



DAS HERZ DER FRISCHE

BITZER ELECTRONICS A/S

SOCIAL RESPONSIBILITY

REPORT ON SOCIAL RESPONSIBILITY 2021





BITZER ELECTRONICS AT A GLANCE

115

No. of employees on date of issue of this report.

2012

Date of signing the UN Global Compact: 13 March 2012.

11

No. 11 on the Great Place to Work® Institute's list of the best workplaces in Denmark 2021.

1.270

Tonnes of CO₂ per employee in 2021.

CONTENTS

1. Management statement	3
2. BITZER Electronics.	5
3. BITZER Electronics and social responsibility	6
4. UN Global Compact	11
5. Environmental responsibility	14
6. BITZER Electronics' energy-efficient products	18
7. Heat pump controller	19
8. Ventilation controller	20
9. Remote caretaking.	21
10. BITZER Electronics customized Star Cool Controller	24
11. Supplier responsibility.	29
12. Supplier code of conduct.	30
13. People responsibility.	32
14. Anti-corruption.	37
15. Final words and facts	39

1. MANAGEMENT STATEMENT

We are pleased to present the 2021 edition of our report on social responsibility. This report gives an overview of our internal and external corporate social responsibility activities from December 2020 to December 2021.

Looking back on the past years, we have taken our work with sustainability and responsibility even further. Corporate Social Responsibility has always been a fundamental part of our company DNA with energy efficient solutions and it continues to be so.

People responsibility is important to us, and we keep measuring employee well-being via the Danish "Great Place to Work" employee survey, organized by the Great Place to Work® Institute. In November 2021, we ranked as no. 11 in the category of medium-sized companies on the Best Workplaces in Denmark list. We are proud of this achievement and the fact that we have been able to remain in the absolute top of this list, throughout the last 10 years.

For BITZER Electronics, the past period has been characterized by adapting our organizational approaches and strategies to meet the requirements from our partners.

Beside this, the coronasituation have created different challenges both externally and internally. For now it seems like we have overcome this in a great way. On the positive side we have learned a lot as a company and we are very proud of the flexibility that has been shown across the organization.

In 2020 BITZER Electronics entered a project with the humanitarian organization WWF in Uganda/Congo. BITZER Electronics has joined this project in a three year partnership that contributes to ensure an alternative income for the local population near the Varunga National Park and protection of the

natural area by forest restoration. In this way the living conditions are improved and the conservation area is being rebuilt.

We are proud and very happy to be a part of this fantastic project in cooperation with WWF. We are a green company that always aim to make the most energy efficient and sustainable solutions. Actions speak louder than words and the preservation of this amazing area takes some of the first vital steps in a more sustainable future.

BITZER Electronics joined the UN Global Compact initiative in 2012, and we will continue to support the UN Global Compact and its ten principles on human rights, labour, the environment and anti-corruption. These principles reflect our continued commitment to running our business in a responsible and serious way.

BITZER Electronics Management,



Henning Højberg Kristensen,
Managing Director



Peter Westergaard,
Managing Director



Henning Højberg Kristensen
Managing Director



Peter Westergaard
Managing Director

"THE AIM IS TO PROVIDE OUR CUSTOMERS, EMPLOYEES AND OTHER STAKEHOLDERS WITH INSIGHTS INTO BITZER ELECTRONICS' WORK WITH SOCIAL RESPONSIBILITY."



2. BITZER ELECTRONICS

BITZER Electronics possesses extensive knowledge and know-how about developing, producing and implementing innovative and efficient electronic climate control solutions. BITZER Electronics' most important asset is its staff in the form of more than 115 dedicated employees, who work either at our modern facilities at the headquarters in Sønderborg, Denmark or at our branch office in Aarhus, Denmark.

BITZER Electronics is a member of the BITZER Group, one of the largest groups in the global refrigeration and air-conditioning compressor industry.

Employee satisfaction is important in order to preserve an inspiring and creative environment, as well as the commitment needed to secure the future development of innovative and energy-efficient solutions.

BITZER Electronics' control solutions are important and reliable integrated parts of our partners' total systems – and help create a perfect climate for humans as well as optimised storage conditions for foods and other commodities.

Today, BITZER Electronics' innovative climate control solutions are used all over the world, for instance in the following areas:

- // Solutions for heat pump and air handling units
- // Compressor electronics
- // Frequency converters for air-conditioning and refrigeration compressors
- // Transport refrigeration for sea and land transport.

Mission

Energy efficiency through intelligent controls.

Our mission is to be a global player within intelligent electronics for HVAC&R. We provide cost-effective and high-quality solutions, enabling our customers to consistently outperform their peers in usability, serviceability and energy efficiency.

Vision

Our vision is to be the preferred company of our customers and employees

- // BITZER Electronics wants to continuously grow through innovative solutions.
- // BITZER Electronics wants to improve customer satisfaction, as measured in our annual surveys, by having a Net Promoter Score (NPS) exceeding 25.
- // BITZER Electronics wants to be one of the best places to work in Denmark with a trust index of 95% as measured by the Great Place to Work® Institute.

BITZER Electronics in short

- // Danish company owned by the German company BITZER.
- // BITZER Electronics produces electronic control devices for OEM products within the HVAC&R* industry.
- // Products are developed in-house and produced by global partners.
- // Our export share is about 75%.

*Heating, Ventilation, Air Conditioning & Refrigeration

3. BITZER ELECTRONICS AND SOCIAL RESPONSIBILITY

THE GLOBAL GOALS For Sustainable Development



The Global Goals

The world needs strong, collective action in the face of complex sustainability challenges such as climate change, access to resources and public health concerns.

The UN's Sustainable Development Goals (SDGs) and the Paris Climate Agreement are helping to accelerate change, deepening the commitment of governments, civil society and businesses globally.

They highlight how important it is for us to work together if we are to succeed in delivering change.

