kann Rasmussen - the founder of VELUX and other companies in the VKR Group, whose mission it is to bring daylight, fresh air and a better environment into people's everyday lives.

GROUP INITIATIVES AND RESULTS

HUMAN RIGHTS AND LABOUR STANDARDS

We strive to treat our customers, suppliers, employees, shareholders and other stakeholders in an exemplary manner

The companies in the DOVISTA Group are anchored in partnerships and networks including stakeholders, both local and international, and engaged in dialogue with customers, suppliers and public authorities. With their prevalent local presence, all companies in the Group have a duty to contribute and behave with integrity in all contexts they are part of.

As a manufacturer of façade windows and doors, the main risk of the DOVISTA Group of violating human rights and labour standards relates to the companies' supply chain. This applies in relation to e.g. working conditions and health and safety as well as through our suppliers' use of forced or compulsory labour and child labour.

Our behaviour and approach always reflect our objective of being a Model Company. We set high standards for our relationships with customers and stakeholders and we promote socially responsible behaviour in all collaborative relationships. Neither DOVISTA nor any of the companies in the Group tolerate neither child labour nor other human rights abuses and we make the same demands on and have the same expectations of our sub-suppliers.

Respect for the individual is a central element in our corporate culture. We act with integrity at all levels of our organisation and all employees are treated with respect, regardless of gender, age, race and religion.

In 2019, DOVISTA adopted and commenced the implementation of a communications policy in that respect which, based on a set of basic rules on openness, respect and mutual understanding, forms the framework for a strong, shared culture.

Code of Conduct, suppliers

Sourcing of raw materials and collaboration with sub-suppliers account for a significant part of the business activities in the DOVISTA Group.

For several years, DOVISTA has operated with a Code of Conduct for suppliers to the largest units in the Group. The Code of Conduct for suppliers demands, amongst others, that they respect human rights, the right to collective bargaining, a ban on forced or compulsory labour, a ban on child labour, a ban on discrimination and a ban on corruption.

Since 2018, DOVISTA has focused on disseminating its Code of Conduct and has set up stringent criteria for the selection of suppliers. Thus, in future, it will not be possible to be approved as a new DOVISTA supplier without signing our Code of Conduct for suppliers.

The plan continues to be rolling out the Code of Conduct for suppliers to all Group units with a view to ensuring a uniform approach to corporate social responsibility and sustainability for all major suppliers to the Group. The status at the end of 2019 is that all existing suppliers outside Europe and 90% of all European suppliers of direct materials to our largest factories have signed our Code of Conduct.

We monitor Code of Conduct compliance for all suppliers outside Europe and are pleased to note a continued average improvement in compliance. The introduction of a scheme for certification of suppliers continues to increase supplier motivation and performance. When a supplier reaches a performance assessment of 90%, the supplier is awarded a Code of Conduct certification. In total, performance has changed by an annual average of 6.8% from 74.4 in 2016 to 88.6 in 2019.





DOVISTA EXPECTS
ALL GROUP
COMPANIES TO

never tolerate child labour or any other
human rights abuses.

always treat all their employees with
respect, regardless of gender, age, race
and religion.

The work with suppliers for DOVISTA China has been very successful and significant improvements have been achieved. The status is that 37% of the suppliers have now been granted Code of Conduct certification for the improvements carried out which include safety measures relating to the operation of machines, training of employees in safe working procedures, implementation of daily safety checks, etc.

Whistle-blower scheme

In 2017, the management of DOVISTA decided to introduce a whistle-blower scheme with the view to establishing a structured procedure for employees and other stakeholders to report illegal behaviour, etc. In 2018, this scheme was set up within the framework of relevant rules and regulations.

We have ensured that all Group companies provide information on the whistle-blower scheme and that all websites contain links to the whistle-blower scheme.

At the end of the calendar year 2019, there has been no reporting under the whistle-blower scheme.

Responsible organisational behaviour

It is our objective to create a motivating, healthy and safe working environment and an organisation that behaves responsibly in all relationships.

The main risk factors within the area of working conditions amongst the employees of the Group itself relate to health and safety at work as well as the retention of and development of employees. We continue to focus on reducing the risk of accidents at work for our employees. It is also necessary for the DOVISTA Group to retain, develop and attract the best employees in order to ensure our continued competitiveness and to achieve our strategic objectives.

