

# DOVISTA®

## COMMUNICATION ON PROGRESS

HUMAN RIGHTS  
LABOUR  
ENVIRONMENT  
ANTI-CORRUPTION



# 2020



## TABLE OF CONTENT

### THE DOVISTA GROUP

|                      |    |
|----------------------|----|
| DOVISTA AT A GLANCE  | 4  |
| REPORTING STRUCTURE  | 6  |
| MANAGEMENT STATEMENT | 8  |
| OUR APPROACH         | 10 |

### GROUP INITIATIVES AND RESULTS

|                         |    |
|-------------------------|----|
| HUMAN RIGHTS AND LABOUR | 12 |
| ENVIRONMENT             | 23 |
| ANTI-CORRUPTION         | 34 |

## THE DOVISTA GROUP

The DOVISTA Group consists of a number of brands and companies involved in development, sales and production of windows and doors. DOVISTA is part of the VKR Group operating in the Scandinavian and the Northern European markets.

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

DOVISTA joined the UN Global Compact in 2016, making this report the Group's fifth Communication On Progress (COP). The report is prepared at DOVISTA Group level based on systematic reporting from the companies and units of the DOVISTA Group. The report covers the period from 1 January to 31 December 2020.

**SVENSKA FÖNSTER**  
för en ljusare framtid

**Iian**

**KRONE**

**Mockfjärds**

**natre®**  
VINDUER

**(O)H**  
DOORS & PANELS

**rational®**  
drevet af detaljen

**VELFAC®**  
VINDUER FOR LIVET



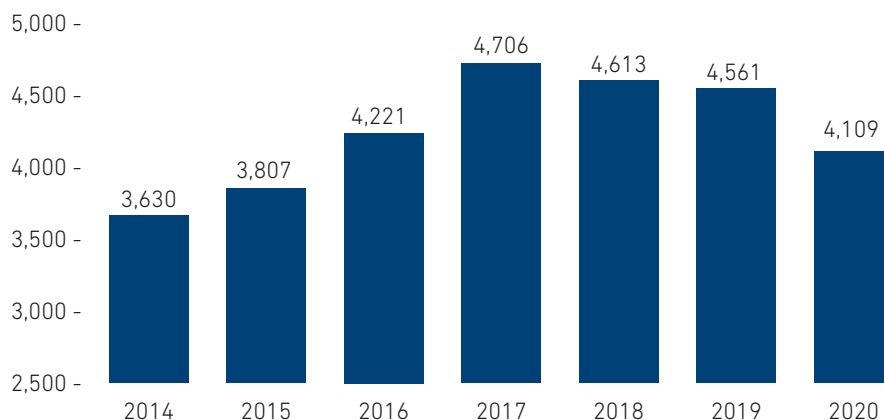
Please note that as per 1 December 2020, the company Snidex AB left the DOVISTA Group and is no longer owned by DOVISTA. Key figures from Snidex are therefore not included in this annual report for 2020, and key figures from previous years have not been adjusted as the divestment of Snidex is not considered important in relation to the presentation of the key figures of the DOVISTA Group.



## REPORTING STRUCTURE

Under the overall DOVISTA heading: "Distinctive Brands – Shared Excellence", the units of the DOVISTA Group operate within their own individual product portfolios, organisations and markets. Based on a strong shared set of values, all the units in the DOVISTA Group have in an objective of a "Model Company" defined a strong and ingrained focus on social responsibility no matter where the individual unit operates.

The board of directors of DOVISTA A/S has the overall responsibility for CSR within the DOVISTA Group, but it is undertaken by the management of DOVISTA through an active ownership of the Group's companies and units. This reporting is prepared by the management of DOVISTA and covers the entire DOVISTA Group. The content of the report is based on systematic reporting from all the units of the Group on concrete and measurable facts and complementary initiatives and activities that describe CSR in practice. Systematic reporting on CSR has been carried out for a number of years and is now used as a follow-up measure in relation to UN Global Compact.



NUMBER OF EMPLOYEES

## UNITED NATIONS GLOBAL COMPACT

Global Compact is the world's largest initiative to promote responsibility and sustainability. Companies and organisations worldwide have joined the initiative committing themselves to observing universal principles on human rights, labour, 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:*

make sure 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:*

the elimination of all forms of forced and compulsory labour,

*Principle 5:*

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:*

undertake 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.