Climate change is one of the most pressing issues of our time. Addressing it requires a transition to a low-carbon economy. As stated in the Paris Agreement on climate change, business has a key role to play.

BITZER Electronics is committed to support the 17 global goals.

It is important that everyone take action in the areas they are able too. If we all do that, we are one step closer to securing a more sustainable world for both companies, people, animals and the nature.



Looking outwards

As an international company we also look outwards when it comes to human rights and social responsibility. BITZER Electronics have in 2020 established a new partnership in cooperation with WWF. The goal is to support the reestablishment of the rainforest in the Greater Varunga Landscape, where the nature and local citizens fight deforestation and poaching. Read more about the project on page 13.

In 2015, BITZER Electronics entered into a three-year partnership with Engineers Without Borders Denmark (Ingeniører Uden Grænser (IUG), which is part of Engineers Without Borders International, www.iug.dk. IUG is a technical humanitarian organization that, through the vision "a life after survival", aims to restore lifesaving services for people in need. They work in disaster-affected areas to ensure access to safe drinking water, proper sanitation and emergency shelter, as quickly as possible. IUG also provides assistance and support to projects in developing countries where their members' technical knowledge can help alleviate suffering and fight poverty.

Participating in a customer's responsible procurement program

BITZER Electronics supplies Maersk Container Industry with controllers, which are used in the refrigerating units Star Cool and has been doing so since the launch of the unit in 2006.

One of Maersk Container Industry's sustainability targets is to reduce energy consumption, which is one of the reasons why they have chosen BITZER Electronics' energy-efficient cooling control solutions for their reefer containers.

In 2011 Maersk Container Industry

invited BITZER Electronics to take part in its Responsible Procurement program, and in November 2015 they asked BITZER Electronics to participate in a sustainability status interview in order to learn about BITZER Electronics' experiences.

These are some of BITZER Electronics' experiences from participating in Maersk Container Industry's responsible procurement program:

"Maersk Container Industry's request was the opportunity to look at our work with Corporate Social Responsibility (CSR) from a strategic point of view. At the time, we were already following the principles behind social responsibility but hadn't formalised it.

It made good sense for BITZER Electronics to take this step. Not only because we have business worldwide but also because it was during a phase when we were growing substantially – doubling our number of employees.

The program was an essential trigger to put focus on our CSR work and we also decided to join the United Nations Global Compact as a natural step of this process."

BITZER Electronics' social responsibility partnerships and networks

BITZER Electronics is member of a number of networks, supporting social responsibility activities together with other companies and organizations. The list below shows BITZER Electronics' commitment to human rights, environmental innovation areas and organizations that support the local communities in which we do business.

BITZER Electronics also supports a number of local clubs and associations, e.g. sports clubs in which our employees or their children are active.

The employees can apply for sponsorships once a year.

Human rights

// UN Global Compact, www.unglobalcompact.org

// Engineers Without Borders (Ingeniører uden grænser), www.iug.dk

Environment

// Project Zero, www.projectzero.dk

Local cultural branding

// Cultural and sports sponsorships: "Kultur i Syd", Sønderborg Hus, SønderjyskE Elite Sport and Dybbøllhallerne

// Sponsorships for local clubs and associations in which BITZER Electronics employees are active

// Sponsorship for "Team Rynkeby"

Employer branding and attraction

// Great Place to Work® Institute, www.greatplacetowork.dk

// Work Live Stay, www.work-live-stay.dk

// Career in Denmark, www.careerindenmark.com

// Dansk HR, www.danskh.dk (in Danish)

// Cabi, www.cabiweb.dk (in Danish)

// Cleantech.talentattractiondenmark.com

Education

// Cooperation agreements with University of Southern Denmark and Aalborg University

- // Energy sponsor programme at Aalborg university
- // The panel of employer representatives at the University of Southern Denmark, www.sdu.dk
- // Guest lectures in eg. technology & innovation, sales & marketing and CSR
- lubben.dk (in Danish)
- // Delta – Wireless Klubben, www.wirelessklubben.dk (in Danish)
- // Fachverband Gebäude-Klima, www.fgk.de (in German)
- // ASERCOM - Association of European Refrigeration Component Manufacturers, www.asercom.org

Innovation and technology

- // TEGnology, www.tegtechnology.dk
- // CLEAN, Danish cleantech cluster, www.cleancluster.com
- // Member of Mechatronics Cluster Denmark, www.mechatronics-cluster.com (in Danish)
- // Member of Dansk Ventilation, www.danskventilation.dk (in Danish)
- // Partner in local project “Green Power Electronics Test Lab”, supported by e.g. Green Labs dk
- // SPM, www.spm-erfa.dk
- // Delta – EMC Klub, [### Industrial cooperation](http://www.emck-

</div>
<div data-bbox=)

- // Confederation of Danish Industry (Dansk Industri, DI), www.di.dk
- // Member of DI’s CSR network and Conflict Minerals network, www.di.dk
- // Industrigruppen Sønderborg
- // Member of Sønderborg Vækstråd

Results goals and actions (December 2020 - December 2021)

Goal:

Continue to anchor the awareness of BITZER Electronics’ social responsibility activities and policies among BITZER Electronics employees. Measured as part of employee satisfaction surveys (Great Place to Work®), above 95%.

Result:

99% of all BITZER Electronics employees answered “I feel good about the way we contribute to society” in the Danish Great Place to Work 2021 survey, organised by the Great Place to Work® Institute.

New goals and actions (December 2021 - December 2022)

Goal:

Continue to anchor the awareness of BITZER Electronics’ social responsibility activities and policies among BITZER Electronics employees. Measured as part of employee satisfaction surveys (Great Place to Work®), above 99%.



4. UN GLOBAL COMPACT

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Overall, the Global Compact pursues two complementary objectives:

1. Mainstreaming the ten principles in business activities around the world
2. Catalysing actions in support of broader UN goals, including the Millennium Development Goals.

