

# COP REPORT 2020



# Content

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CEO Statement.....	4
The Addtech Group - independence and synergies.....	6
High-tech products and solutions.....	7
Sustainable Business.....	8
Our work with the SDGs - employee involvement.....	10
Value Chain.....	16
Social Value.....	20
Our Role in Society.....	24
Environmental Value.....	26
Walk the talk - Warehouse facts.....	28
Economic Value.....	30



# 99 years and still going strong

Getting closer to our 100 years anniversary as a company next year, HF are in a strong healthy shape.

We focus on being a little better than yesterday and increase our chances of success for a better tomorrow and the next 100 years of existence. We take pride in a positive contribution to our planet and our responsibility to leave the world in a better shape than we received it.

With a new 3 years strategy we have implemented strong focus on continuing to improve our sustainability and CSR. Through dedicated efforts on the SDG's, we recognize our responsibility in creating a better world and planet and have split our efforts in 2 area's:

### Our footprint

Our focus within goods and people transport, waste reduction and energy consumption. We are optimizing and reducing transport in our supply chain, the waste we produce and how we recycle it and lastly the amount and type of energy we consume in operations.

### Our handprint

With our technical competencies we have and will continue to help many of our customers with technical solutions that among others support the transformation towards renewable energy. Our focus remains solid on thinking and implementing our solutions in a sustainable perspective; protecting natural resources, reducing waste, and utilizing technology to protect our planet and world around us.

HF has been a member of the UN Global Compact since 2012 and it is only natural for us to engage with the SDGs by our foot- and handprint. In the coming period, focus will be on implementing our new strategy, working actively with implementing initiatives towards reducing our climate impact as well as developing sustainable solutions that will benefit our planet.

We are pleased to confirm our continued support to the UN Global Compact and it's Ten Principles.



Bent Madsen  
CEO

Bent Madsen



# Addtech Group – independence and synergies

HF works as an autonomy unit with wide-spread self-determination in virtually all areas. We use the group umbrella to explore possibilities of collaboration with the other affiliates and benefit from inter-company synergies. We cooperate closely on e.g. employee education (Addtech Business School), employee surveys and sustainability work.

HF sustainability work is governed by the Code of Conduct. Addtech's board of directors via group management is ultimately responsible for the groups sustainability work and determine long-term goals. However, Hans Følsgaard A/S supplement these goals by goals

and action plans developed by HF. Thus, the operational sustainability work is driven via the decentralized responsibility in HF.

Sustainability is an integral and important part of our strategy. HF aims to respond to a growing demand from stakeholders and customers on sustainability.

Addtech's sustainability report has been prepared in accordance with the GRI standards. In conjunction with the end of the financial year HF, as does all affiliates, report sustainability data as part of our non-financial reporting to Addtech.

The annual report is available at Addtech's company website [www.addtech.com](http://www.addtech.com).

# High-technology products and solutions

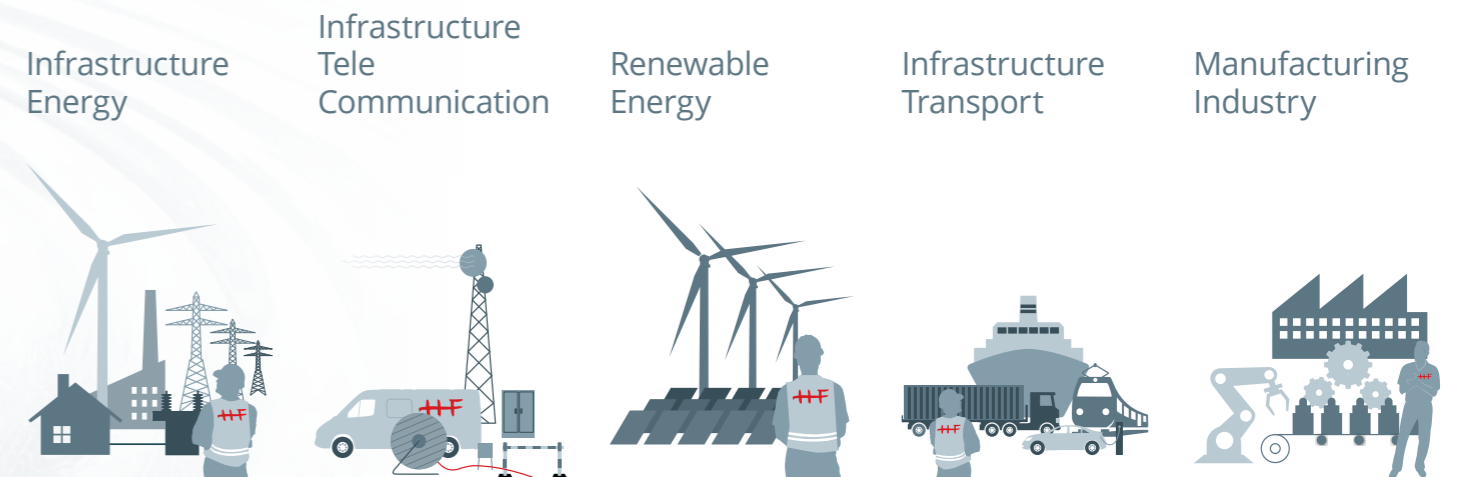
HF offers high-technology products and solutions to companies in the manufacturing & infrastructure sectors

We are a value-adding link between customers and suppliers and create a mutually profitable and competitive trade with our customers.

We customize, design, and produce solutions in collaboration with customers and carefully selected suppliers and manufacturers across

the world. We conduct our own production on a minor scale; thus, the major share of production takes place via orders to suppliers.

At one end of the chain we want to be our customers' Technical Partner of choice and at the other end of the chain we want our suppliers to do better operating with HF than with others or alone.