The DOVISTA Group has more than 4,600 employees and as an inherent part of the daily work and culture of DOVISTA, we endeavour to ensure that our employees develop continuously through training and dialogue. Internally, we wish to facilitate a motivating and learning working environment. All DOVISTA Group managers have a responsibility to consider important social and environmental challenges. We seek to constantly develop our employees to make sure they have the tools necessary to navigate in a changeable environment, internally as well as externally.

Across the companies in the DOVISTA Group, we take active steps to provide a healthy and safe working environment. We naturally comply with all current rules and regulations and strive to eliminate work-related accidents through preventive action. In addition, we are committed to contributing to offering opportunities for social activities. To a large extent, the individual companies in the Group offer opportunities, guidelines and advice relating to welfare as well as physical and social activity.

DOVISTA EXPECTS
ALL GROUP
COMPANIES TO

make targeted efforts to continuously improve
health and safety in the workplace

set up a framework offering opportunities for their
employees' personal and professional development

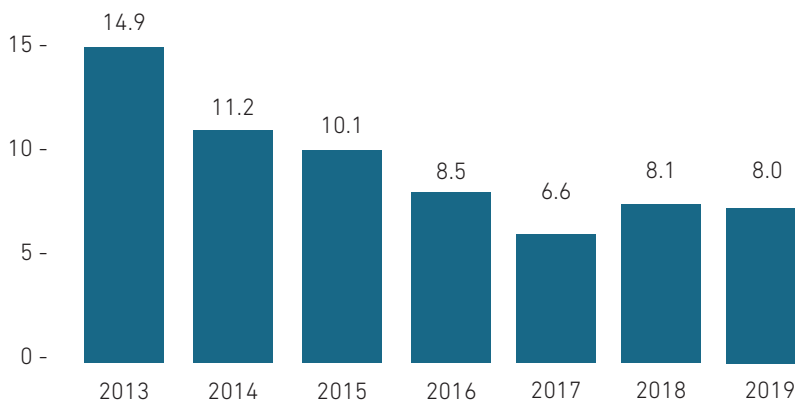
work actively to increase the share of the
underrepresented gender in the top management and in the
companies in general.

Continued focus on the number of work-related accidents

Using our Model Company objective as the starting point, we work systematically and determinedly to develop and maintain a safe and healthy working environment as well as to promote a strong safety culture in all business units within the DOVISTA Group. We work based on the fundamental principle that it is the unequivocal responsibility of the management to prevent accidents and personal injury but, at the same time, it is the responsibility of all employees to ensure their own and their colleagues' safety at work by complying with all the rules and regulations on safety that apply to working in our workplaces. We want to ensure that all employees are involved, trained and competent in terms of safe behaviour and that the operational management in the individual business units follow up on the prerequisites for this being present. A joint policy "Work Health and Safety" has been drafted and implemented, which applies to all companies in the DOVISTA Group.

The overall tool to follow up on health and safety is a monthly meeting reviewing all incidents in the workplace, one by one, small and serious incidents alike. Both the management of individual business units and representatives of the senior management of the DOVISTA Group participate in these meetings. The seriousness and causes of all incidents are reviewed and corrective actions discussed, to make sure that a similar incident does not occur again.

Business units that show a negative trend compared to previous years and/or the overall objective are subjected to a detailed follow-up review.



WORK-RELATED ACCIDENTS PER MILLION HOURS WORKED (PRODUCTION)

In 2019, we continued our intense endeavours to live up to our approach to health and safety that one work-related accident is one too many. In addition to actual accidents leading to absence from work, we also register minor incidents which might have led to a real accident under critical circumstances.

In 2019, all units in the Group have continued to increase focus on registering these "near-miss incidents" because they offer important lessons on how to reduce the risk of real accidents.

The continuous systematic reporting and follow-up on both accidents and “near-miss incidents” throughout the year lead to a number of specific improvements and preventive initiatives – and also help generate an improved understanding and increased focus on which conditions and circumstances involve a potential risk.

Objectives and targets for health and safety

We are fundamentally of the conviction that work-related accidents are unacceptable and our long-term objective is thus to have no work-related accidents, at all. In recent years, while working towards that ultimate objective, we have worked on the basis of an operational target of reducing the number of work-related accidents by 25% year on year. However, despite our continued focus, we have had to admit that, overall, the result of our endeavours since 2013 falls short of our ambitious expectations and targets. Notwithstanding this fact, we intend to maintain our long-term ambition of eliminating work-related accidents altogether.