The UN Global Compact incorporates a transparency and accountability policy known as the Communication on Progress (COP) policy. The annual posting of a COP is an important demonstration of a participant's commitment to the UN Global Compact and its principles. Participating companies are required to comply with this policy.

In summary, the UN Global Compact exists to assist the private sector in managing increasingly complex risks and opportunities in the environmental, social and governance realms, seeking to embed markets and societies with universal principles and values for the benefit of all.

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anticorruption:

The ten principles of the United Nations Global Compact:

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Source: www.unglobalcompact.org



SYAHABA MUHINDO SAM, FARMER AT BUNYANGABU DISTRICT



REBUILDING RAINFORESTS IN UGANDA

The WWF World Wildlife Fund and the Hempel Foundation with donations from BITZER Electronics among others, replants forest in the buffer zone around the Rwenzori Mountains National Park.

A year and a half after the first trees were planted in mid-2020, it can now be observed, how the forest in the buffer zone begins to show in the landscape. The support from BITZER Electronics has increased the purchase of new trees, so more hectares around the Rwenzori Mountains can be replanted. Today 1,400 hectares has been replanted and 1,712 families and farmers have been supported.

The WWF World Wildlife Fund's approach to reconstruction is based on capacity building, volunteering and cooperation. Locals with ownership of land in the buffer zone are informed about the possibility of

re-raising forest on their barren land. In this process, WWF ensure that everyone can participate and benefit from the efforts. Both families with little and with relatively much land can participate.

The farmers who choose to be a part are receiving training in tree planting and management, becomes members of local associations, and receives small cuttings they can plant.

"I have now planted 17 acres (about 0.5 hectares) of forest on my farmland which is adjacent to Rwenzori National Park. The land is on this steep ailment of the mountain and by planting here I hope to both secure and improve the soil, but also ensure that I get an increased income and improved livelihood in the future, says, Syhaba Muhindo Sam, Farmer at Bunyangabu District

Regeneration of forest in the buffer zone creates results both for humans and nature. Access to sustainable

timber resources creates an alternative and stable source of income for locals while strengthening their incentive to sustainably consume timber and forest products.

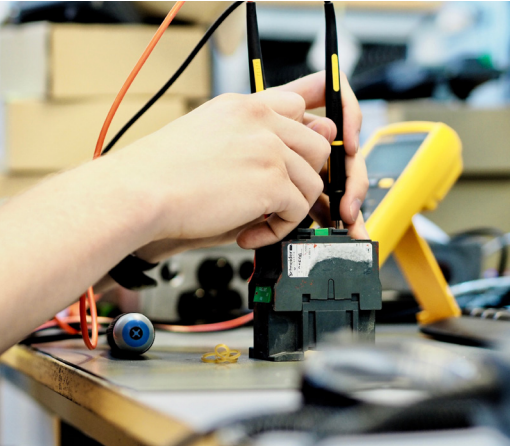
"We are proud and very happy to be a part of this fantastic WWF project. We are a green company that always aim to make the most energy efficient and sustainable solutions. Actions speak louder than words and the preservation of the Rwenzori Mountains National Park takes vital steps in a more sustainable future", says Anne Vibeke Barner Madsen, Head of Human Resources at BITZER Electronics."

BITZER Electronics are committed in the project from 2020 to 2022.



**PARTNERS
FOR NATURE**
BITZER Electronics

5. ENVIRONMENTAL RESPONSIBILITY



BITZER Electronics takes an environmentally responsible approach to the running of our business, and we focus on the areas where we can minimise our impact on the environment the most. One area is our products that reduce energy consumption for end-users, ref page 18. We also require that our suppliers take care of the environment, ref. our Supplier Code of Conduct pages 30-31.

In-house we look at optimisation at our facilities. We keep a list of ideas for environmental improvements. The list is available to all employees, who may also add ideas to the list. The ideas are evaluated at regular CSR meetings, where it is decided which ideas to look further into or implement. Many of the ideas have already been implemented, and there are still being added new ideas to the list.

The ideas that have been implemented since the last report range from insulation of a building to serving tap water to guests instead of bottled water (which makes perfectly sense in Denmark, as we have some of the cleanest tap water in the world).

These are some of the areas we also focus on:

Localisation

Localisation is about streamlining logistics, increasing transport efficiency and manufacturing our products close to the markets for which they are destined. Our strategy is an efficient logistics approach, which we call "in the area, for the area". The purpose of BITZER Electronics' localisation project is to ensure that our manufacturers

are sited near our main customers. Furthermore, BITZER Electronics is working on finding qualified sub suppliers, which are located near the manufacturers. All in all, transport and logistics are minimised, saving money, time and energy.

In the past period we have focused on reducing air transport as this is not only the most expensive but also the most energy-intensive mode of transport. We have specifically focused on monitoring and reducing our use of air transport of product parts and components. Furthermore, we have looked into and evaluated potential sub suppliers, which are located near the manufacturers. In particular we have been looking for sub suppliers of heavy components, which have the greatest impact during air transport.

The result has been a considerable fall in use of air transport, and in general a decrease in sea and land transport.

We will continue the project and our focus onwards will be on anchoring the processes in the long term.

Refurbished spare parts

BITZER Electronics has finalized a pilot project, which involves looking into introducing refurbished spare parts.

Apart from following the comprehensive national legislation on the recycling of electronic waste, we investigated whether spare parts for one of our products could be refurbished and to what extent. The pilot project was a success, and after the customer's evaluation it was included in our regular scope of supply to the customer.

Based on the experiences from the pilot project, we are now considering extending the concept to other customers as well. We see a considerable potential in the long run.

Apart from the obvious environmental benefits, our aim is for the refurbishing of spare parts to bring considerable advantages in terms of cost-efficiency and quality.

