

Phase One Group

CAPTURE ONE PHASE**ONE**

UN Global Compact Report

SEPT. 2020

A man in a white hoodie and shorts is standing on a white cliff face, taking a photograph with a camera. The cliff face is made of white, layered rock. The background is a clear sky.

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19. august 2019

Letter of Commitment

UN Global Compact

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017
USA

Dear Mr. Secretary-General,

I am pleased to confirm that Phase One Group ApS supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Phase One Group ApS will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e. disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measure of outcomes (i.e. the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,


Henrik Håkansson
Chief Executive Officer

Foreword

Phase One Group joined the UN Global Compact organization in 2019 and we are pleased to confirm that Phase One Group, including all its subsidiaries, reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

At Phase One Group we truly believe that a strong focus on corporate responsibility goes hand in hand with the health of the company and that the UNGC measures implemented will ultimately enable higher growth and returns. Basically, we view the implementation of the measures as sound business conduct.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. As this is our first year of membership, we are still in the phase of developing a clear ESG strategy for the Group. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Henrik O. Håkansson
CEO, Phase One



Peter Colsted
CEO, Capture One



Introduction to Phase One Group:

Phase One Group is a global player in the photography market, delivering cameras and photo editing software.

Phase One Group has always strived to be at the forefront of development and is known for delivering the highest-quality image capture systems for professionals. Our global reputation has driven strong growth for many years. To better service professional photographers, the Group developed a photo editing software. It has since become the market-leader in image processing, used by world-class studios and photographers.

By delivering imaging systems of unparalleled quality, Phase One Group has been able to diversify into more industrialised segments such as the aerial industry, where it can be used for monitoring environmental contamination, wildfires, bridges, wind turbines and with huge potential for further possibilities. A large number of

world class museums also apply Phase One technology to preserve valuable artifacts via photography in order to ensure documentation for the coming generations.

With its proven track record for developing cutting-edge technology to serve the most demanding customers, Phase One Group intends to set ambitious goals in terms of the UNGC. We commit fully to the United Global Compact principles and believe in our company's ability to make a difference.



Human Rights

Phase One Group sees its human rights obligations arising within the Group's enterprises and the Group's supply chain, primarily within labour rights. The Group sees that its main risk areas within the field of human rights compliance are child labour and denial of labour rights. The Group continues to issue its human rights guidelines throughout its global organization and supply chain via our Code of Conduct. All new employees and new suppliers were acquainted with the latest Code of Conduct in 2019.

Phase One Group respects the basic human rights of all individuals, including our employees and those in our supply

chain. A key philosophy for Phase One Group is "Respect for People" – the belief that every Phase One employee has the capability to better themselves, the company, and society.

The group complies with all local, national and international human rights regulations in the locations where we operate and do business.

Labour

Phase One Group is a knowledge-intensive group, we consider our staff to be our most important resource and a key aspect of our corporate social responsibility policy. Phase One Group seeks to offer attractive working conditions which can draw and maintain qualified and dedicated employees.

In 2019/2020, the Work Environment Committee held several meetings to evaluate and optimize the work environment. The Group recently introduced a new online tool for regularly measuring employee satisfaction so that it can quickly respond to any negative developments in the working environment.

Phase One Group has long maintained a code of conduct which includes labor-related policies.

According to the code of conduct, Phase One Group:

- a. Supports and accepts employees' freedom of association
- b. Will not use, encourage, or benefit from, forced or compulsory labour
- c. Respects and adheres to minimum-age provisions of national labour laws and regulations in the countries where the Group operates
- d. Has a strict non-discrimination policy and recruits and promotes employees based on qualifications, skills and experience. The Group works to provide equal opportunity to employees regardless of their race, age, disability og gender.

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Labour

Phase One Group believes that diversity among its employees, including gender representation, contributes positively to the work environment and strengthens the Group's performance and competitiveness. As per 31 December 2019, the Board of Directors consisted of four men and no women.

In the financial year, new members of the Board of Directors were elected, however despite efforts to ensure a more equal gender distribution, candidates who are men were elected due to their specific competencies, making

them the best suited for the positions. Phase One Group targets to elect at least one of the underrepresented gender to the Board of Directors within 2024.

Other Leadership posts comprise the Executive Board, middle managers and team managers. The policy of the Group for women in leadership roles is to have the best qualified candidates and at the same time enhance the qualifications of talented women leaders. The Group aims to have at least one candidate of each gender among the top-three candidates considered for leadership roles.

Statistics on the result of this target are not available. At present, the number of leaders who are women is equal to that of last year, ie. one woman leader was part of Management.



Environment

With manufacturing in several countries and worldwide sale of our products, Phase One Group adheres to environmental regulations required by any country in which we offer our products for sale and in any country in which we have production facilities.

Our Japanese ISO 14001 certification includes a certification of our

Environmental Management Systems. Apart from abiding with regulations, we implement 2 environmental standards within our supply chain:

1. Phase One's Corporate Social Responsibility Standard
2. Phase One's Green Procurement Standard

The standards are either implemented as separate documents or their intentions are integrated directly into our purchase agreements.

Our Corporate Social Responsibility Standard commits our suppliers to certain Health and Safety standards and

environmental compliance standards, e.g. the UNGC principles and requires suppliers to disclose environmental reports.

The Green Procurement Standard commits suppliers to ensure that the components they deliver to us, at a minimum, comply to the regulations which our products must fulfil in order to be offered worldwide.

Suppliers who do not sign these standards or submit their own standards will be phased out as suppliers.

Phase One Group seeks to recycle as many of its products as possible through refunding and refurbishment programs, until eventually a product cannot be refurbished and resold anymore.

At that point in time Phase One Group ensures that scrapping is carried in accordance with local requirements, for example in accordance with the Waste from Electrical and Electronic Equipment rules for manufactures and importers in the EU.



Anti-Corruption

For a number of years, Phase One Group has maintained a Financial Crime and Compliance Policy of which anti-corruption is a vital part. The policy also entails measures to prevent money laundering and export control. This has been a focus area for years as Phase One Group wishes to contribute to promote good business practices, ethical responsibility and respect for human rights. The detailed policy clearly defines the overall purpose and prohibited conduct.

The Financial Crime and Compliance Policy also applies to suppliers, distributors and agents. Therefore, all Group personnel and external partners are presented with the policy and expected to adhere to it.

While we consider the risk of this policy being breached as minimal, we recognize that our global presence increases the risk. Once a year, we assess whether the risk has changed materially from the past year and respond accordingly. Any breaches of the policy are to be reported to the Compliance Officer (Group CFO) of Phase One Group.

Anyone who encounters breaches are encouraged to report such incidents, which will then be acted on accordingly. There are also very clear guidelines on how to handle the reporting.

We strive to have zero incidents within this area and reported 0 incidents in the past reporting year.