When analysing the figures and looking at the total number of accidents, there is a clear positive trend at all factories of the group and, except from one of our smallest units, we note a continued positive development based on ongoing analysis and learning.

At the largest DOVISTA factories in Poland, focus is on a healthy and safe working environment for all employees. The most recent initiative is an app for mobile telephones which allows the employees at the individual workstations in production to easily and simply report unintended conditions and incidents directly to the health and safety organisation.

This app is a user-friendly tool in endeavours to reduce the number of “near-miss incidents” and work-related accidents. With its direct access to the health and safety organisation, this app also ensures that the circumstances reported are responded to swiftly and efficiently.

This app underlines both the focus of the management on safety as well as the approach that all employees have a share in the responsibility for creating the optimal safety culture for their colleagues.

In 2019, the majority of the reported incidents have been registered through the app (73%).



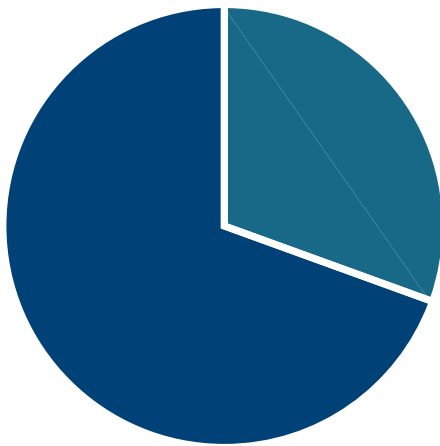
Diversity

The DOVISTA Group takes the view that the share of the underrepresented gender should be better represented in the senior management of DOVISTA Group companies as well as at all other management levels. The DOVISTA Group also takes the stance that we should strive to increase the share of female employees at all levels as, in our view, this would contribute to a better working environment just like it often encourages the development in the local communities.

At the end of 2019, 20% of the executive management of the DOVISTA Group were female. At the executive level, reporting to the managing directors in the DOVISTA Group companies, the share of female executives totalled 43% at the end of 2019 which is a significant increase on last year's 38%.

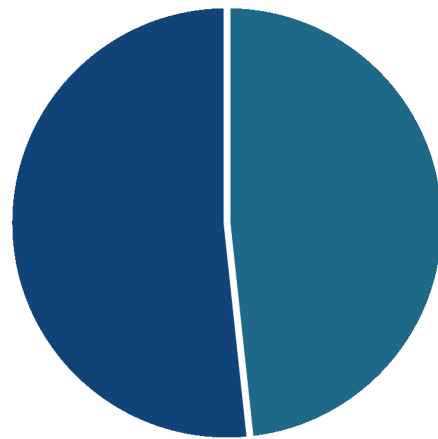
We note that, of the total number of employees in the DOVISTA Group, female employees make up 34% at the end of 2019, the same as at the end of 2018.

It is the general policy and objective of the DOVISTA Group to increase the share of women in all executive and key positions in the Group's units. Throughout 2019 efforts have thus also been made to find qualified female candidates for executive vacancies within the DOVISTA Group. However, the decisive factor has, as always, been finding the person with the best qualifications required for the specific position in question. However, we have not only focused on a more balanced workforce in terms of executive and key positions. From 2014 onwards, DOVISTA has



GENDER DISTRIBUTION - TOTAL

- Men 66% (2018: 66%)
- Women 34% (2018: 34%)



GENDER DISTRIBUTION - REPORTING TO MANAGING DIRECTORS

- Men 57% (2018: 62%)
- Women 43% (2018: 38%)

implemented a number of initiatives in a number of factories that have made it possible for female employees to carry out the vast majority of job functions in the factories on an equal footing with their male colleagues. This has resulted in a considerable increase in the number of women employed at these factories and, generally, the number of women employed has increased from 28% in 2014 to 41% in 2019.

Targets for diversity

DOVISTA A/S and the companies in the Group always select employees and board members on merit and qualifications. At the end of 2019, there was one female and three male board members elected at the AGM on the Board of Directors of DOVISTA A/S. There have not been any changes to the composition of the board members elected at the AGM in the Group's other Danish units.