# Sustainable Business

Hans Følsgaard A/S's vision is to be our customers' preferred partner within our line of business. Working towards our vision and running our business we wish to contribute to sustainable development for individuals, society, and the environment.

Aiming to create improvements throughout the value chain we strive to comply with and support our customers' requirements for sustainable solutions by using our know-how, agility, and global supplier network to develop solutions and products that support sustainability.

We aim to motivate, inspire, and create awareness of the importance and benefits of finding sustainable solutions throughout the value chain as we work closely with colleagues, customers, and suppliers worldwide to strengthen relationships and work towards common sustainable goals.

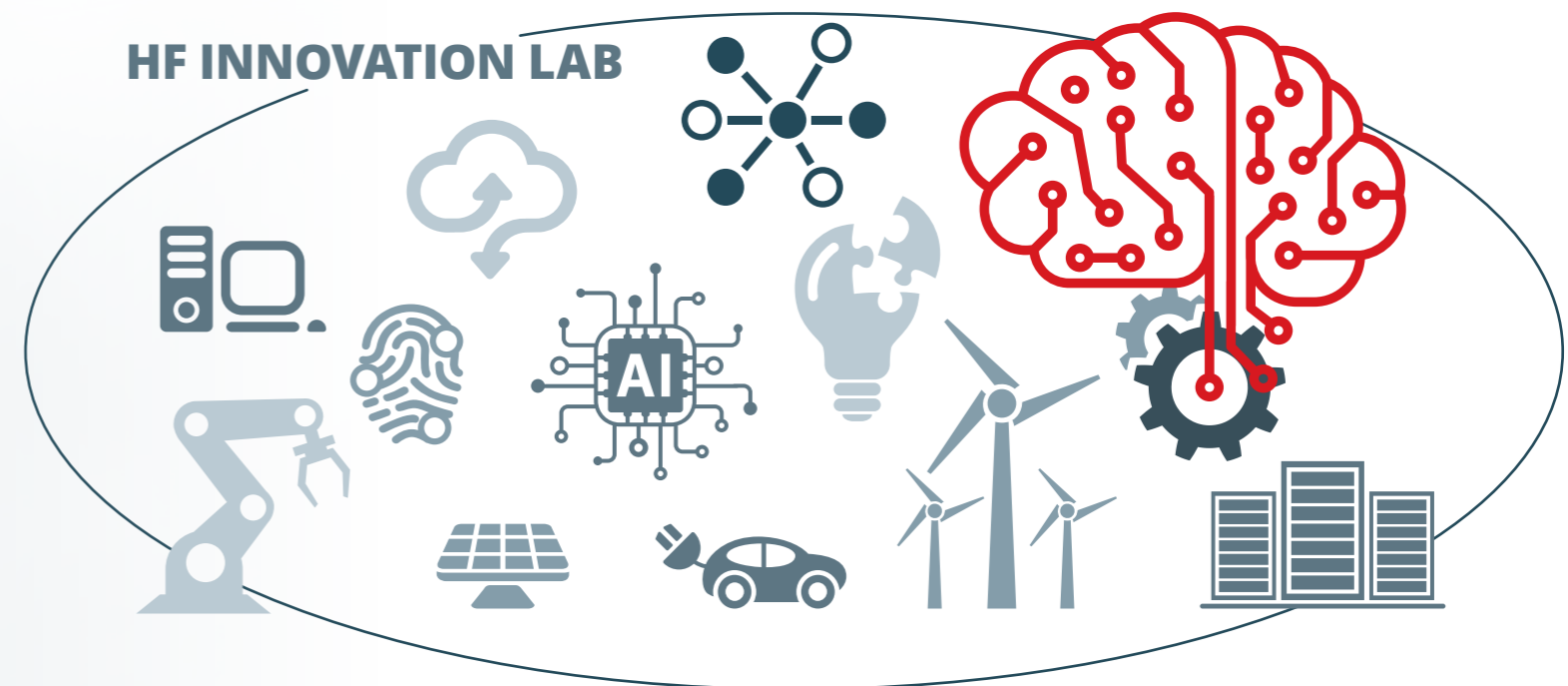
Our work with the SDGs strengthens our position as a value-adding sustainable Technical Partner.

We have identified the following focus areas for the coming 3-year strategy period to set a common focus and goal for our work with sustainability

**CO<sub>2</sub> Neutral  
by 2030**

## KPIs

- Map customers' requirements to sustainability and enter a dialogue with customers to promote the use and development of sustainable products and technologies.
- 80% Purchased volume from assessed suppliers. Assessed in accordance with our Code of Conduct based on the UN's Global Compact, the ILO's core conventions, and the OECD's guidelines for multinational companies, competition legislation and anti-corruption regulations.
- Map risk, opportunities and impacts in the value chain both up- and downstream
- Reduce CO2 emission towards carbon neutrality by 2030
- Reduce waste and energy consumption
- Request sustainable alternatives from manufactures and suppliers (material, products, packaging)
- Develop a TCO<sup>sustainability</sup> mindset
- Establish HF Innovation Lab



# Our work with the SDGs – employee involvement



HF has been a member of the UN Global Compact since 2012 and it is only natural for us to engage with the SDGs.

Every single one of our employees have been involved in the process right from the start in 2012 and taken part in workshops contributing to set common targets for the process and progress.

In 2020 all employees have been involved in creating the business strategy for the coming 3 years integrating the SDGs. Thus, learned from the good experience, we also chose to initiate our work not only with the strategy but also with the SDGs by involving all our employees from the very beginning. First with an introduction to the SDGs, followed by 2 workshops with all employees present.



First, employees should discuss the importance of working with sustainability and then, using a value scan, map the company's new business opportunities and the potential of working with the UN's global goals and sustainable business development.