Air and heating

BITZER Electronics' main building is heated by water-borne floor heating. The heat comes from (ground-to-water) heat pumps, which we have developed and produced ourselves. From 2022 BITZER Electronics have installed district heating instead of gas, that should also make a significant difference in our overall energy usage. We have seasonal control of our heating to ensure a more

homogeneous indoor temperature and save energy.

BITZER Electronics has rented a set of pavilions, which we use as extra office space and meeting rooms. However, these pavilions are heated by electricity, which is not ideal, neither from a cost nor from an environmental point of view. However, we have concluded, that initiating new activities will be too expensive as our present plans are only to keep the pavilions for just a few more years.

Ventilation systems are installed in all buildings. These are very energy-friendly solutions, which also improve the indoor climate. All ventilation systems are controlled by week programs (active on working days from 6 am till 6 pm).

Charging stations and electrical company car

In 2021, BITZER Electronics has switched one company car from diesel to electrical. This car is used mostly for small city trips between our different locations and to nearby customers.

In 2021 BITZER Electronics invested in six charging stations for electrical car so in the future our employees and visitors can charge their electrical cars. One of the stations is reserved for our electrical company car.



ENERGY CONSUMPTION

The table below shows our energy consumption for the past years relative to floor area and number of employees.

	2013	2014	2015	2016	2017	2018	2019	2020	2021
kWh per m ²	142	137	143	147	150	155	158	158	191
Hereof kWh per m ² , product testing	20	18	15	14	14	16	16	16	19
kWh per employee	5301	4649	4648	4283	4546	4601	4363	4316	5431

Notes:

In 2013, we extended our facilities with a new 396 sq m building. This building was not as well-insulated as the other buildings, and thus more energy was used during the winter period in 2013.

In 2014, the low figures are partly due to a very mild winter and partly to the insulation of the building acquired in 2013.

In 2017 we made an agreement with Ørsted about 100% removal of biological gas. This shows in the numbers, which is the lowest we have had in the last 10 years.

We expanded our facilities with 170m² in 2018. The numbers are slightly higher than 2017, but satisfying in regard to the numbers from 2011 up until now.

In 2021 more testing and office space is available than other years. Our pavillions has been expanded and now works as actual office space. This has demanded more energy than the other years. We are expecting lower energy consumption in 2022 due to a shift from gas to district heating. Beside this the 2021 numbers is including numbers from January 2022.

Below it shows our CO₂ emissions for the past years, also relative to floor area and number of employees.

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Tonnes of CO ₂ per m ²	0.043	0.043	0.038	0.038	0.036	0.039	0.037	0.037	0.045
Tonnes of CO ₂ per employee	1.609	1.448	1.180	1.276	1.171	1.070	1.077	1.030	1.270

Notes:

Some of our energy consumption relates to natural gas, which is weighted more highly in the CO₂ emission calculations. The above CO₂ calculations are made using a tool on www.klimakompasset.dk.

Environmental inspection

The Danish local authorities inspect the local companies to ensure that they comply with environmental regulations governing the minimisation of pollution. Due to the nature of BITZER Electronics' business, inspections are only carried out about every three years.

The next inspection is expected to take place in 2022 (it has not yet taken place at the time of release of this report).

Printed matter

All printed matter, including this report, is printed using environmentally friendly ink on FSC-certified paper. We always print a limited number of copies. Our current supplier of printed matter is located very close to BITZER Electronics, which saves energy for transport.

See www.fsc.org

Results, goals and actions (December 2020 - December 2021)

Goal:

Keep and maintain a list of initiatives within the area of environmental protection at the Sønderborg headquarters as well as looking into and implementing the initiatives that make most sense.

Result:

BITZER Electronics has a list of proposed initiatives. This list is evaluated during our advisory board, and new initiatives are added while decisions are made as to which initiatives to look further into or implement.

New goals and actions (December 2021 - December 2022)

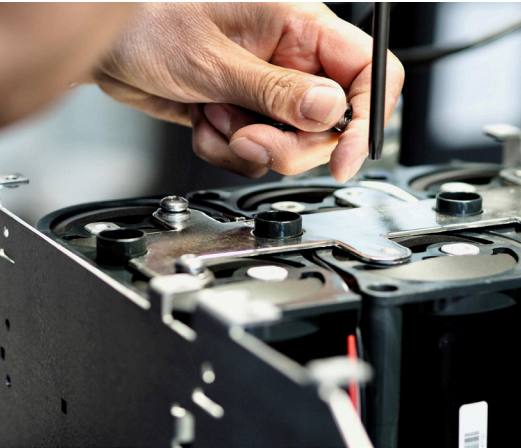
Goal:

Keep and maintain a list of initiatives within the area of environmental protection at the Sønderborg headquarters as well as looking into and implementing the initiatives that make most sense.

Goal:

Continue to work with our localisation project to streamline logistics, increase transport efficiency and manufacture the products close to the markets for which they are destined. Our focus will be on anchoring the processes in the long term.

6. BITZER ELECTRONICS' ENERGY-EFFICIENT PRODUCTS



“INNOVATIVE CONTROL SOLUTIONS USED ALL OVER THE WORLD.”

BITZER Electronics develops innovative control solutions for heating, ventilation and refrigeration systems. Today, the solutions are used all over the world, for instance in the following areas:

HVAC solutions

- // Heat pumps
- // Ventilation systems
- // Others

Compressor electronics

- // Compressor protection and monitoring
- // Frequency converters

Transport

- // Reefer application
- // Truck & Trailer units

Monitoring & Control solutions

- // Energy optimization
- // Remote monitoring
- // Indoor climate

Heat pumps

BITZER Electronics heat pump controllers ensure COP (coefficient of performance) optimisation of individual systems and add knowledge about additional aspects

such as anti-legionella control of domestic hot water. The controllers can be used in both domestic and industrial heat pumps.

Air-handling units

BITZER Electronics air-handling control solutions are key to creating perfect comfort and climate for people – e.g. in homes, industrial buildings and schools.