Board members are elected for one year at a time.

Developing our employees and executives

The recent years have been characterised by significant changes which is why, in 2019, the management of the company has focused on developing competences in change management and change communication. Moreover, in the largest units of the Group, a systematic, ongoing training of managers takes place along with systematic training activities for employees in production relating to health and safety at work. On a similar note, we have chosen to increase the focus of the company on sustainability and, in that connection, we have selected two young talents who participate in a YSIP 2019/2020 training course under the UN Global Compact.

Health and wellbeing

In the units of the DOVISTA Group, various local and company-specific surveys on the social working environment are carried out. These surveys have resulted in a number of good initiatives in the individual business units and in the DOVISTA Group as a whole.

We have been particularly pleased at the initiative of the Employee Foundation under the heading Healthy Habits, focusing on the impact of a good indoor climate on health and wellbeing.

In the Danish DOVISTA units, extensive support is given to a variety of sports and physical activities, including the sponsoring of employees to take part in major sports events.

The Employee Foundation

Via the Employee Foundation, which is common to all companies in the VKR Group, we strive to make a difference for each individual employee. The Foundation offers support to employees in a number of areas, primarily in connection with unfortunate events, support for children's education and charitable purposes in the local communities of the companies.

ENVIRONMENT

The environment and climate change

We strive to reduce the carbon footprint of the DOVISTA Group as well as our general environmental impact.

- The amount of CO₂ emitted per unit has been reduced by approximately 26% since 2013.
- The total number of units produced has been increased by approximately 32% during the period 2013 to 2019, from 2018 to 2019, however, a reduction of 2%.
- 39% of the total energy consumption of the DOVISTA Group in 2019 was covered by wood waste from our own production.
- During the last five years, at least 90% of our total waste has been reused or recycled.

Buildings account for a major share of energy and resource consumption in many countries. The trend towards more and more energy-friendly housing continues, and DOVISTA feels a strong obligation to offer solutions that reduce energy consumption in buildings. We do so by prioritizing development of energy-efficient solutions and by participating in relevant forums that aim to develop new standards for sustainable building and construction.

Windows and doors from companies in the DOVISTA Group have all the energy and indoor environment certificates required on the markets where they are sold. However, having the required certificates is not enough for us. To achieve a positive impact on the environment and climate change, it is essential that we develop and manufacture windows of high quality with a high utility value and a long service life, while at the same time focusing on energy and resource consumption during production, the use phase and on recycling or disposal. And that is why we constantly develop our products, never forgetting this overall objective.

We observe and endorse both national and European environmental legislation, and we allocate the resources necessary in the form of continuous training and dialogue to make sure that our employees constantly strive to reduce waste in the broadest sense of the word.

Our R&D departments continuously strive to improve the functionality, design, insulation and other properties of our products. Development always takes its starting point in existing legal requirements, but with an ambition to meet even the strictest insulation performance requirements.

The products of the DOVISTA Group are manufactured in our own factories where all processes are continuously assessed and optimised to identify and reduce unnecessary waste and energy consumption. The share of the waste that cannot be recycled directly in our own production is sorted and sold for reuse or recycling elsewhere. The remainder is sent for environmentally responsible disposal.

The primary risk of the Group of having a negative impact on the environment and the climate is related to the material consumption, handling of materials – including the handling and reuse of waste – as well as energy consumption and carbon emissions related to production and transport. Moreover, a significant part of our impact on the climate is related to our customers' use of our window and façade solutions. The environmental and climate impact of the Group is thus related to its own production, to the work of suppliers and to the environmental and climate impact of the products during their service life. For these reasons, the companies of the DOVISTA Group work determinedly on the environmental impact of the entire life cycle of our products.

Sustainability campaign

Since 2015, VELFAC has shown that 93% of a VELFAC 200 window may be reused. In 2019, VELFAC carried this focus on sustainability over into also including activities and elements that are part of the products as well as the production. This process was established via campaigns focusing on responsible sourcing, durability, tests and life span as well as on how we work with sustainability in our day-to-day living. Thus, the campaigns are not to reflect anything new and revolutionising but, rather, determine all the activities which we have performed through many years and which all carry in the same direction: windows for life.

- When we carry out tests, we open and close our windows 20,000 times because durability and a long service life are important in sustainable construction.