## MANAGEMENT STATEMENT

DOVISTA is part of the VKR Group and the principles of being a Model Company are a part of our DNA. In practical terms, this means that corporate social responsibility and sustainability form an integral part of the way we work. This applies to all our companies and functions at home and abroad and, moreover, all the units in the Group have been dedicated to security and corporate social responsibility in their work 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 the fifth report for the DOVISTA Group. We wish to continue to structure and target 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. In 2020, we have therefore adopted a DOVISTA GROUP CSR & Sustainability Strategy. The strategy that includes a decision on our support to the Paris Agreement's goal on CO2 reductions and a limitation of temperature increases on the planet, will in the next months and years result in a number of processes and objectives as well as an established follow-up procedure.

As a business, we have a clearly defined desire to bring daylight and fresh air into people's everyday lives and the Group's employees feel proud that our products are socially useful and contribute to reducing the emission of greenhouse gases and the need for fossil fuels. In all relevant fora, we try 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 hope you will enjoy reading the DOVISTA Communication On Progress 2020.

---

Allan Lindhard Jørgensen  
CEO  
The DOVISTA Group









## OUR APPROACH

### Firmly embedded 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 beginning, 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 the 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 units of 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 channeled back to society via THE VELUX FOUNDATIONS (VELUX FONDEN and VILLUM FONDEN). VELUX FONDEN and VILLUM FONDEN are non-profit foundations supporting science, the environment, and social and cultural projects in Denmark and abroad. In 2020, the two foundations jointly granted approx. DKK 1.1 billion. 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.



## The 17 World Goals

DOVISTA observes the CSR policy of the VKR Group. In 2019, the company conducted impact analyses within the areas human rights and labour, environment and anti-corruption. The individual areas were subjected to a critical assessment and analysis of possible activities. No concrete activities were deemed necessary as a result of the impact analysis. The plan was to continue the implementation of impact analyses in the Group units in 2020 but this work was not completed due to the Corona situation and restrictions on meeting and travelling activities.

In 2020, the management adopted the DOVISTA Group CSR & Sustainability Strategy. Sustainability will have centre stage in the DOVISTA Group's approach to strategic goals in future. DOVISTA's contribution and impact on the World Goals are primarily the three SDG areas where we have the most influence and opportunities to contribute actively through our operations. Without neglecting other important efforts, DOVISTA will therefore focus on CSR and sustainability in the following three SDG areas:

### **UN World Goal 3: GOOD HEALTH AND WELL-BEING**

DOVISTA seeks to ensure that our products and solutions bring daylight and fresh air into people's everyday lives to promote good health and well-being.

### **UN World Goal 12: RESPONSIBLE CONSUMPTION AND PRODUCTION**

DOVISTA seeks to ensure sustainable administration and effective utilisation of natural resources. We are aware of the environment in our handling of chemicals and we make an effort to prevent waste and reduce the amount of waste in our production and in the life cycle of our products. We are dedicated to improving repairability, durability and the possibility of disassembly and recycling and the products' natural place in a circular flow of materials

### **UN World Goal 13: CLIMATE ACTION**

DOVISTA continuously seeks to improve the energy and other technical performance of our products to contribute to reducing the need for energy in houses for heating and artificial light. From 2020, we are also committed to reducing our own overall carbon footprint to support the climate goals in the Paris Agreement.



**THE GLOBAL GOALS**  
For Sustainable Development

# GROUP INITIATIVES AND RESULTS

## HUMAN RIGHTS AND LABOUR

**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 the units in the Group have a duty to contribute and behave with integrity in all contexts they are part of.

As a manufacturer of windows and doors, the DOVISTA Group's main risk of violating human rights and labour relates to the companies' supply chain. This applies to e.g. working conditions and health and safety as well as 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. DOVISTA and any of the companies in the Group tolerate neither child labour nor other human rights abuse, and we make the same demands on and we expect the same from our sub-suppliers.

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

### 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, respect for human rights, the right to collective bargaining, bans on forced or compulsory labour, bans on child labour, bans on discrimination and bans 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 is still to roll 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 2020 is that all existing suppliers outside Europe and 90% of all European suppliers of direct materials to our largest factories in Poland, Lithuania, Sweden and Norway have signed our Code of Conduct. A high level that is unchanged since 2019. We also monitor Code of Conduct compliance for all suppliers outside Europe and are pleased to note a continued average improvement in compliance. When a supplier reaches a performance assessment of 90% measured on completed improvements, including safety measures in machine operation, employee training in safe work procedures, completion of daily safety control, etc., the supplier is awarded a Code of Conduct certification.





## DOVISTA GROUP COMPANIES

Never tolerate child labor or any other  
human rights abuse.

---

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



Performance assessments have been structured with special focus on the following areas: Child labour, substances hazardous to health, pollution and personal protection/safety. The selected focus areas score on specific parameters on a scoreboard that is monitored and followed up continuously in direct dialogue and with feedback to the suppliers on continuous improvements.