To help identify the most value-creating sustainable development goals and select which goals to focus on in the 21-24 Strategy, we made a value scan answering and discussing following questions:

1. What global goals does the company positively impact through the existing business model?
2. What global goals does the company negatively impact through the existing business model?
3. Where does the company miss out on value creation in the current business model when reviewing each individual global goal?
4. Where can the company create completely new business opportunities, based on existing competencies and knowledge, outside the current business model?

*Not surprisingly, given our core competencies and lines of business, the results of these workshops showed that the company's focus and opportunity to develop new sustainable business lies on the SDGs 7, 9, 12 and 13.*

The workshops gave rise to a good dialogue and exchange of views and many new ideas for the future sustainable work emerged. Not surprisingly, given our core competencies and lines of business, the results of these workshops showed that the company's focus and opportunity to develop new sustainable business lies on the SDGs 7,9, 12 and 13.

### Responsibility

Our employee involvement and participation in the strategy work and thus also in the work around the SDGs has been crucial for the understanding and insight and has inspired and motivated our employees to think sustainable. They have all taken part in setting the goals and worked them into the business plans for each department – they all know how to contribute to reach the goals as they are ultimately responsible for reaching them.



## Our work with the SDGs – employee involvement ...

# TCO sustainability

### SDG 7



We want to support an increased global percentage of renewable energy. In 2020, 54% of the business came from renewable energy and the development of solutions for this area.

Our continued focus is based on ongoing development of unique customized solutions for both production and service concepts in cooperation with the leading global manufacturers of innovative and market leading technical products for the wind turbine industry and sustainable energy sector in general.



### SDG 9

We aim to support resilient infrastructure, promote inclusive and sustainable industrialization increase access to communication technology and foster innovation.

*Our infrastructure business line comprises communication, transport, and energy:*

#### Communication technology

A well-functioning and innovative infrastructure provides improved access to information and communication technology. It is the backbone of a modern society. Today fibre cables are a mature technology with long proven worthiness as a 'highway solution' in modern infrastructure.

Having more than 300 production lines at hand ready to produce any amount of guaranteed high quality fiber optic cables we aim to increase access to communication technology. We have developed what we believe to be the best fiber optic cable on the market HFiber-



CORE™ Its numerous unique features reduce TCO considerably and is indispensable for future infrastructure.

#### Power Management

Transport accounts for a large percentage of the global energy-related carbon dioxide emissions. We have invested in innovation to find solutions for energy efficiency and power management to counter this global challenge. One of our most popular solutions is our splitter box managing the power on reefers. It measures the total current in amps in a parallel circuit for 3 reefers ensuring the amps always stays below 32 amps, thus maintaining the cargo at the required temperatures, saving money, and avoiding blown fuses.

Using our splitter box reduces the fuel consumption on the ship as the generators power consumption is better distributed over time. Furthermore, the generators are not overloaded, and they will last longer.



#### Energy

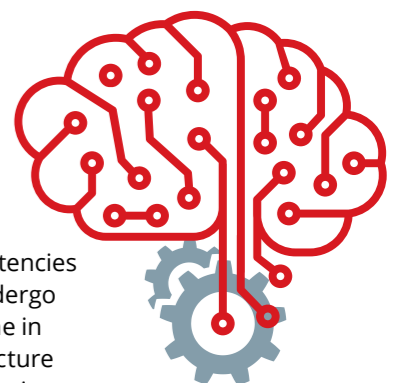
We endeavour to constantly find solutions that are sustainable and increase the use of sustainable solutions by making them available to our customers either through ready-made solutions or through joint development projects.

SF6 gas is the most potent greenhouse gas we know - one kilogram of SF6 gas corresponds to no less than 23,500 kilograms of CO2 and identified in the Kyoto Protocol as one of the gases that must be phased out; sadly the phasing out is slow and difficult due to its unique features. The green conversion is powered by solar energy, wind energy and heat pumps, but when connected to the grid, it is often done via systems with SF6 gas due to its good electrical properties.

Hans Følsgaard supply an SF6-free solution and even a solution that is prepared for 100 per cent recycling and if desired - for retrofitting and thus price-optimal life extension in the existing energy infrastructure. We are prepared to phase in more forward-looking technologies.

#### INNOVATION LAB

In 2020 we launched HF Innovation Lab focusing on fostering new innovative ideas, developing new business, products, and concepts. And even though a cross organizational team of innovative pioneers, with each of their set of competencies and knowledge, has been selected to undergo an intense innovation training programme in 2021, we aim to create a culture and structure that will prosper even more new technologies and solutions, across the company.



## Our work with the SDGs – employee involvement ...

### SDG 12

#### Manufacturing Industry

Hans Følsgaard A/S aim to increase the use of sustainable technologies and industrial processes. Denmark is one of the countries in the world where the adaptation and development within robot innovation is greatest. When the virus COVID19 turned into a pandemic, many decisions had to be made in a noticeably short time.

The Danish 'Statens Serum Institute' was able to eliminate a bottleneck in their testing of blood samples avoiding tedious manual work by a solution developed in record time implementing a fast and reliable Mitsubishi SCARA-robot able to handle 1400 samples in less than 3 hours.

### SDG 13

#### Zero emission by 2030

We develop and deliver technical solutions that help save energy and reduce CO2 emission. Hans Følsgaard has created detailed plans for each department in the organization on how to reduce our footprints and reduce CO2 emission to become CO<sup>2</sup> neutral at the latest by 2030.

All our energy comes from renewable energy. We are considering changing our car fleet to become all electric by 2030.

We will continuously update our plans to stay aligned with new technologies.



## Increase the positive impact through technical solutions and innovation

Support increased global percentage of renewable energy.

Increase use of sustainable technologies and industrial processes (Industry 4.0+5.0).

Increase product sustainability through a TCO<sup>sustainability</sup> mindset.

Reduce CO2 emission through technical solutions.

Invest in innovation to find i.e., solutions to energy efficiency, future communication technologies and power management/ smart grid.