It is an objective of all companies in the DOVISTA Group companies that, as far as possible, wood from certified suppliers must be used in our production. In 2019, the total share of wood supplied by certified suppliers is 89% compared to 88% in 2018. For several units in the Group, the share is 100%.

It is our objective that the share of wood from certified suppliers must be increased in the years to come.

- When using FSC-certified wood in our production, we plant 23 new trees for every tree cut down and used. Reforestation is one of the cores of the FSC scheme, the purpose of which is to ensure responsible global forestry. FSC is a non-profit organisation which is internationally renowned. One of its main principles is traceability certification which ensures that FSC-certified products are sold with legitimate designations and that there is a red thread from the managed forests to the end consumer. FSC contributes to ensuring, amongst others, that no more trees are cut down than may be reproduced by the forest.

DOVISTA EXPECTS
ALL GROUP
COMPANIES TO

work systematically with environmental issues.

adopt standards and environmental certifications when
doing so adds value.

In recent years, DOVISTA has prioritised efficiency improvements in our distribution system, as we recognise that we can, thus, make a contribution to reducing both the energy consumption and the carbon emissions. Optimal logistics solutions remain high on our agenda and we endeavour to continuously optimise our entire transport chain. In 2019, we have continued working on establishing our consolidation structure in VELFAC, so that products from different factories are consolidated and packed together before the total delivery is sent to the customer. This consolidation reduces both internal transport to the distribution centres and the final distribution to the customers. The objective of this initiative is to reduce the transport volume and, thus, also the fuel consumption, where we see a potential of approximately 15%. 2019 was the year when the foundation for streamlining was made and the expectation is that the first results of this planned potential will be evident in 2020.

The companies of the DOVISTA Group constantly work to further develop our products and production processes so as to reduce the negative environmental impact throughout the life cycle of the product.

Climate change is one of the most serious challenges of our time and, in the process towards a more sustainable development, using the world's resources as efficiently as possible plays a central part. Concepts such as sustainable construction, environmental product data, waste reduction, reuse and recycling are bound to become new environmental performance targets in the long-term, socially responsible operations of companies. To ensure that we comply with the European requirements, we have implemented a list of the harmful substances that are not accepted in our products. This list may be found at the website of the DOVISTA Group (www.dovista.com).

The 17 Sustainable Development Goals

DOVISTA complies with the CSR policy of the VKR Group and, in 2019, has carried out impact analyses within the areas of human rights and labour standards, environment and anti-corruption. The individual areas have been subject to critical assessment and analysis of possible initiatives. There has been no cause for implementing actual initiatives in DOVISTA A/S as a consequence of the impact analysis.

The intention is to continue the implementation of impact analyses in Group companies in 2020.

In 2019, the management of the company decided to initiate work on developing a sustainability strategy. Sustainability will have a central position in the work of the DOVISTA Group on strategic objectives for the future.

It is expected that the DOVISTA sustainability strategy will be ready in the course of the first half of 2020 with a view to initiating implementation in the second half of 2020.

Although the DOVISTA Group, as a company, has limited options in relation to impacting the UN 17 Sustainable Development Goals, we can and must contribute where relevant and where it is possible to reduce negative impact while strengthening our positive contribution to a sustainable development.

DOVISTA's contribution to and impact on the Sustainable Development Goals primarily relates to the following selected Sustainable Development Goals:





DOVISTA EXPECTS
ALL GROUP
COMPANIES TO

increase their focus on the entire
life cycle of a product - from production to disposal
or reuse/recycling

use raw materials, water and
energy ever more efficiently to
reduce the amount of waste and
the negative impact on the environment.

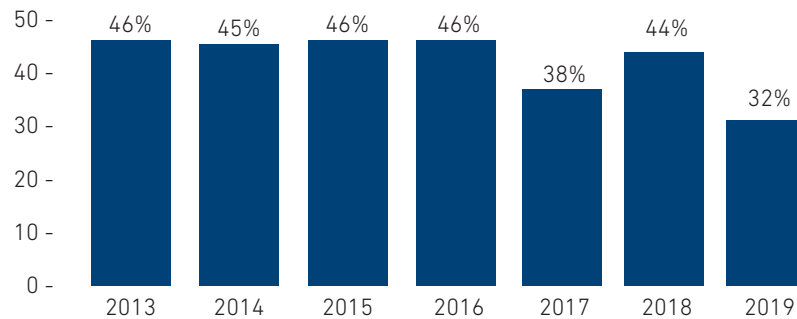
CO₂

The total number of units produced by the DOVISTA Group has increased by 32% since 2013. During the same period, the total emission of CO₂ has been reduced by approximately 2%. The amount of CO₂ emitted per unit produced has been reduced by approx. 26% since 2013. In 2019, the DOVISTA Group emitted a total of approx. 21,371 tonnes CO₂.