Frequency converters

BITZER Electronics' converter solution electronically controls compressor capacity to match actual cooling demands by changing the compressor speed. The result is better part-load performance, thus saving energy and cutting CO₂ emissions.

Accessories

Multiple accessories are available for all BITZER Electronics controllers to add extra value to the solutions: innovative and user-friendly user panels with colour displays, remote communication devices, sensors and data loggers, web modules and Windows-based multi-tools for communicating with the controllers.

7. HEAT PUMP CONTROLLER

INTELLIGENT HEAT PUMP SOLUTIONS

Hot water in the taps and comfortable indoor climate are things we take for granted. And with BITZER Electronics' heat pump controllers there is no reason not to. Our advanced control solutions are designed to take perfect control of hot water and heating applications – to reduce energy consumption and save money. Naturally, without compromising comfort.

BITZER Electronics has provided control solutions for heat pumps since the 1980s and has built up and continuously developed an extensive knowledge of both domestic and industrial heat pump systems. The application knowledge also includes the combination of ventilation and heat pumps to provide the best, most economical comfort.

Our heat pump controller can be used in all heat pump applications for heating and hot water, including:

- // Brine/Water Heat Pumps
- // Air/Water Heat Pumps
- // Water/Water Heat Pumps
- // Domestic Hot Water Heat Pumps

With a BITZER Electronics controller solution you will have complete control over the entire system. And, for fast access to often-used parameters, you can also tailor your control panels to your exact needs and situations.

How does the BITZER Electronics heat pump controller save energy compared to other products?

- // The unit cuts energy consumption and costs through intelligent capacity control via the frequency inverter.
- // It includes intelligent defrost scheduling, which saves energy and ensures low capacity waste.
- // Pre-programmed outside temperature compensation curves adapt to the fastest control/better comfort.
- // The controller can be used for heat pumps with air or water/brine as source. Supplementary heat sourcing from solar panels or electric heaters is possible.



8. AIR HANDLING CONTROLLER

A PERFECT CLIMATE EVERYWHERE WITH MINIMUM ENERGY CONSUMPTION

With BITZER Electronics' air-handling controller, a perfect climate can be created everywhere with minimum energy consumption due to demand-driven ventilation. The air-handling controller operates in both household and industrial units.

The supply of fresh, filtered air to maintain air quality is key to an optimised indoor climate and comfort. As air handling costs energy, the goal is to ensure optimised comfort using as little energy as possible. BITZER Electronics' air-handling unit has a number of features that contribute to that goal. Some of the features include remote access, which allows for support and service from the office, as well as advanced status alarms, which relieves the fault finding.

A modern air conditioning or ventilation system does not only increase air flow and help to keep the indoor temperature at a comfortable level, it also helps to significantly improve

the air quality by reducing the amount of common pollutants, such as: dust, mold, pollen, smoke, radon and other chemicals emanating from carpets, furniture, paints and cleaning liquids.

An air conditioning system is only as strong as its weakest link. BITZER Electronics' can help create a stronger, smarter system that can be monitored from off-site devices. So you always have total control over your installations.

With a BITZER Electronics' controller solution you will have complete control over the entire system. And, for fast access to often-used parameters, you can also tailor your control panels to your exact needs and situations.

How does the BITZER Electronics ventilation controller save energy compared to other products?

- // The air-handling controller controls the supply and exhaust air with energy-saving EC fans or AC fans with inverters
- // The controller ensures demand-driven ventilation with CO₂ and humidity sensors; if the humidity and CO₂ values rise above a stipulated level, the ventilation will increase, and as soon as the humidity and CO₂ values are acceptable, the ventilation will be lowered again. In this way, only an absolute minimum of energy is consumed to maintain a given level of comfort
- // The air handling can be adjusted according to outside temperature and day-and-night or weekly requirements.



9. BITZER SMART CONNECT

A PERFECT INDOOR CLIMATE AT ALL HOURS

BITZER SMART CONNECT helps generating a perfect indoor climate, while reducing the energy consumption and service costs to a minimum.