Evangelize sustainable alternatives.

Support sustainable infrastructure and increased access to communication technologies.



Reduce energy consumption in factories and office buildings.

Reduce landfill waste

Request sustainable alternatives i.e.:

- Material
- Packaging
- Increased product lifetime

Increase use of sustainable, recyclable material & packaging in factories & operations

Reduce CO2 emission from employee travel, goods transport, material and packaging.

## Reduce footprint





# Value Chain

We aim to gain sustainability insight throughout the value chain.

We make high demands at ourselves and so it is natural for us to make the same high demands on every part of the value chain. Our choice of partners is essential for our business and we are very selective. We ensure not only that their products match our customers' requirements, but also that our suppliers are socially and environmentally responsible. We evaluate our worldwide suppliers and is screening them biannually, enabling us to manage risk, optimize supplier performance and maintain long-lasting supplier relationships.

### Suppliers

We are proud to say that all our largest suppliers from more than 15 countries from North America, Europe and Asia producing 80% our turnover have responded and more so.

Our suppliers represent an important key strategic resource when it comes to innovation, risk, TCO, sustainability and corporate social responsibility. Our partnerships are long lasting some of them go back more than half a century and we strive continuously on deepening these supplier relationships to develop mutually beneficial, collaborative partnerships for the benefit of the entire supply chain



## KPI's

- 80% Purchased volume from assessed suppliers

*Assessed in accordance with our Code of Conduct based on the UN's Global Compact, the ILO's core conventions, and the OECD's guidelines for multinational companies, competition legislation and anti-corruption regulations.*

- Mapping the supply chain

*A new initiative to map our supplier's knowledge and work with SDGs and also environmental impact, has led to screening in the areas of choice of material, packaging and waste, reuse and recycle. I.e. environmental compliance as well.*

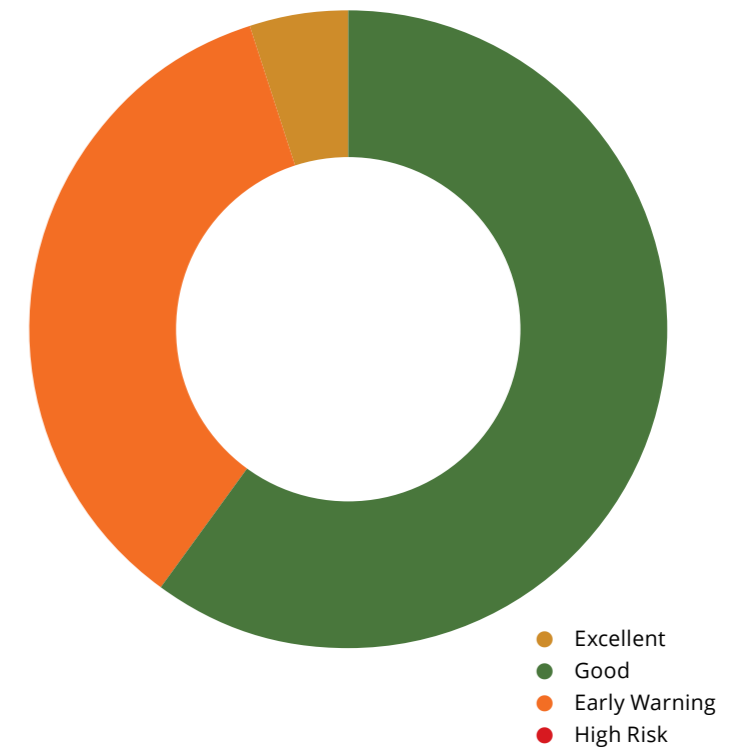
- We encourage our suppliers in their work with sustainability through dialogue and close cooperation.

- We request sustainable alternatives from our suppliers (material, products, packaging) and in close cooperation with our suppliers develop solutions and products that support sustainability.

# 80

## The supplier self-assessment in 2020 showed no indication of risk

- 0% have been involved/investigated nor convicted in a lawsuit concerning environmental legislation during the last five years
- 0% Have been involved/investigated in a lawsuit concerning corruption and/or related activities in the past five years.
- 32% Have one of more SDGs integrated into their business model
- 66% Sets environmental requirements when purchasing, takes environmental aspects into account in business and business development, and awards solutions that contribute to reduced environmental impact
- 85% To the greatest possible extent, avoid materials and substances that may be harmful to people, animals, and the environment



## Value chain ...

## Group Code of Conduct

Our vision is to be a leader in value-added technology trading. To live up to our vision, we must constantly develop, but never compromise on the principle of being a responsible company.

A CSR council in Addtech bears the responsibility for continuous development of group-wide tools and processes for sustainability work and for disseminating the same for use within the group companies. Thus, a common Code of Conduct for suppliers has been developed and is used by all the companies in the group including HF. The Code of Conduct for Suppliers summarizes the ethical values that the Addtech Group believes should apply in the relationships with all our suppliers of products and services.

The code is based on the UN's Global Compact, the ILO's core conventions, the OECD's guidelines for multinational companies, competition legislation and anti-corruption regulations.

### Anti-corruption

We have a stated policy of zero tolerance of corruption, bribes and unfair anti-competitive practices.

*No cases of corrupt were found to have occurred during 2020 nor previous years.*

### Labour law

We and our suppliers must, under our Code of Conduct, at least meet the minimum requirement of national legislation in labour law. Guidelines regard labour law are set out in our code of conduct. We have zero tolerance policy on force labour and works actively to assure that no breach of regulations takes place in our operations or value chain.

*No incidents in connection with infringements of human rights, corruption, working conditions were reported in 2020 or in previous years*



### Child labour

The UN convention on the Rights of the child, the ILO's minimum Age convention (no 138) concerning Minimum Age for Admission to Employment and the ILO's convention (no 182) concerning the prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour serve as guidelines for all activities conducted in our group.

