

**ANNUAL COMMUNICATION OF PROGRESS
2020-2021**



ØSTERMARK
GROUTING

Statement of Continued Support

June 10, 2021

Østermark Grouting specializes in grouting solutions both onshore and offshore. We are one of the leading suppliers and have been part of the wind industry for more than 35 years. Our solutions have been developed in collaboration with wind turbine manufacturers and within the last few years the product portfolio has been expanded with Sealing and Repair solutions.

Our global customer database contains customers from more than 25 countries around the world. Østermark Grouting's headquarters is located in Holstebro in Denmark and we have branches in Norway, Russia, Kazakhstan and Australia.

The last year has been challenging due to the global pandemic, which has made great demands to our flexibility. Despite the challenges, we have adhered to our values and our commitment to our Code of Conduct and the ten principles of the UN Global Compact.

Therefore, I am pleased to confirm that Østermark Grouting A/S reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

The period covered by this Communication on Progress (COP) is: July 2020 to June 2021

Sincerely yours,



Jens Erik Henriksen

Group CEO



Human Rights Principles

Commitment

Østermark Grouting is committed to protect human rights, both for our own employees and for our suppliers. We support the Universal Declaration of Human Rights. Accordingly, our Code of Conduct is shared with all employees.

No employee should ever be exposed to any physical punishment, threats of violence or physical, sexual, psychological or verbal harassment or maltreatment in the work place or in work-related situations. We respect cultural differences and does not do business with a supplier if the supplier practices discrimination at work based on race, religion, gender, age, nationality or sexual orientation.

Østermark Grouting creates equal opportunities for men and women to pursue their carrier goals.

Østermark Grouting employs 47 people from 5 different nationalities, working in 3 global divisions. 23% of our employees are women and 77% are men. In our management team 50% are women and 50% are men.

Østermark Grouting sees no significant risks that the company violate the UN Global Compact Principles 1-2.

Implementation

Introductory courses for new employees have been implemented, including review of our Code of Conduct.

Annual employee interviews and periodic workplace assessment have been implemented and must, among other things, uncover any maltreatment in the work place or in work-related situations.

We have implemented the EU General Data Protection Regulation (GDPR), and are working on how to optimize the ways we work with data privacy in Østermark Grouting.

Measurement of outcomes

Periodic review of the results from employee interviews and workplace assessment is performed by the Management Team.

In the past year, Østermark Grouting has not been subject to any investigations, legal cases or incidents involving human rights violations. No incidents or violations of the human rights principles have been reported to the Management Team.

Objectives for 2021 / 2022

Following measurable objectives are established for our sustainability work in 2021/2022:

Action	Target
Implementation of a Business Partner Code of conduct	100 % of approved suppliers have signed the Business Partner Code of conduct
Implementation of a whistle blower system	100 % implemented

Labour Principles

Commitment

Our employees are our number one priority. Our work at sites around the world includes manual processes which need thorough risk assessment and risk management. We believe that working at Østermark Grouting must be healthy and safe regardless of region or country.

We ensure a safe and healthy work environment via our Health and Safety Management system including a strong Health and Safety organization with the active participation of employee representatives.

Our Employee Handbook covers policies concerning our employee safety, rights, responsibilities, compensation and benefits. Each employee is also provided an employment contract stating all the conditions.

We respect the employees' right to organize and enter collective labor agreements and have zero tolerance for forced labor, child labor and discrimination.

Østermark Grouting sees no significant risks that the company violate the UN Global Compact Principles 3-6.

Implementation

Introductory courses for new employees have been implemented, including review of our Employee Handbook and introduction to our Health and Safety Policy.

All employees are once a year invited to the annual employee interview. The purpose of the interview is to provide constructive feedback and to agree on a number of development points for well-being, work tasks and continuing education, as well as to ensure that employees are aware of how their jobs and actions are relevant to quality and a safe working environment.

Goals have been set for education/training, average seniority, number of accidents and sickness absence. And periodic review of the results is performed by the Management Team.