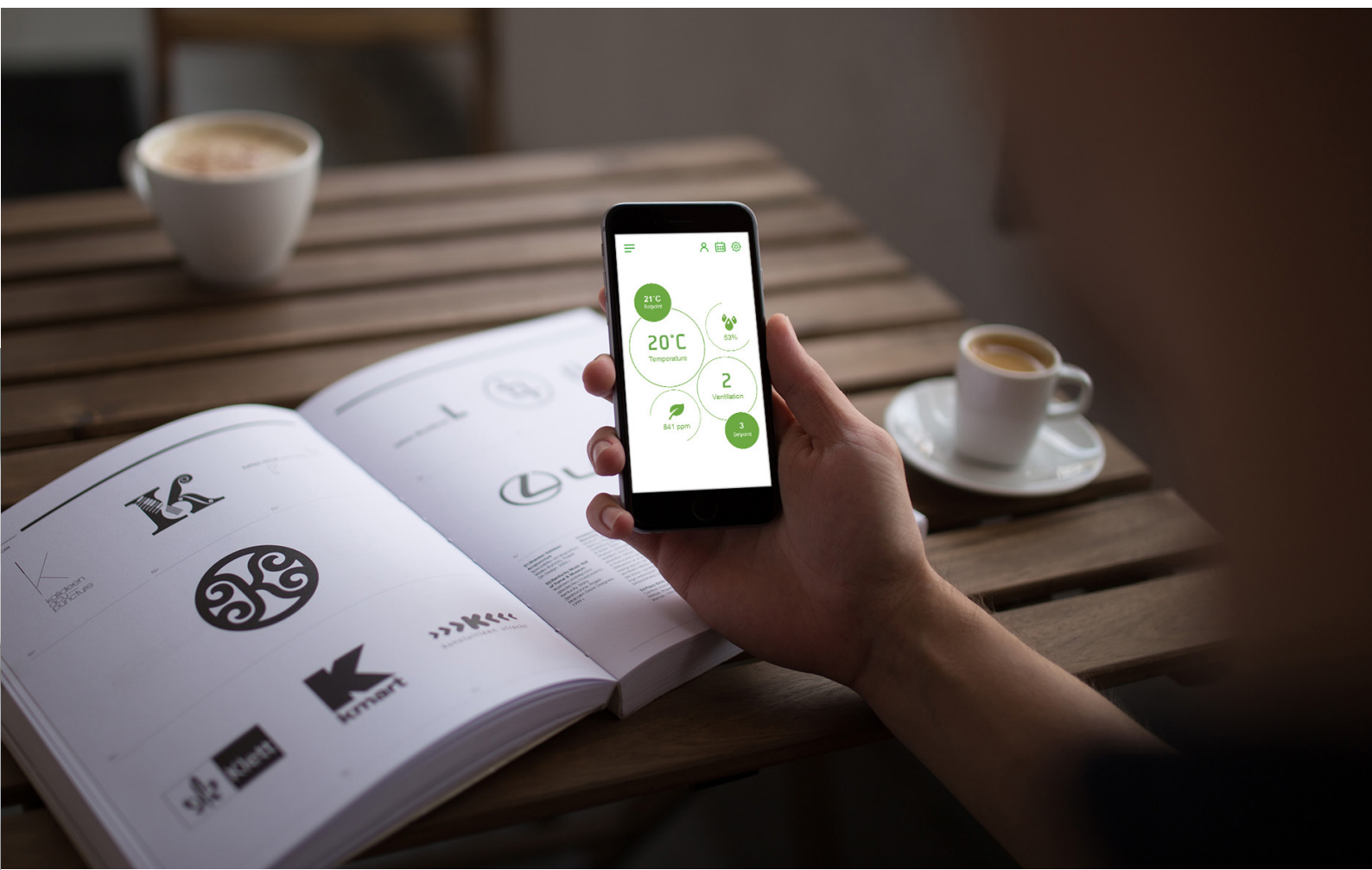
BITZER SMART CONNECT service provide monitoring of actual operation data and enabling configuration of all ventilation systems in a building or individual apartment from a central location. The service includes access to a webpage, or an app installed on the building administrators mobile phone / iPad or tablet.

BITZER SMART CONNECT setup has been added to several of existing air handling units, in apartment blocks and one

restaurant in Southern Denmark. BITZER SMART CONNECT allows you to easily monitor if the units are running, get alarm notifications and watch real-time data etc. It is even possible to see how well the units operate. The newest available feature allows the building administrator to, remotely, turn off ventilation units individual or an entire apartment building easily, and avoid smoke contaminated air from external sources to enter the apartments.

Added value using BITZER SMART CONNECT

- // Optimal indoor climate
- // Preventive maintenance & faster service respond
- // Emergency stop of all units in case of emergencies
- // Faster and better scheduled service in each apartment – save time
- // Reduce visits to each housing association via remote monitoring
- // Faster troubleshooting by viewing historical data





BITZER SMART CONNECT PROVIDES OPTIMUM INDOOR CLIMATE IN FSB BUILDINGS

124 students live behind the green glass at Engbakken College at Nørrebro. Each student has an apartment with both kitchen and bath. On the roof of the building there are seven Exhausto air handling units, which ensure a healthy indoor climate for each student.

"The monitoring system, BITZER SMART CONNECT, makes sure that the ventilation is operating as planned. I get notified in case of any problems, when filters need to be replaced and when the weekly

fire alarm has been tested successfully," tells Rune Bossen, Caretaker at Engbakken.

The installation BITZER SMART CONNECT has created greater focus on filter replacement at Engbakken. The building is located right next to a road with a lot of traffic and therefore it is important to secure that the filters are changed regular. This to ensure that the tenants always have the optimal indoor climate.

Data log to ensure a perfect overview

BITZER SMART CONNECT provides Rune Bossen with the correct information about the operation of the air handling units. "If I receive enquires about problems with the air handling units, I go through the data log on my mobile phone. This makes it very easy and simple to identify the problems," tells Rune Bossen. The Data log function is available on both Mobile phone, Tablet and PC.





CREATING THE PERFECT OVERVIEW

Poul Thrane has for more than 20 years kept track of technical installations in more than 13.000 apartments and houses. He works as an energy consultant for FSB, which is the biggest social housing association in Copenhagen.

"All our apartments need ventilation. This to secure that we always have the optimal indoor climate," tells Poul Thrane.

BITZER SMART CONNECT was installed in a chosen number of buildings in 2018 and the monitoring system has secured FSB an energy efficient solution and a much more simple way to support the technical installations.

"With the installation of BITZER SMART CONNECT we have minimized our many check-up procedures. The app makes it easy to have an overview of the air handling units. Both me and the caretaker of the building get notifications on our mobile phones in the event of a fault on the system," explains Poul Thrane.

Easy implementation

Installation and implementation of BITZER SMART CONNECT at Engbakken College has been easy. "During a couple of hours, BITZER Electronics employees installed BITZER SMART CONNECT on the

air handling units. My colleagues had an instruction of the app and the structure in the system quickly made it very easy to use," tells Poul Thrane.

Poul Thrane and his colleagues have had and still have the possibility to contact BITZER Electronics employees in case of any questions regarding BITZER SMART CONNECT.

"BITZER SMART CONNECT ensures that we use the full potential of our air handling units in terms of energy and economical reasons. The system also creates a great overview for our caretakers on a busy work-day."

10. BITZER ELECTRONICS CUSTOMIZED STAR COOL CONTROLLER

When BITZER Electronics teamed up with Maersk Container Industry (MCI) to develop the next-generation reefer technology it was with a clear ambition: To reduce energy costs in reefers while never compromising reliability. The result is Star Cool – a unique solution offering the industry’s lowest energy consumption and extremely accurate temperature control.