Certification has increased motivation significantly and improved supplier performance. In 2020, we are pleased about the continuous growth in the suppliers' Code of Conduct performance, an increase from 88.6 to 94.5, which is the largest increase noted since 2017. This impressive result also means that overall performance has moved in a positive direction by an average of 7% annually from 74.4 in 2016 to 94.5 in 2020.

### **Whistle-blower scheme**

In 2017, the management of DOVISTA decided to introduce a whistle-blower scheme with a 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.

Since the introduction of the scheme, 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. In 2020, we have had several reports of which one met the criteria for further processing. The issue has been handled satisfactorily.

### **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 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.

At the end of 2020, the DOVISTA Group had more than 4,100 employees and as an inherent part of the daily work and culture of DOVISTA, we try to ensure that our employees develop continuously through training and dialogue. Internally, we want to facilitate a motivating and educational 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 actions. In addition, we are committed to contributing with opportunities for social activities. To a large extent, the individual companies in the Group offer opportunities, guidelines and advice regarding welfare and physical and social activities.

### Corona virus and responsible organisational behaviour

Due to the corona pandemic, 2020 has been an atypical year where a new dimension was added to the concept of a "healthy and safe work environment". All the managerial levels have joined in the establishment of a dedicated communication and reporting structure, clear guidelines for everyone and not least measures to safeguard the Group's employees and entities. This has resulted in new meeting structures, many employees having worked at home, but also significant changes in travelling patterns and canteen and food schemes. In addition, increased safety measures with advice on hygiene, protective equipment and a continuous adjustment of the max. number of people allowed to meet according to current national legislation.

Furthermore, the Group's production units have made a targeted effort to "seal" the facilities – no or only limited/controlled access for guests and partners, and necessary changes in internal work patterns with a view to reducing the risk of contamination. The Group's office in China has implemented extensive safety measures that affect not only the employees but also suppliers and the families of the employees. It should also be mentioned that national and local authorities in China have both audited and certified the companies in terms of their approach to the virus and that the Group office has excelled on all parameters.

## THE DOVISTA GROUP COMPANIES

---

Make targeted efforts to continuously improve health and safety in the workplace.

Create a framework and opportunities for their employees' personal and professional development.

Work actively to increase the share of underrepresented gender at top management level and in the company 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 and to promote a strong safety culture in all the business units of the DOVISTA Group. Our work is 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 at 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 all the business units follows up on these prerequisites. A joint policy "Work Health and Safety" has been prepared and implemented, which applies to all the units in the DOVISTA Group. In continuation of the adoption of the Group CSR & Sustainability Policy in 2020, it has also been decided that HSE activities at Group level should in future be embedded in a Group HSE role in terms of management.

The overall follow-up on safety is made by a monthly review of all the actual work-related accidents – both major and minor – at meetings with the participation of the DOVISTA Group's top management and the management of the business unit in question. At the meeting, the extent and cause of all the injuries as well as corrective actions are reviewed in order to prevent a similar injury.

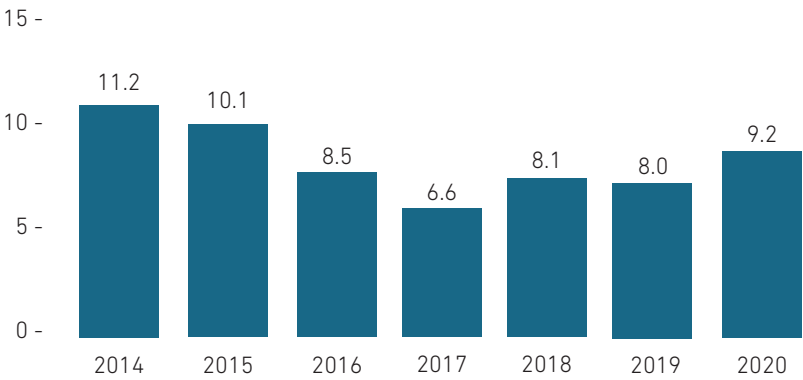
Business units with a negative development compared to the previous year and/or compared to the objective will be subjected to a particularly detailed follow-up procedure.

In 2020, we have continued our intensive efforts to live up to our belief that one work-related accident is one too many. In addition to the concrete cases that resulted in absence from work, a number of smaller incidents occurred that under critical circumstances could have resulted in accidents. In 2020, we have in all the Group's units maintained increased focus on registration of these "near misses" so that the learning we obtain from these can be embedded and communicated to reduce the risk of actual accidents. The systematic and continuous reporting and follow-up on both actual work-related accidents and near misses throughout the year still result in concrete improvements and preventive actions – while contributing to a general understanding of and focus on which situations and circumstances involve a potential risk. Furthermore, there is focus on sick leave as a result of accidents. In 2020, the total number of hours of absence from work in this category was 9,875, equaling an absence percentage of 0.21%. The increased focus on this area will naturally result in analyses with a view to understanding correlations and which factors cause the problems across the units.