Measurement of outcomes

Action	KPI	Target	2019	2020	2021 (1/1-1/6)
Education / training of employees	Time consumption on education / training per man year	> 14 days	12,9	17,0	17,4
Retention of employees	Proportion of employees who have been in the company for more than 3 years	> 50%	50%	47%	62%
Healthy employees	Sickness absence	< 5 %	1,2 %	1,2 %	1,5 %
Safe working environment	Number of accidents	0	0	4	1

In the past year, Østermark Grouting has not been subject to any investigations, legal cases or incidents involving labour rights violations. No incidents or violations of the labour rights principles have been reported to the Management Team.

Objectives for 2021 / 2022

Following measurable objectives are established for our sustainability work in 2021/2022:

Action	Target
Implementation of a Business Partner Code of conduct	100 % of approved suppliers have signed the Business Partner Code of conduct
Implementation of a whistle blower system	100 % implemented
Employee satisfaction survey	90 % satisfied / very satisfied

Environmental Principles

Commitment

Østermark Grouting is committed to minimizing our environmental footprint. Objectives for our environmental impact have been established in our Strategy.

Overall, we consider our processes to have a relatively low impact on the environment, however we do recognize that our transports have a negative impact on the environment, and we constantly work to minimize these effects.

Our waste is managed at each site according to our global requirements and national laws and regulations. We focus on minimizing waste, and all waste is sorted to make it possible to recycle as much as possible

Østermark Grouting sees no significant risks that the company violate the UN Global Compact Principles 7-9.

Implementation

Following objectives is established for 2021:

- Purchase of trucks with reduced environmental impact
- Replacement of light sources to LED = reduction of power consumption by 67%
- Towards more digitization (less paper)
- Change to local suppliers (less transport)

Measurement of outcomes

Action	Target 2022	Status 2021
Purchase of trucks with reduced environmental impact	2 trucks per year	Trucks ordered
Replacement of light sources to LED = reduction of power consumption by 67%	All light sources replaced	90 %
Towards more digitization (less paper)	Implementation of digital business systems	Started
Change to local suppliers (less transport)	Local suppliers supply >80% of raw materials	Factory under construction

In the past year, Østermark Grouting has not been subject to any investigations, legal cases or incidents involving violations to the environmental protection principles. No incidents or violations of the environmental protection principles have been reported to the Management Team.

Objectives for 2021 / 2022

As described above.

Development of new business areas that contributes to sustainable solutions within wind energy:

- Reuse of wind turbine foundations
- Installation of used wind turbines
- Assisting developers of floating wind turbines

Anti-Corruption Principles

Commitment

The overall policy in relation to anti-corruption is that Østermark Grouting will not accept any form of action that can be considered corruption or bribery.

This means that the management of Østermark Grouting is ready to bypass contracts if it is made a condition that bribes must be granted to obtain these. Management will also support sales employees whose lack of sales is due to reluctance to meet bribery claims.

The management of Østermark Grouting considers it a serious misconduct if someone in Østermark Grouting contributes to corruption or bribery, which i.a. may have employment law consequences.

Østermark Grouting sees no significant risks that the company violate the UN Global Compact Principles 10.

Implementation

Our Code of Conduct is a part of the introductory courses for new employees and forms an integral part of the employees' employment agreement with Østermark Grouting, and covers all employees, including the Management team and the Board of Directors.

Measurement of outcomes

In the past year, Østermark Grouting has not been subject to any investigations, legal cases or incidents involving anti-corruption violations. No incidents or violations of the anti-corruption principles have been reported to the Global Management Team.

Objectives for 2021 / 2022

Following measurable objectives are established for our sustainability work in 2021/2022:

Action	Target
Implementation of a Business Partner Code of conduct	100 % of approved suppliers have signed the Business Partner Code of conduct
Implementation of a whistle blower system	100 % implemented

Planned actions 2021 / 2022

SDG	Action
 	<p>Implementation of a Business Partner Code of Conduct</p> <p>Employee satisfaction survey</p>
	<p>Purchase of trucks with reduced environmental impact</p> <p>Replacement of light sources to LED</p> <p>Towards more digitization (less paper)</p> <p>Change to local suppliers (less transport)</p>
	<p>Development of system for reuse of wind turbine foundations</p> <p>Assisting clients with installation of used wind turbines</p> <p>Provide expertise to developers of floating wind turbines</p>