It is our objective to reduce the amount of CO₂ emitted per unit produced even further in the years to come.

Wood waste from heating

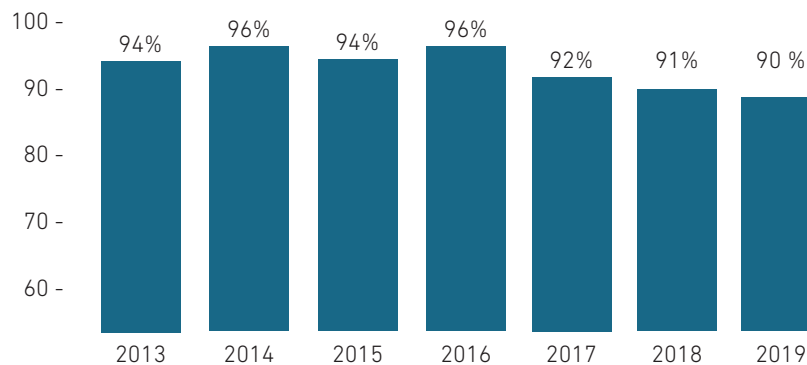
As far as possible, the units in the DOVISTA Group use wood waste from production to heat their premises. If more wood waste than required for their own heating is generated, the surplus is sold either as surplus heat or as wood waste to local heating plants. The share of the total energy consumption used for heating coming from wood waste from own production can vary from year to year, depending on weather conditions, amongst others. This year, we have continued our efforts to increase the use of wood waste for heating and have thus achieved a reuse of wood waste of 32%.



SHARE OF TOTAL ENERGY CONSUMPTION FROM WOOD WASTE FROM OWN PRODUCTION FOR HEATING

Waste for reuse/recycling

Keeping our negative environmental impact from waste and surplus production as low as possible via our own efforts and activities is something we consider very important, which is why we make sure that as much as possible is reused or recycled. In 2019, we have continued to work on ensuring a high degree of reuse or recycling. The share of waste that is recycled or reused has been at more than 90% in recent years and, in 2019, we achieved a reuse/recycling share of 90%. We welcome the fact that we have maintained the high level of or above 90% for seven years running.



SHARE OF WASTE THAT IS REUSED/RECYCLED

Innovative development and experiments

In DOVISTA, we constantly focus on optimising the beneficial properties of our products. By investing in innovation and by experimenting, we gain new knowledge and insights every year which is the foundation on which the product development of the companies in the DOVISTA Group rests and, thus, our continued growth.

Our research and development is based on an approach and methods that stem from Villum Kann Rasmussen's statement that "one experiment is better than a thousand expert views". To challenge ourselves, we are always involved in a number of ambitious development and experimental building projects, initiated either by ourselves or by leading research institutions.

Our products are developed and tested in a continuous collaboration between the business units and the DOVISTA Innovation Centre. The knowledge thus accumulated is shared across the DOVISTA Group to ensure that new knowledge is turned into practical application wherever it may contribute to better solutions in the construction sector.

LIVINGlab by DOVISTA is the DOVISTA Group's independent knowledge and development unit, whose primary function is to explore ideas and create new knowledge for the buildings of today and of the future. In collaboration with the frontrunners of the construction industry and educational institutions, LIVINGlab explores the scope of windows and their use under real-life conditions. We share our knowledge with everyone interested in energy issues – for instance through our extensive course activities.

Pioneering project reuses windows in sustainable construction

KRONE has contributed significantly to the prestigious and sustainable construction project Up-cycle Studios. The objective of this project was to rethink and reuse existing resources such as high-quality reusable materials and waste materials in the construction of homes. The use of these tested materials has a positive influence on climate changes and, at the same time, creates buildings with character from the very outset.

Through close collaboration with the architect, KRONE has provided the windows for the project.