### Safety objective

We have a fundamental objective that work-related accidents must be prevented and avoided, and the long-term objective is therefore zero accidents. While working towards this ultimate goal, we have in recent years had an ambition and an objective to reduce the number of work-related accidents significantly compared to the year before. We have to admit that despite constant focus, the result of our efforts since 2013 has not lived up to our expectations.

When we break down the numbers and look at the total number of accidents, we have measured some progress at some of the Group’s factories, and with the exception of one of our smallest units, which we divested in 2020, we realize that the progress is based on continuous analysis and learning. In spite of the fact that the total number of accidents has fallen in 2020 compared to 2019, the number of production hours has also been lower, and therefore we must contrary to expectation accept an increase from 8.0 to 9.2 accidents per 1 million working hours for the year. This is not satisfactory and contributes to the before-mentioned increased management focus.



WORK-RELATED ACCIDENTS\* PER MILLION WORKING HOURS (PRODUCTION)

At DOVISTA’s largest factories in Poland, focus on a healthy and safe working environment for all employees is strong. In 2019, an app for mobile phones was introduced so that employees at the individual workstations in production can easily report inappropriate issues and incidents directly to the HSE organisation.

The app is a user-friendly tool in our efforts to reduce the number of near misses and work-related accidents. With direct access to the HSE organization, the app ensures prompt and efficient response to the issues reported.

With this app we emphasize both management focus on safety and the concept that all employees have a shared responsibility to create the optimal safety culture for their colleagues. Already in 2019, this was a success and the main part of the reported incidents was reported via the app (73%). In 2020, it has been noted that this tool still creates value as reporting via the app in 2020 increased from 73% to 75%.

Reported incidents via the app are varied and have contributed considerably to increased focus on the following areas, e.g. Security & safety equipment, Fire protection equipment, Methods for work and transportation, Storage, Hazardous materials, Environmental hazards and Tools.

*\* A work-related accident in this context is defined as an accident that has happened in the production environment and results in absence from work for more than one day. Both criteria must be met.*



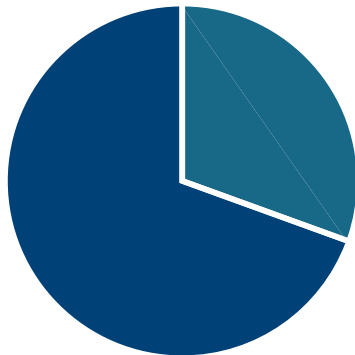




## Diversity

The DOVISTA Group wishes to ensure focus on diversity, including equality. It is therefore an overall goal in the DOVISTA Group to increase the share of underrepresented gender in all the management and key positions in the Group, keeping the recommendations and target figures of the Danish Business Authority in mind. In 2020, efforts have been made to find qualified female candidates for management and key position in the DOVISTA Group, but as always concrete qualifications in relation to the job requirements have been the decisive factor for employment. The DOVISTA Group is headed by Group Management, and by the end of 2020, 20% female members of Group management is registered – unchanged compared to 2019.

Focus on equality does not only apply to management and key positions. Since 2014, DOVISTA has initiated a number of activities at a number of factories enabling female employees to take on job functions in the company on the same terms as men. This has resulted in continuous growth of the number of female employees. However, in 2020 compared to 2019 the share of female employees has declined slightly from 34% in 2019 to 32% in 2020. Immediate analyses indicate that this might be a result of the Corona situation where family patterns everywhere have been influenced in various ways by close-downs, etc.



GENDER DISTRIBUTION - TOTAL

- Men 68% (2019: 66%)
- Women 32% (2019: 34%)

### Diversity objective

DOVISTA A/S always selects employees and board members on merit and qualifications. At the end of 2020, there was one female and four male board members elected at the AGM on the Board of Directors of DOVISTA A/S. Board members are elected for one year at a time. In 2020, no election for the Board of Directors was held, but the objective is to have two female board members by 2025 at the latest.

### Development of employees and executives

The recent years have been characterised by significant changes in the Group, which is why we in 2019 focused on developing the skills of the managerial employees in change management and change communication. These skills have proved to be important not least in 2020 when the Corona pandemic and its consequences led to extensive changes in everyday life all over the Group. Normally, the largest units in the Group conduct training for managers and systematic training activities for production employees regarding safety at work. In 2020, the extent of the pandemic has prevented especially the training activities for managers from being held in the same way as previously.