*No incidents involving any breach of these conventions were reported during 2020.*



# Social Value

## Employees

The long-term employees and the long-term cooperation and relationship with our customers and suppliers is largely the engine of our success that is exported to the whole world.

We strive to be a reliable, responsible, and trustworthy business partner that provides better business for all parties.

Our employees are our most valuable assets. Our future development and success depend on them – their wellbeing and job satisfaction are important to us. We want to be an attractive employer and providing a workplace where employees enjoy their work, have a sense of pride, and develop personally.

We allow our employees a high degree of autonomy. Giving our employees the freedom to manage much of their own work we get flexible, dedicated, and satisfied employees in return resulting in improved profitability, productivity, and quality. We do, however, also set clear requirements. HF has a healthy company culture which is important to our employees.



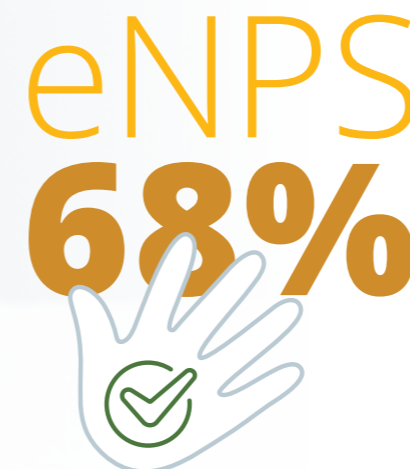
*We strive to be a reliable, responsible, and trustworthy business partner that provides better business for all parties.*

## Employee survey

In Hans Følsgaard we have a high degree of employee satisfaction. We are listening and acting on our employee feedback and based on the results of the employee survey actions plan are being created.

The eNPS score based on the employee survey in 2020 was 68% i.e. on a 97% response rate - an incredibly good result considering we also scored high on the following questions:

- 91 I am proud of the work I do
- 90 I find that my workplace is a good place to work
- 90 I am proud to tell others where I work
- 87 There is a family/team spirit in our company



## Education

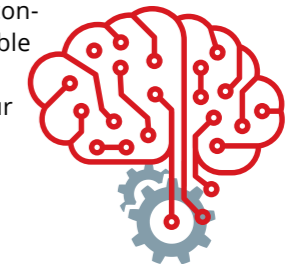
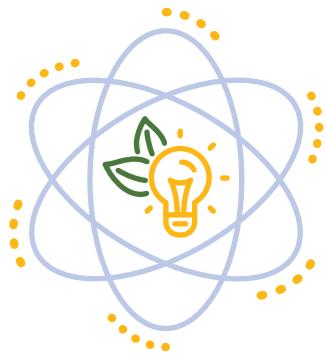
We want to capitalize on the full potential of our employees. Education and competence development focusing on both commercial, technical, and personal skills must ensure that HF's employees are competent technology partners and possess a strong business understanding. Education leads to increased job satisfaction and the ability to attract high-quality employees not to mention an increased capacity to adopt new technologies and to stay in the forefront of technology.

All employees must attend training at least once per year. Our employees attend i.e. the Addtech Business School programme.

All administrative managers attended a leadership training course to enhance managerial and leadership competencies including skills such as coaching, conflict management, motivation etc.

### INNOVATION TRAINING

As part of a new set-up of a HF Innovation Lab we have selected several technical employees to participate in an innovation training program. The aim is to enhance our employees' creativity and their ability to contribute to innovation and enable them to implement projects and innovative thoughts in our teams and organization.



Social Value ...

### A cooperate Code of Conduct for employees

As a basis of how we perform and act in our day-to-daywork the Code of Conduct summarises the ethical values that the Group believes must be key in our activities, providing a minimum level of acceptable behaviour and covering all employees. We do not accept any actions that breach the Code of Conduct. The code is based on the UN's Global Compact, the ILO's core conventions, and the OECD's guidelines for multinational companies, competition legislation and anticorruption regulations.



### Healthy company culture

We strive to hire employees that fit in our company culture, as our employees are more likely to enjoy their time in the workplace when they fit in with the company culture and when their needs and values are consistent with those in the workplace. They develop better relationships with co-workers.

Workplace assessment are conducted on a regular basis measuring the physiological and physical and ergonomic work environment, thus enabling corrective actions if needed. The response rates are high and shows that the work environment is healthy in every way and that we have a positive workplace culture.

Employees are encouraged to speak up and report matters that may be in violation of the Group Code of Conduct to their boss or the anonymous whistle-blower programme.



	2014	2015	2016	2017	2018	2019	2020
Employees	67	73	69	76	87	90	91
Average age in years:	46,5	47,8	46,7	46,3	46,3	47,9	48,0
Average seniority in years:	8,7	9,2	8,6	7,6	7,7	8,9	8,6
Sick absence:	1,82%	3,5%	2,76%	2,35%	2,67	2,06	2,69%
Rate of employee turnover	-	-	-	9,4	7,5	10,2	6,6%
Male	50	53	50	52	57	56	56
Female	17	20	19	24	30	34	35

### Health and safety

Health and safety are priority areas. We have a zero vision for work-related accidents, illnesses and incidents and an ambition to focus constantly on promoting health and well-being among our employees.

HF provides free health and accident insurance for employees and their children, free eye examinations and free weekly coaching and massages.