The majority of the windows reuse old glass panes originating from social housing stock in Northern Jutland which has subsequently been processed at KRONE's factory in Northern Jutland. The windows are double-layered windows with two frames, the individual frame sizes having been manufactured based on the sizes of the reused panes. Thus, a significant part of the process involved adapting the frames to the pane sizes in question and positioning them in the construction. The internal frames are made from oiled pinewood while the external frames are made from pinewood which has been painted black.

The reuse of windows has a CO₂-saving of up to 97% on the glass panes compared to using new glass panes.

Creating and sharing knowledge - Sustainable and eco-friendly construction

To succeed in creating a construction sector that has a less negative impact on the environment, it is paramount that we establish partnerships and networks that are able to create, spread and share knowledge, inspire others and show the way towards a more sustainable and eco-friendly construction industry. DOVISTA's LIVINGlab unit has a lot of knowledge of these areas and therefore participates in a number of networks dedicated to creating knowledge and inspire and motivate to more sustainable construction. Currently, DOVISTA participates in e.g.:

- Green Building Council - Komponent- og materialeudvalg (components and resources)
- Dansk Industri - Specialudvalg for Affald og Ressourcer (waste and resources)
- Dansk Industri Byg - Bæredygtighed (sustainability)
- Dansk Industris netværk for Cirkulær Økonomi (circular economy)
- Klimapartnerskaber (climate partnerships)

Climate partnerships

The Danish government and Folketinget have decided that Denmark is to reduce its CO₂ emissions by 70% by 2030 compared to those of 1990. As one initiative to meet this target, the government has invited the business community and society in general to participate in 13 climate partnerships.

In this context, DOVISTA has been invited to participate in the task force "Energieffektivisering i den eksisterende bygningsmasse" (implementation of energy efficiency measures in our existing building stock) which, in the course of months, will network with a significant number of Danish research scientists, organisations and businesses to pinpoint potentials, clarify barriers and propose areas for regulation. In this work force, other participants are e.g. Statens Byggeforskningsinstitut (SBI) (The Danish Building Research Institute - SBI), Bygherreforeningen (Danish Association of Construction Clients – DACC), Danske Arkitekter (Danske ARK – Federation of Danish Architects), Foreningen af Rådgivende Ingeniører (FRI – the Danish Association of Consulting Engineers), Concito (Denmark's green think tank), Boligselskabernes Landsforening (federation of Danish non-profit housing associations) as well as prominent architects and engineering companies.

It is expected that the task force will submit a report in early 2020.



DOVISTA EXPECTS
ALL GROUP
COMPANIES TO

invest in experiments that promote innovation
and contribute new knowledge to the buildings
of the future

develop new products and solutions and
improve existing ones on an ongoing basis.

implement new business processes, methods and systems.

ANTI-CORRUPTION

In light of the DOVISTA Group values and our Model Company Objective, it is paramount to us that employees and executives at all levels in all Group companies understand and act in accordance with the ethical and moral guidelines that form the basis of the way we do business, within the framework thus defined.

A business like the DOVISTA Group, operating in many different countries and sourcing from a significant number of suppliers, is inevitably at risk of involuntarily being complicit or used in corruption, bribery or other types of unethical behaviour. Therefore, anti-corruption is an important aspect of our Code of Conduct for suppliers. In 2019, we have continued our efforts regarding supplier compliance, monitoring and certifying our suppliers with improved results year on year.

To avoid all forms of corruption and bribery and to support our employees' understanding of the kind of behaviour we demand and expect of them, we have drafted an Anti-corruption Policy. The primary objective of this policy is to ensure the compliance with all relevant legislation and it comprises all types of corruption, including among others extortion and bribery, money laundering, protection money, gifts and representation. This policy has been explicitly communicated and implemented in all companies in the DOVISTA Group – and is subject to regular follow-up – on an equal footing with the other central policies in the DOVISTA Group – to ensure that it is understood and complied with.

Moreover, the DOVISTA Group has established a Whistle-blower Scheme that enables employees and other stakeholders to anonymously report suspicion of unethical behaviour. In 2019, no incidents have been reported under this Whistle-blower Scheme.



DOVISTA EXPECTS
ALL GROUP
COMPANIES TO

comply with the Anti-corruption
Policy of the DOVISTA Group.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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