### Health and well-being

In the units of the DOVISTA Group, local and company-specific surveys on the social working environment are carried out every year.

This typically results in a number of beneficial activities in the individual business units and in the DOVISTA Group as a whole. In 2020, it has not been possible to conduct surveys and work with the results in the same way due to the Corona situation. However, the individual entities have made a targeted effort to initiate Corona-safe surveys for all employee groups as quickly as possible.

Furthermore, planning of activities to promote the physical and mental well-being of the employees in difficult times has been initiated – both at the company premises and at workplaces at home.

### The Employee Foundation

Via the Employee Foundation, which is common to all companies in the VKR Group, we try to make a difference for the individual employees. The Foundation offers support to employees in a number of areas, primarily in connection with unfortunate events, for children's education or for charity in the local communities of the companies. We have also been most pleased about the latest activities of the Employee Foundation where focus has been on employee health and physical well-being. At the Danish units of DOVISTA, we strongly support opportunities for different types of exercise, including support to employees' participation in major external fitness and sports events – yet another activity that the Corona situation has put a stop to in 2020.

# THE DOVISTA GROUP COMPANIES

---

Work systematically with environmental issues.

Adopt standards and environmental certifications  
when doing so creates value.



## ENVIRONMENT

### DOVISTA CSR & Sustainability Strategy

After decades of dedicated work with CSR and sustainability, the development of the DOVISTA Group along with the increasing focus on CSR in the rest of the world and in the markets have necessitated preparation of a strategy within the field. The strategy has been prepared to be able to focus on the actions, carry out the tasks together and to make the work easier to communicate and more visible to customers, employees and the communities that we are a part of.

DOVISTA and the members of the DOVISTA Group have always worked with products and solutions in a way that lives up to the objective of a Model Company, and our shared goal to bring daylight, fresh air and a better environment into people's everyday lives. Long before the concepts Corporate Social Responsibility and sustainability became known, we worked with development of high performance products, responsible sourcing and production and safe and healthy workplaces. We have not made a big deal out of it – it has not been necessary. But in line with globalization and the threat of a pending climate crisis, customer expectations increase when it comes to companies taking an honest and visible responsibility for their actions and actively contributing with solutions to a number of the challenges facing humanity.

In 2012, DOVISTA started systematic reporting of CSR activities and joined the UN Global Compact in 2016. This has up till now been the framework for the reporting of the DOVISTA Group's work with CSR and sustainability. But the actual work with CSR and sustainability has mostly been local, managed locally and based on local relevance – embedded in the objective of a Model Company, of course. However, we have noted that a number of CSR and sustainability issues to an increasing extent are of general customer interest across our markets, and both national and pan-European legislation will soon include the regulatory activities that will make up the framework in the coming years. This coincides with the DOVISTA Group's movement from a collection of individual companies to a much closer community with strong and shared functions – what we call Distinctive Brands – Shared Excellence.

DOVISTA's management therefore decided that 2020 was the right time to launch the DOVISTA Group's first real CSR and Sustainability Strategy. Based on the objective of a Model Company and our business strategy we have specified a number of focus points and objectives that will contribute actively to the society and also be suitable as a foundation for the intensified efforts to be made in DOVISTA during the coming years.

Environment and climate

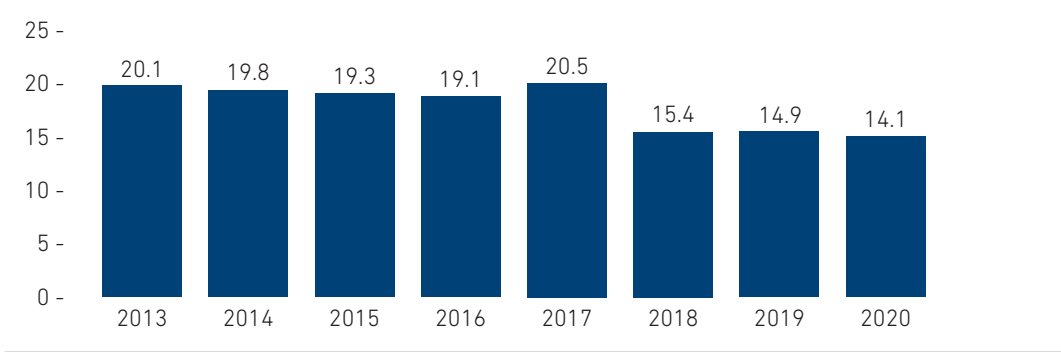
The Group’s primary risk of a negative impact on the environment and climate is related to the energy consumption and CO2 emission associated with production and transport as well as consumption and handling of material – including handling and recycling of waste. Furthermore, a significant part of our climate impact is related to our customers’ use of our windows and doors. Therefore, the Group’s environment and climate impact is both related to our own production, to supplier activities and to the environment and climate impact of the products when they are being used. Therefore, the companies of the DOVISTA Group are making a targeted effort to control the environmental impact of our products throughout their life cycle.