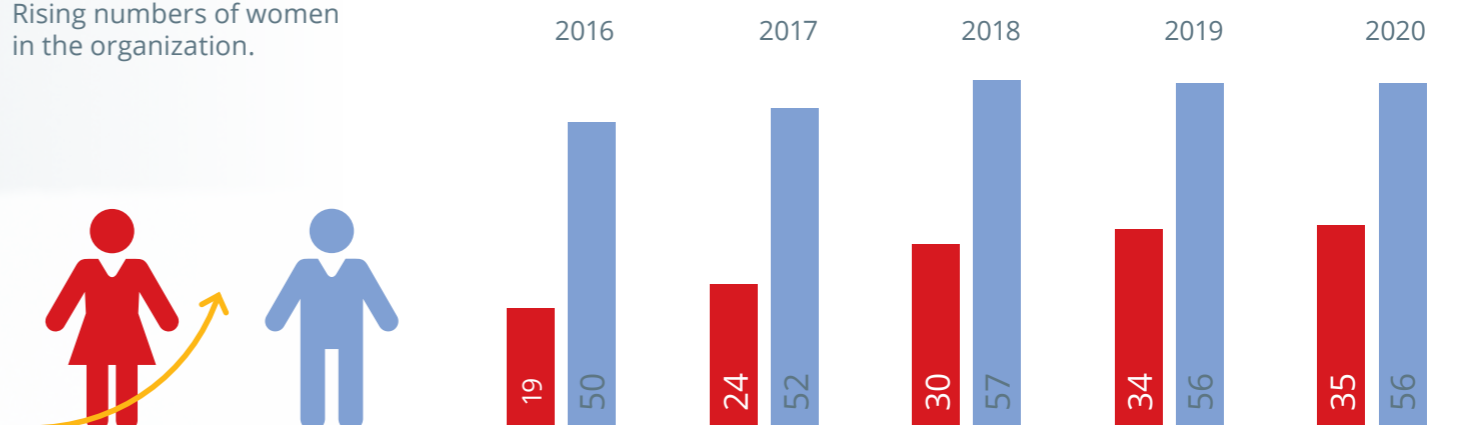
### Følsgaard Foundation – employee well-being

A very active staff social club has been granted a large amount from the Følsgaard Foundation to further improve the well-being of our employees. Measures such as reimbursement for sports membership fees, CPR training and social and cultural activities involving the employees and their families have been taken.

The purpose of the Foundation is to promote the wellbeing and coherence of employees in Hand Følsgaard and its affiliates by holding or supporting social and/or cultural events or activities for the benefit of the employees.



Rising numbers of women in the organization.



# Our Role in Society

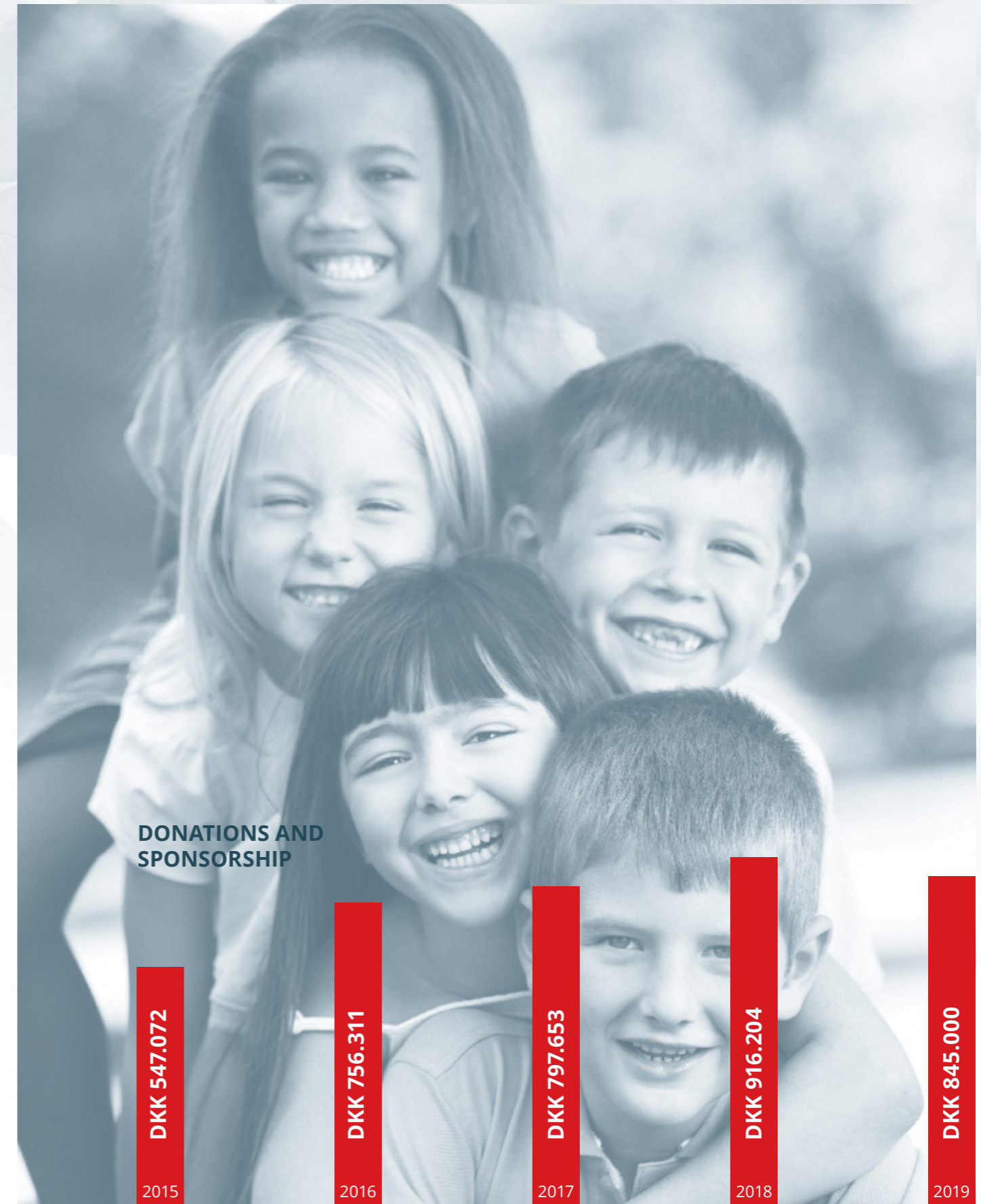
HF actively supports many worthy causes in the community, thus provide financial support to humanitarian organizations and sports associations.