According to Maersk Container Industry energy savings exceeding 30% are not uncommon.

Optimum cargo quality is the primary objective in the reefer industry with energy costs as a close second. Offering significant energy savings and unmatched temperature control, the Star Cool technology will enable you to meet both requirements to improve your competitiveness and financial viability.

BITZER Electronics has contributed to the unique solution with the Star

Cool controller, developed specially for the demanding conditions encountered at sea and based on decades of experience with cooling applications.

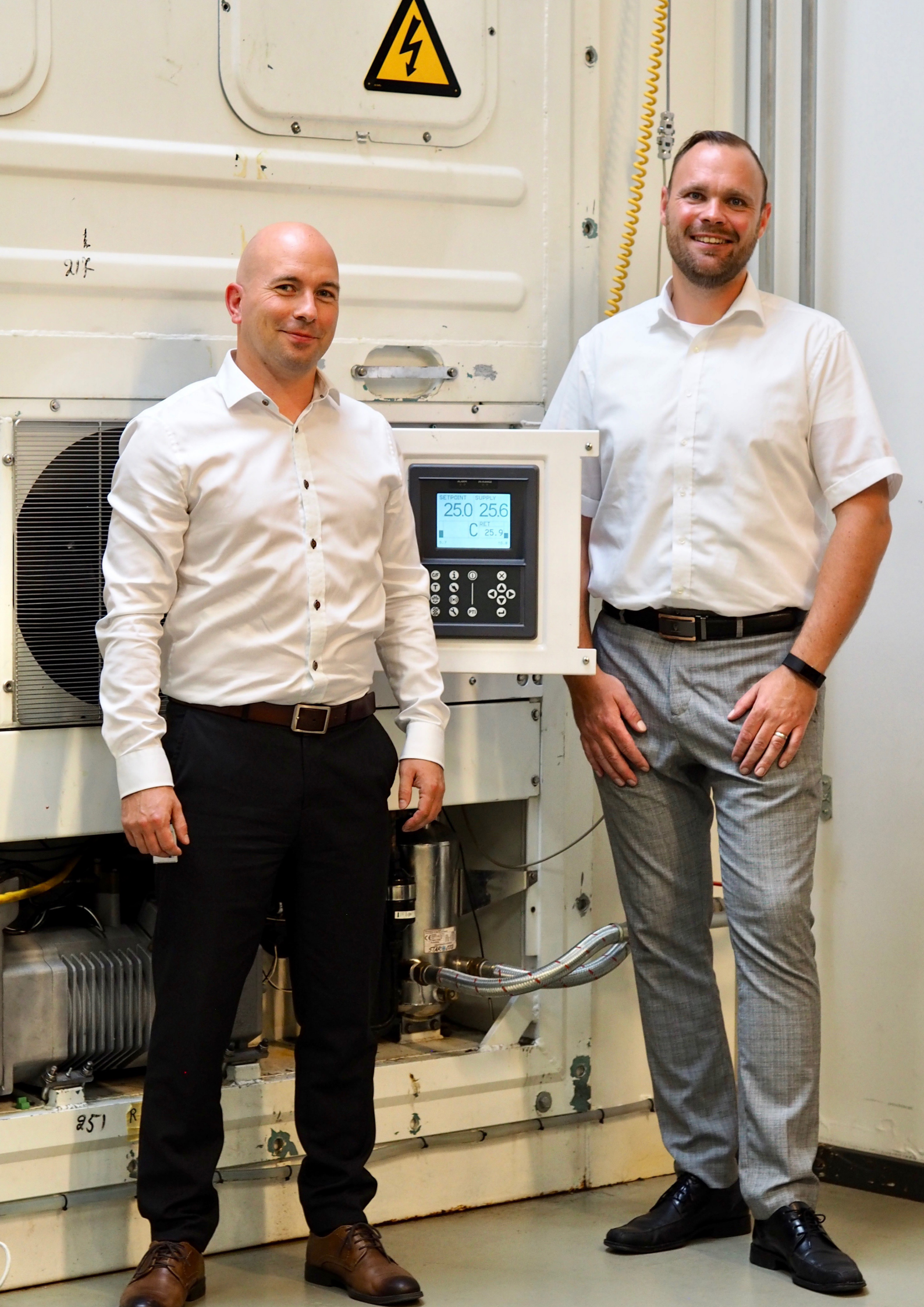
By perfectly matching the compressor speed to the required heat load, the controller keeps the environment inside the container optimized at all times to preserve premium cargo quality.

A complete box build

The Star Cool controller is part of a box build solution, complete with controller, power measurements, contactors, display and wire harness. BITZER Electronics delivers the box build ready for installation in the reefers at Maersk’s factories – to save Maersk time and ensure a premium quality solution. BITZER Electronics has also set up test facilities at the factories to enable Maersk to test the performance of the Star Cool.

Star Cool benefits at a glance

- // Low operational costs Energy savings of up to 30%.
- // Optimal environmental control Accurate temperature control minimizes cargo dehydration and weight-loss.
- // Low noise level.
- // User-friendly Easy-to-use symbol-based MMI graphical user interface.
- // Designed for reliability Built-in pre-trip inspection. Automatic components control. Advanced diagnostics systems. Comprehensive data-logging features.



217

SETPOINT 25.0
SUPPLY 25.6
C RET 25.9

251

REVOLUTION OF THE MANGO TRADE¹

Farmers in Ivory Coast struggle with a mango harvest season that is as short as the fruit is sweet. "For a 4-6 week period in April and May, the country is flooded with good mangos, but it ends abruptly when the rainy season starts. From then on, the mango just starts decaying," explains Mathew Shed, container manager in the specialist shipping company Africa Express Line (AEL).