- Total number of units produced has increased by about 18% for the past five years – but decreased by about 7% from 2019 to 2020. A significant part of this decrease is attributable to reduced production in Window Village in Poland.

CO2

Everywhere in the company, we try to reduce the carbon footprint of the DOVISTA Group as well as our general impact on the environment. This is a result of continuous optimisations in operations in general. In 2020, results have been satisfactory:

- Total CO2 emission from the DOVISTA Group’s production facilities has been reduced by 12% from 2019 to 2020. Approximately one half is due to reduced production in Window Village in Poland.
- The amount of CO2 emitted per unit produced in 2020 has been reduced by 5% compared to 2019 – and by about 29% over the past five years.\*



KG CO2 PER UNIT PRODUCED\*

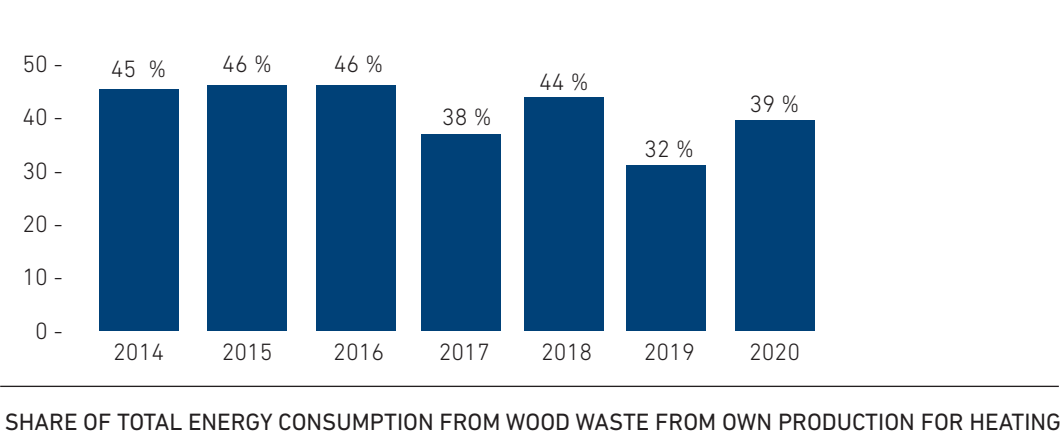
*\* In this statement for 2020, the DOVISTA Group’s CO2 emissions are based on total energy consumption at the Group’s production facilities, and like previous years based on reports from the DOVISTA Group’s production units and subsequently recalculated using current conversion factors. (<https://www.gov.uk>)*

It is DOVISTA’s ambition to reduce the total CO2 emission per produced unit by 3% in 2021. It is also our intention to prepare an ambitious plan for DOVISTA’s support of the objectives of the Paris Agreement and make DOVISTA a Net-Zero CO2 provider well before 2050. Finally, DOVISTA intends to change its reporting of CO2 to be compatible with the calculation models and reporting structure from GreenHouse Gas Protocol\*.

Wood waste for heat production

As far as possible, the DOVISTA Group uses wood waste from production to heat its own premises. If there is more wood waste than required for its own heating, surplus heat or wood waste is sold to local heating plants. The share of the total energy consumption constituted by wood waste from our own production and used for heating varies from one year to the next and is affected by e.g. weather conditions.

- In 2020, 39% of the DOVISTA Group’s total energy consumption was covered by wood waste from its own production.



In 2020, a considerable amount was granted to replace heat supply at the DOVISTA Group’s largest production facility in Poland. A more energy effective boiler will be installed, which will be able to use more of the waste that is not immediately recyclable for heat production. Replacement will take place during 2021 and is expected to have a positive effect on the CO2 emission.

*\* In this statement for 2020, the DOVISTA Group’s CO2 emissions are based on total energy consumption at the Group’s production facilities, and like previous years based on reports from the DOVISTA Group’s production units and subsequently recalculated using current conversion factors. (<https://www.gov.uk>)*

*\*\* The relative share of surplus wood waste in total energy consumption used for heating at the production facilities of the DOVISTA Group.*



The background of the entire page is a photograph of a modern, multi-story brick building. The building has a warm, reddish-brown brick facade and numerous rectangular windows with dark frames. Some windows have small, dark-colored balconies or planters. The building is situated on a street with a paved sidewalk and a road. The lighting suggests it's daytime with shadows cast on the ground.