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

HF employ apprentices since 2011. The apprenticeship takes 2 years to complete after which a new apprentice is hired.

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

*HF's most important positive impact on society lies in our contribution to economic and social growth in the form of jobs and taxpayers.*



# Environmental Value

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

Wind and Wave is HF's primary renewable energy sources, thus reducing the amount of electricity generation from fossil fuels, which results in lower total air pollution and carbon dioxide emissions.

Our main operations consist today of technology sales and distribution and only very limited production, thus our main direct impact on the environment is from the handling, packaging and transportation of finished goods, and business travel.

Most purchases are from suppliers outside Denmark and our export accounts for more than 50% of our turnover to countries in Europe, the US and Asia, necessitating a high transport volume. We do our utmost to consolidate shipments from our supplies to limit

transports and handling, thus gaining economic, social, and environmental value.

The environmental perspective must be part of all-important decisions and activities conducted continuously in Hans Følsgaard to safeguard environment. We take pride in constantly striving to reduce CO<sub>2</sub> and energy consumption and in developing environmentally responsible and cost-effective solutions – in close cooperation with our customers and suppliers.



## RENEWABLE ENERGY

2015:	137.910,0 kWh	▼
2016:	160.161,0 kWh	▲
2017:	161.928,0 kWh	▲
2018:	158.012,0 kWh	
2019:	164.481,0 kWh	
<b>2020:</b>	<b>0,0 CO<sub>2</sub>/kg</b>	



RENEWABLE ENERGY SINCE MAY 2018

## TRANSPORT CARS

2015:	1.070.0 km	▼
2016:	1.203.3 km	▲
2017:	1.339.6 km	▲
2018:	1.318.1 km	▼
2019:	1.353.0 km	▲
<b>2020:</b>	<b>246,3 CO<sub>2</sub>/kg*</b>	▼

\* 1.255.573 KM here of 61.226 km in electric or hybrid car



TRANSPORT DRIVEN BY EMPLOYEES IN LINE OF SERVICE

## IN & OUTBOUND SHIPMENT

2015:	588.3 CO <sub>2</sub> /kg	▲
2016:	480.3 CO <sub>2</sub> /kg	▼
2017:	419.8 CO <sub>2</sub> /kg	▼
2018:	721.7 CO <sub>2</sub> /kg	▲
2019:	515.4 CO <sub>2</sub> /kg	25% ▼
<b>2020:</b>	<b>526,8 CO<sub>2</sub>/kg</b>	▲

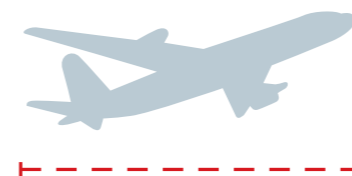


EMISSIONS IN TOTAL FROM IN- AND OUTBOUND SHIPMENTS

## FLIGHTS

-		
-		
-		
-		
-		
-		
<b>2020:</b>	<b>4,7 CO<sub>2</sub>/kg</b>	

\*New measurement



EMISSIONS IN TOTAL FROM FLIGHTS

## OIL

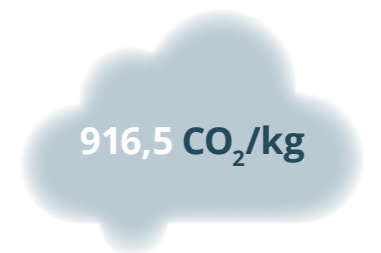
-		
-		
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-		
<b>2020:</b>	<b>18,3 CO<sub>2</sub>/kg</b>	

\*New measurement



EMISSIONS FROM THE USE OF OIL

## CO<sub>2</sub> 2020



CO<sub>2</sub> EMISSIONS IN TOTAL

## Environmental Value

# Walk the talk - Warehouse facts

At Hans Følsgaard A/S the respect for the environmental issues and the human resources begins within the company.

Our warehouse facilities are designed and organized in consideration of our employees as well as the environment. We have focus on creating the best possible working environment and constantly strive to find ways to reduce CO<sub>2</sub>-emission.

Hans Følsgaards central warehouse is 4244m<sup>2</sup> (some 45682.03 ft<sup>2</sup>) and employs 9 men and 2 women handling i.e. kits-set assemblies, goods receipt inspections, customer specific packing and labelling solutions, receiving, and dispatching orders globally.

Daylights is the preferred lighting in the warehouse using glass domes as far as this at all practical – both in consideration of our employees as well as the environment.

Artificial lighting comes from highly energy efficient fluorescent lamps (argon). To minimise draught there's only one gate for transportation of goods in and out of the warehouse. Heating is by natural gas, and only areas regularly used by the employees are heated to optimise the energy consumption. For the same reason temperature sensors are used to control the heating. Forklifts, trucks, and stackers are all electrically operated.

- Cardboard only from re-used material
- All cardboard boxes are self-assembly (no tape needed)
- Water based print
- Tape biodegradable
- Wrapping for pallets biodegradable (Suckercane-First-Mover)
- Garbage sorting for re-use
- Forklifts, trucks, and stackers uses electrical power
- Optimized Energy Consumption
- LED light all over
- Economizing on cardboard boxes and packaging



## Logistics Partner:

### Transport of finished goods

In 2020, we use only one Logistics Partner for overseas pallet shipments, reducing the number of trucks and hence reducing CO<sub>2</sub> footprint as well.

We are also encouraging customers to have as few weekly shipments as possible instead of several times a week - resulting in decreased resources and transport used for both the customer and HF.

We optimize the packaging so that it takes up less space



## Plastic pollution

HF acts on plastic Plastic pollution is one of the most important environmental problems that we face today. We have changed the packaging of our products for the container industry – now using no single plastic bags but cardboard boxes only.

