



United Nations Global Compact  
Trackunit Communication on Progress (COP)  
Report

25.01.21

Dear Stakeholders,

In May 2019, Trackunit and its affiliates committed to support the ten universally accepted principles of the United Nations Global Compact with respect to human rights, labor standards, environmental protection and anti-corruption, and to advance those principles within our company.

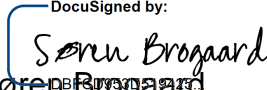
We are pleased to confirm our continued support for the Global Compact and renew our ongoing commitment to the initiative and its principles. We take this opportunity to confirm our commitment to the UN Sustainable Development Goals.

During the past year, we have made progress on initiatives. We focused our efforts on establishing a healthy, balanced and fair working culture, reviewing our environmental strategy, and on measures to share our values with employees, suppliers and others we are cooperating with. These key objectives were always pursued with our actions, even during the challenging COVID-19 pandemic.

We continued to follow our vision for the future that involves the innovative progress of the construction business until the year 2025 which we genuinely believe will have a positive impact on the health of individuals and the pollution of the environment in the long term. Our vision includes the commitment to our employees and is based on the foundation of a culture we are proud of.

These actions, their results and how they support the UN Sustainable Development Goals are described in more detail in this Communication on Progress report.

Sincerely yours,

DocuSigned by:  
  
Søren Brogaard  
CEO

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## Progress on the UNGC Ten Principles

Trackunit and its affiliates continue their commitment to the Ten Principles and made significant progress in 2020.

Theme	Summary of key engagements in 2020
<b>Human rights</b>	
<p><u>Principle 1</u>: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p><u>Principle 2</u>: make sure that they are not complicit in human rights abuses.</p>	<p><b>Our values</b></p> <p>At Trackunit, the principles of human rights are embodied in our different Policies, that we review and upload yearly. Our internal Policies are all time available for our employees and our external Policies are provided to third parties before the conduction of business. We have a clear focus on trust, integrity and ethics, what is communicated by the conduction of audits, trainings and third-party questionnaires.</p> <p><b>Our solution and vision</b></p> <p>Trackunit started the “Eliminate Downtime” movement (read more below under “Environment”) that supports the restoration and security of defective machines at an early stage. In this manner, injuries of operators can be avoided. Trackunit’s tracking solution may be used to detect and control the usage of machines in a dangerous manner for the operator or other parties. Another positive impact on the health of the operators can be reached by understanding the pollution of used machines.</p> <p><b>Balance and health</b></p> <p>During the last year, Trackunit focused on an open communication with employees about the handling of stress. Trackunit engaged in proactive measures to provide a balanced work culture through coaching, and mindfulness guidance, which we consider even more important considering the challenges of the COVID-19 pandemic. At Trackunit, the personal wellbeing of the employees is highly valued, even beyond work. With the formation of a new leadership, the company focus on “our people” was affirmed in Q4 2020.</p> <p><b>Whistleblowing</b></p> <p>One of Trackunit’s highest priority is to provide a safe working environment. This includes to protect workers from workplace harassment. In 2020, we particularly increased the awareness of the meaning of sexual harassments and the redress we provide by drafting a new policy in this regard. Employees can raise concerns and make reports without fear of reprisal. A smooth and swift mechanism for Whistleblowing is provided, including a</p>

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	Whistleblower Policy. All employees received training regarding both, the Sexual Harassment Policy and the Whistleblower Policy last year.
<b>Labor rights</b>	
<p><u>Principle 3:</u> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p><u>Principle 4:</u> the elimination of all forms of forced and compulsory labor;</p> <p><u>Principle 5:</u> the effective abolition of child labor; and</p> <p><u>Principle 6:</u> the elimination of discrimination in respect of employment and occupation.</p>	<p><b>Fair working conditions</b></p> <p>In all our different Trackunit offices all over the world, we follow all applicable labor rights and recognize the right to collective bargaining. Our goal is to offer a fair working place where our employees feel good and like to work. Since the start of the COVID-19 pandemic we enabled all employees to work from home. We respect all preferences regarding working spaces during this time without any consequences. Our priority is that our employees feel safe. Therefore, we took all the precautions and safety measures recommended by the government.</p> <p><b>No discrimination</b></p> <p>We do not discriminate in employment opportunities or practices and implemented in this context an Equal Employment Opportunity, which is available for all employees. We reflect this culture in our recruitment and promoting processes.</p>
<b>Environment</b>	
<p><u>Principle 7:</u> Businesses should support a precautionary approach to environmental challenges;</p> <p><u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility; and</p> <p><u>Principle 9:</u> encourage the development and diffusion of environmentally friendly technologies.</p>	<p><b>Eliminate Downtime</b></p> <p>We at Trackunit are on a journey to eliminate downtime of construction machines until 2025. We made a promise to the industry and genuinely believe in the positive impact on the environment. The construction business is one of the least productive sectors in the world. Downtime of machines means not only more environmental pollution due to the use of damaged equipment, the manufacture of new equipment instead of the repair, and the transport of misplaced machines. It is our mission to start the downtime movement and find a solution until 2025, even with the new leadership.</p> <p><b>Green projects</b></p> <p>Trackunit is continually striving to reduce the environmental impact of Trackunit and its customers. In the last years, we have put an extraordinary effort into different green projects. One of the key changes is the use of green energy. In our opinion, there can never be enough effort to make a company "greener". That is why the leaders of Trackunit are always in the continuous exchange of ideas with all employees. Accordingly, we implemented different measures to find new, more sustainable solutions. In our process of improving the manufacturing of our products in 2020, the</p>