## THE DOVISTA GROUP COMPANIES

---

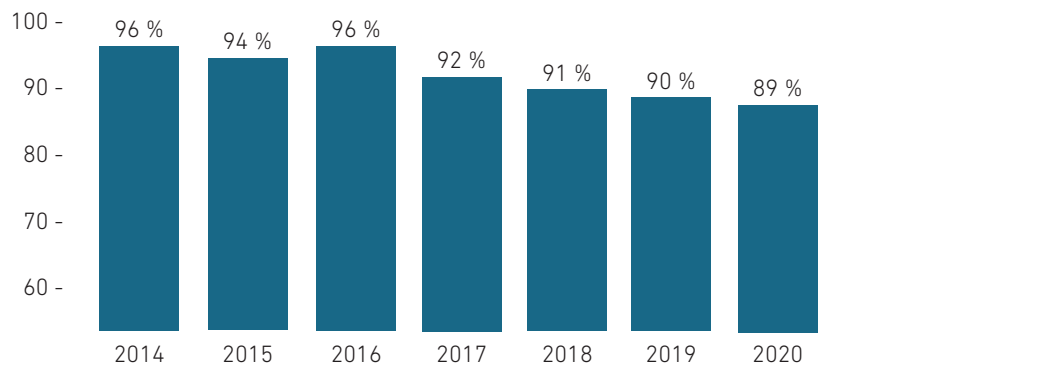
Increase their focus on the entire life cycle of a product  
– from production to disposal or reuse/recycling.

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

Waste

The DOVISTA Group’s products are manufactured at our own factories that are subjected to ongoing assessment and optimisation of all the processes to reduce unnecessary waste and energy consumption. The share of the waste that is not immediately usable in our own production is sorted and sold for reuse and recirculation. Other residue is disposed of in an environment-friendly way.

- In 2020, the total amount of waste has been reduced by about 3% compared to 2019. For the past five years, at least 90% of the total amount of waste has been recycled. In 2020, the recycling rate has fallen slightly to 89%. This is due to a general reduction of the fractions of waste that are suitable for recycling.



SHARE OF WASTE THAT IS REUSED/RECYCLED\*

A number of measures have been taken to minimise the amount of waste. At Window Village 1 in Poland – the largest factory in the DOVISTA Group – a major effort has been made to reduce waste from use of aluminium. By optimising software and cutting programs, more detailed sorting of cutoffs and adjustment of material lengths we have succeeded in saving 80 tons of aluminium, which would otherwise be categorized as waste and recycled. All in all, the aluminium consumption of the DOVISTA Group has been reduced by about 20% in 2020.

A Glass Waste Project has also been completed that through a number of production technical adjustments has reduced the amount of waste from glass damaged in handling. When it comes to a major part of on-time-delivery, efforts have been made to ensure that each plate of glass is not handled so many times, and a more detailed inventory management will ensure maximum use of glass in stock. In total the amount of glass waste at Window Village 1 in Poland has been reduced by 200 tons of glass in 2020.

*\* Share of direct production waste sold to a certified waste management company for recycling.*

At DOVISTA's newest factory – Window Village 2 in Lithuania – a number of measures have also been taken to reduce material consumption and waste. The pipes of the painting system have been relaid and shortened which has resulted in a considerable reduction of paint waste when emptying the pipes in connection with a change of paint colour. The reduction is almost 50%. New systems to collect excess paint have been made that can be kept so clean that new paint can be mixed at a rate of 1:1.

Ruined wooden pallets have previously been used to heat the factory, and surplus wood has been disposed of for incineration elsewhere. Now, most of the ruined wooden pallets are collected and sold to a new company that repairs them and sends them back into the market.

It is DOVISTA's ambition to continue recycling of waste and to reduce the total amount of waste that is not reusable by 10% in 2021.

## Packaging

As a manufacturer of building materials, DOVISTA is also a major consumer of packaging for subsequent disposal. DOVISTA continuously tries to reduce the amount of packaging material for finished goods while ensuring that our finished goods are properly protected on their way from the production facility to the final destination for installation. In 2020, we have succeeded in reducing the DOVISTA Group's total consumption of packaging by about 25%.

It is DOVISTA's ambition for 2021 to start a packaging project, which should make all packaging for finished products from the DOVISTA Group 100% recyclable by 2023.

## Product performance

Buildings are one of the society's major consumers of energy and resources. In line with the development of still more energy-friendly homes, DOVISTA has an obligation to contribute with solutions to reduce energy consumption in buildings. This is accomplished by prioritising the development of energy-effective solutions and by participating in relevant fora developing new standards for sustainable construction. Windows and doors from the companies of the DOVISTA Group have a number of important certificates regarding energy and indoor climate that are relevant to the markets where the products are sold. But it takes more than certificates. In order to have a positive impact on the environment and climate, it is important to develop and manufacture quality windows with a high service value and durability while focusing on energy and resource consumption in the production, usage, recycling or disposal phase. We continue development of our products with this in mind.