Considering that Hans Følsgaards A/S is shipping full containers of this product, this adds up to a vast amount of plastics being substituted by the environmentally friendly cardboard.

*HF has neither been sued nor fined or received any penalties for violation of environmental laws or environmental regulations in 2020.*



# Economic Value

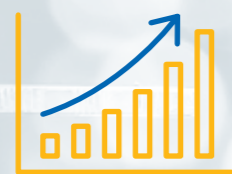
2020 was a good year for the HF group. Entering the new fiscal year was just when the Covid-19 pandemic hit the markets. We could see the pandemic closing in from our factories in Wuhan, to production facilities in Northern Italy. Considering the extreme uncertainty of 2020, HF has completed an all-time-high result, which in consideration of the business environment, we are very proud of. Especially our business area's within renewable energy, infrastructure of communication and energy have been evolving in a healthy pace.

HF's profit goal is approx. 10% per year. The profitable target for each subsidiary in the group is a minimum of 45 percent, measured using the relationship between operating profit (P) and work capital (WC).

The P/WC model encourages high operating profit a low level of tied-up Capital, which combined with the growth target of 10 percent, enables self-funded long-term profitable growth. For the tenth consecutive year HF has been awarded the highest credit rating, AAA.

Consequently, we have been awarded an AAA gold rating (AAA rated for 10 years in a row). Having an AAA rating means that HF has an exceptional degree of creditworthiness and can easily meet its financial commitments.

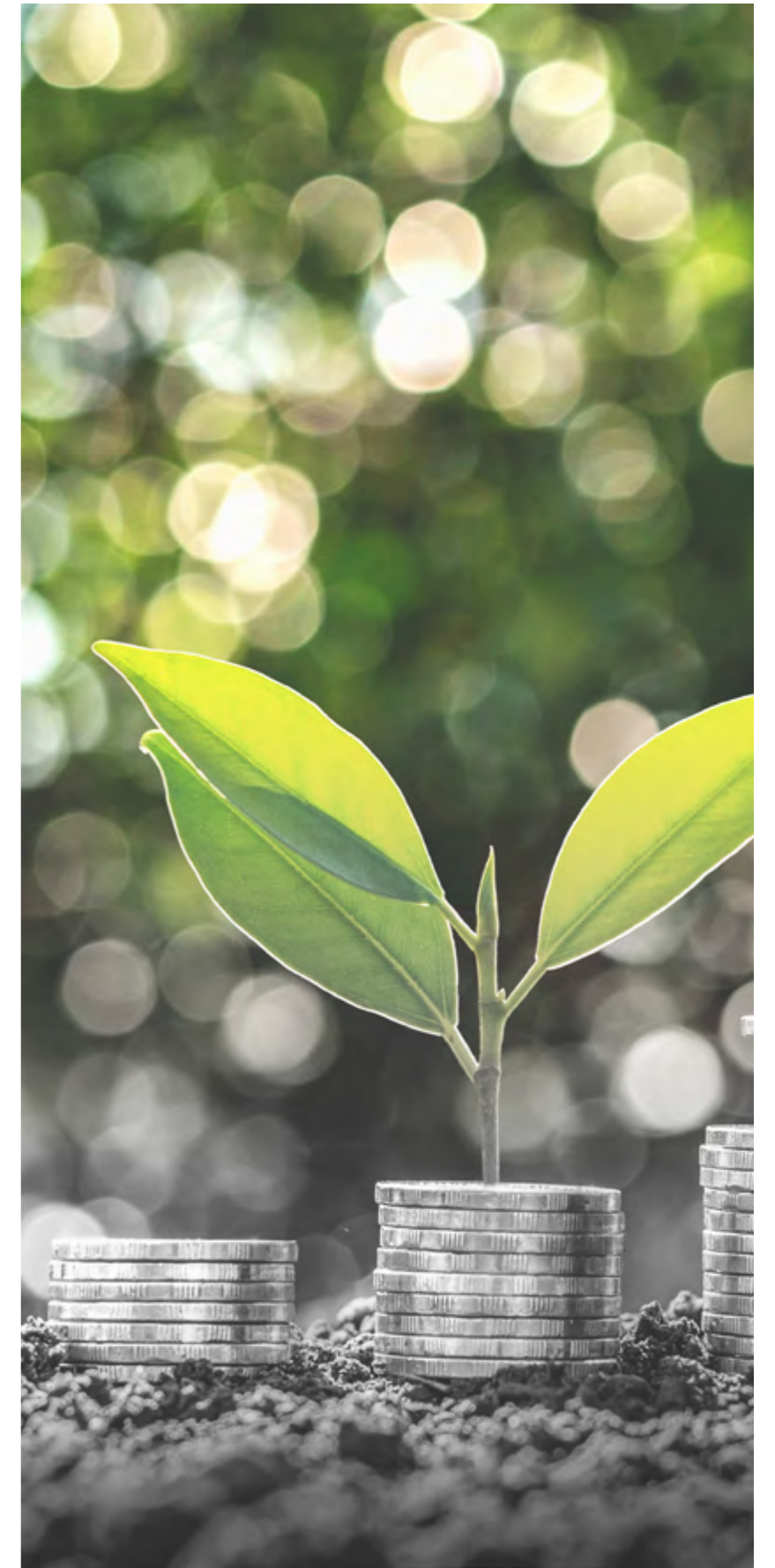
Economic stability and strength give us freedom to operate and opportunity to invest not only in sustainable business development and projects, but also in superior employee recruitment and employee well-being initiatives.



**10%**  
APPROX. PROFIT  
PER YEAR



**45%**  
PROFITABLE  
TARGET FOR EACH  
SUBSIDIARY







**HF FØLSGAARD**  
Your Technical Partner