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	environmental impact was always taken into considerations.
<b>Anti-Corruption</b>	
<p><b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p><b>Commitment before cooperation</b> Due diligence processes are very important to Trackunit. All our activities are within the economic sanctions' requirements framework of the UN, the US, the EU, the EU member states and other relevant sanctions. Third parties have to acknowledge and sign our Anti-Bribery and Corruption and Sanctions/Anti-Money Laundering Policy (ABC and Sanctions/AML Policy) and answer a third-party questionnaire before the start of a cooperation. We always emphasize this requirement to all our employees worldwide.</p> <p><b>Due diligence</b> We conduct a due diligence process to detect, prevent, and, where appropriate, report money laundering, terrorist financing, issues regarding health and safety, and other illicit activity from all our customers and suppliers. These due diligence procedures mitigate the risk of a cooperation with suppliers and customers that have a negative impact on human rights. In the last year, we enforced our internal policy that any breach of the ABC and Sanctions/AML Policy leads to the end of the cooperation. We decided to start using a new documentation tool last year, which facilitates our due-diligence process.</p> <p><b>Training</b> In order to familiarize our employee values with our work against corruption, we provide our Antitrust and ABC and Sanctions/AML Policy all time to our employees. All newly recruited employees in the last year received an onboarding training in this matter. Further, the interactive e-learning module on the ABC and Sanctions/AML and Antitrust Policy has been updated in the company's e-learning platform.</p>

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## Measurement of Outcomes

Trackunit is pleased to confirm the most relevant indicators to measure the outcomes from taken actions.

Principles 1 and 2 (**Human rights**) and 3, 4, 5, 6 (**Labor rights**):

- **No human rights violations** were reported in 2020.
- Trackunit decided on taking a new role that aides in designing a new work environment that engages people, gives a sense of belonging and makes them proud of their work last year. This continues with the change of leadership and the defined vision "New Tracks".
- The "HR" department was changed to "**People and Talents**" to lead the path for this approach. The People and Talents department took initiative and established a new "**Health & Safety Organization Team**" in the headquarter to enable more safety.
- Trackunit focused last year on **stress reducing** and communicated the offered flexibility with regards to working spaces and other circumstances to its employees already before the COVID-19 pandemic.
- Trackunit continued the cooperation with an external coach that visited the office multiple times in order to support personal development opportunities through raining, coaching, and mindfulness.
- In context with the **COVID-19 pandemic**, the Trackunit leadership team offered **coaching** opportunities to support employees in this difficult time. This opportunity was communicated in April 2020 and is offered to each employee, independent from tasks where the employee is based.

Principles 1,2 (**Human rights**) and 7, 8 and 9 (**Environment**):

- The "**Eliminate Downtime**" move started with the promise to reduce breakdown and failure of machines until 2025. For this purpose, Trackunit started to cooperate with different companies of the construction industry and collected and analyzed machine data. One of the first results is that the construction business is losing 60 % in productivity growth due to downtime. This number motivates companies to participate the Eliminate Downtime move, what will help to reduce injuries and pollution in the long run.
- In order to receive a better overview of the market and different machines, Trackunit engaged in knowledge sharing last year. One important example is the sharing of numbers in context with the **COVID-19 pandemic** to the public for free to assist the construction business in taking actions (April 2020).<sup>1</sup>
- Trackunit raised the awareness of the "bigger picture" in the construction industry, explaining how the five areas (1) Society, (2) Machine, (3) Human, (4) Industry and (5) Company are connected. The so-called "**Eliminate Downtime Model**" wants to inspire innovation across the industry, and demonstrate that innovation can take many forms.<sup>2</sup>

Principles 7, 8 and 9 (**Environment**):

- Trackunit reduced more than 70 % of paper consumption in the context of invoicing. The changeover to **electronically sent invoices** was included in the last update of the general terms and conditions.
- In Trackunit's headquarter, where most employees are located, Trackunit installed three new taps with fresh water and ordered hundreds of glass bottles for filling. Since then, no new plastic water bottles

<sup>1</sup> <https://www.trackunit.com/company/blog/blog-posts/downtime-index-week-13/>.

<sup>2</sup> <https://www.trackunit.com/company/blog/blog-posts/elephant-in-the-room/>.

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were ordered. With these measures, Trackunit managed to **remove plastic bottles** completely in the headquarter.

Principles 1 and 2 (**Human rights**) and 10 (**Anti-Corruption**):

- Every second week, Trackunit conducted the **due diligence process** to detect illicit activity from all customers and suppliers.
- No illicit activity Trackunit discovered was remained without action or consequences.
- May and October 2020, mandatory **compliance training** were conducted in: Anti-Money Laundering, Anti-bribery and corruption, Antitrust, Whistleblowing and Sexual Harassment.
- 100 % of staff completed the mandatory compliance training.

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