We observe and support both national and pan-European environmental legislation and allocate the required resources to ensure that our employees always try to reduce waste in any form through continuous training and dialogue. Our R&D departments continuously contribute with improvements of functionality, design, insulation and other properties. Development is always based on current statutory requirements and the intention to fulfill the strictest demands on insulation properties.

### **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 insight every year, which form the basis for the product development of the companies in the DOVISTA Group and, consequently, our continued growth. Our research and development are 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 knowledge and research institutions.

Our products are developed and tested in a continuous collaboration between the business units and the DOVISTA Innovation Centre. The knowledge 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 potential and create new knowledge on windows and doors for the buildings of today and of the future. In collaboration with the frontrunners of the construction industry and educational institutions, LIVINGlab explores the application of windows in real-life conditions. We share our knowledge with everyone interested in energy issues - for instance through our extensive course activities.

### **Pioneer project within natural ventilation**

DOVISTA's LIVINGlab has in collaboration with specialists and products from VELFAC been important partners in a development project to create documentation and interest in natural ventilation in schools. The project also demonstrates a possible gain for the climate in terms of lower CO<sub>2</sub> emission from operation and building components.

During the last decades, energy requirements and architecture have changed the way in which we plan the layout of schools and their indoor climate. Specific requirements regarding airflow combined with requirements regarding energy demands in the Building Regulations have resulted in almost all the Danish schools after 1995 having been constructed as airtight buildings with mechanical ventilation and heat recovery.

In 2020, DOVISTA has been the knowledge and material partner on a development project where we, together with a group of researchers headed by the architect Carlo Volf, have developed a ventilation system that tries to uncover the possibilities of a "natural" alternative to mechanical ventilation in class rooms using daylight and natural ventilation.

NOTECH is based on passive, unilateral thermal ventilation and utilisation of solar thermal energy as a supplementary power to improve the buoyancy and ventilation effect. The ventilation system of the solar chimney is designed to reduce high temperatures in the class room during summer. During winter, the NOTECH solution is designed to utilise the sunlight and the passive solar heat using high transmittance glass in the windows. Seaweed is used in several places in the solution to filter/clean the outdoor air, balancing humidity, for sound reduction and minimization of draft problems.

Overall, the results of the demand controlled, natural ventilation system NOTECH show that in the presence of 16 pupils and 1-2 teachers, it can increase relative humidity compared to mechanical ventilation and reach satisfactory CO<sub>2</sub> levels of less than 1000 ppm, acceptable noise levels and indoor comfort temperatures.

The results of the test show major differences between the two systems when it comes to installation costs and estimated operating costs for electricity, heating and maintenance. These costs turn out to be significantly lower for the NOTECH solution and are only about 35% of the mechanical ventilation system. Finally, the results show that the CO<sub>2</sub> impact on embedded building materials when using the NOTECH solution is smaller and thereby reduces the total carbon footprint by 95% compared to the mechanical ventilation solution.

The development project has so far only been tested in one class room during one full calendar year and the research results should be seen in this light. The process of finding partners to test the solution on a larger scale is ongoing.







# THE DOVISTA GROUP COMPANIES

---

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.

## Supporting sustainable construction

The building certification DGNB is gaining acceptance in the Danish market. VELFAC was the first manufacturer of building materials to offer the market all the relevant data and documentation in one packet. It has been very valuable to architects, engineers and entrepreneurs, and many companies have been inspired to do something similar. Now, VELFAC has updated their documentation and again demonstrated that they are the leading manufacturer of building materials by offering DGNB-relevant documentation of sustainability to the entire Danish building industry.

## Chemicals

Chemicals have to an increasing extent become a focus point in society, partly because it affects our health and well-being and partly because chemicals are a challenge to be managed in terms of a more circular development of society and more circular construction. In 2020, DOVISTA's Innovation Center updated its List of unwanted Substances to express more clearly which chemicals DOVISTA does not want to include in their products.

## 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 for the way we do business within the framework of the objective.

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 2020, 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 want and expect of them, we have prepared an Anti-corruption Policy. The primary objective of this policy is to ensure compliance with all relevant legislation, and it comprises all types of corruption, including 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 – in line 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 parties to anonymously report suspicion of unethical business conduct. In 2020, several incidents were reported of which one report met the criteria for further processing under this Whistle-blower Scheme. The issue has been solved satisfactorily.





## THE DOVISTA GROUP COMPANIES

---

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.

**DOVISTA®**