"We were approached in April by Eolis, a CF logistics company, who asked for some kind of smart solution that would keep the fruit delicious and marketable for a longer time," he adds. The solution turned out to be special reefer containers. With quick help from a container leasing company and a container depot in Antwerp, Belgium, Star Cool containers were upgraded to work with controlled atmosphere, in short known as CA, and sent to Ivory Coast.

Star Cool CA reefers adjust O₂ and CO₂ levels, which in turn keep the fruit's respiration and ripening under control. "We knew how Star Cool CA extends the storage life of bananas and avocados. Mangos have similar respiration rates so the success of the mango test is really not a big surprise," says Mathew Shed.

"I think there is a new business opportunity for farmers whose excess fruit never makes it to the market in time," Mathew Shed says.

Anders G. Holm from Maersk Container Industry, the maker of Star Cool CA, is delighted. "Combined competences along the logistics chain can save food and open up business," says Holm. "I'll even go so far as to say this could become a mango revolution."

Why the reefer test was a success:

Five Star Cool CA containers were loaded in May 2014 and then opened one by one over a period of four to nine weeks. Each time, the fruit generally turned out to be in the same condition as when it was loaded. (Source: Africa Express Line. See photos below)

Only 3 percent of world mango production is exported:

Global production of mangos has doubled in the last 30 years to more than 35 million tonnes, but only about 3 percent is traded internationally. Fragility is one reason why most mangos are still consumed close to the place of production. (Source: UNCTAD)

Costly air transport can be avoided:

"While the vast majority of mangoes globally are transported by ocean rather than air, the proportion of mangoes exported from West Africa by air is relatively high (~40%). On the surface, this would suggest that impediments to ocean transport of mangoes out of countries like Senegal or Ivory Coast may be restricting the full export potential of those markets. With large quantities of mangoes produced in that region for local consumption, it seems likely that the export potential from some of these markets is much greater than what we see today." (Quote: Derek Brand, maritime advisor at the Seabury Group transportation consultancy).

¹ Case from <https://www.mcicontainers.com/news/stories/mci-eyes-revolution-of-mango-trade>





11. SUPPLIER RESPONSIBILITY

BITZER Electronics' suppliers are our close partners. They have been carefully selected based on quality, innovation and flexibility. We strive to select suppliers that are committed to maintaining high ethical standards in the same way that we are. Incorporating social responsibility in our supply chain is an ongoing process, and we experience an overall positive attitude and approach from our partners in this matter.

BITZER Electronics performs regular audits of our strategic suppliers, and our supplier audit templates include environmental, health and safety issues, ISO 14001 certifications and deviations, if any. The templates also

include the use of solvents, discharge of waste water and disposal of waste in general at our suppliers' production facilities. For the time being, these registrations are used for monitoring purposes only.

For some of our suppliers we also perform audits at their suppliers, ie. the next supplier level, using the same supplier audit templates. This applies for selected, strategic suppliers, or suppliers where our experience indicates that it would be a good idea. The main purpose is to ensure the right quality of the deliveries; however, the audits includes the same environmental, health and safety issues.

Conflict minerals

Conflict minerals are raw materials that come from particular parts of the world where conflicts occur and affect the mining and trading of those materials, e.g. tin, tungsten, tantalum and gold. These minerals are present in our electronic products through the components procured for our solutions. At present, we do not have the full picture of the origin of these materials, for which reason we have started requesting information on the origin of these minerals from our suppliers. Due to the complexity of our supply chain, this is an ongoing process.

Results goals and actions (December 2020 - December 2021)

Goal:

Introduce and implement BITZER Electronics' social responsibility policies within our supply chain:

- a. Supplier contract with code of conduct to be signed by all main suppliers.
- b. Continue to introduce our Supplier Code of Conduct to new suppliers and repeat the compliance request to existing suppliers on a regular basis.

Result:

- a. Our Supplier Code of Conduct is part of the supplier contracts that we are working on with our strategic suppliers. Some contracts have been signed, while others are still in progress.
- b. We still introduce our Supplier Code of Conduct to new suppliers.

New goals and actions (December 2021 - December 2022)

Goal:

Introduce and implement BITZER Electronics' social responsibility policies within our supply chain:

- a. Supplier contract with code of conduct to be signed by all main suppliers.
- b. Continue to introduce our Supplier Code of Conduct to new suppliers, and repeat the compliance request to existing suppliers on a regular basis.

12. SUPPLIER CODE OF CONDUCT

PREFACE

BITZER Electronics strives to select suppliers who are committed to maintaining high ethical standards. We are a signatory to the United Nations' Global Compact, and we expect our suppliers to share the fundamental principles of the UN Global Compact initiative, whether signatories or not.

The Supplier Code of Conduct comprises the following specific areas:

- // Remuneration and employment conditions
- // Working hours
- // Freedom of association and the right to collective bargaining
- // Discrimination
- // Harassment and disciplinary measures

- // Child labour
- // Forced labour
- // Health and safety
- // Environment
- // Corruption and bribery
- // Conflict minerals

Furthermore, our suppliers are required to comply with all relevant national legislation and regulations.

The purpose of BITZER Electronics' Supplier Code of Conduct is to outline in greater detail the standards we expect our suppliers to adhere to. BITZER Electronics views these requirements as an integral part of our business relationship with individual suppliers.

We believe that ethical, social and environmental standards will provide competitive advantages for the benefit of BITZER Electronics and our suppliers.

This Code of Conduct applies to suppliers doing business with BITZER Electronics. Suppliers must comply with this code of conduct in all aspects of their operations that relate to their business with BITZER Electronics. Supplier companies must ensure that their employees comply with this code of conduct in all activities related to the suppliers' business with BITZER Electronics.

We expect our suppliers to ensure that their sub suppliers are aware of and comply with the principles expressed in this code of conduct.



SPECIFIC REQUIREMENTS

Remuneration and employment conditions

We expect the supplier to comply with all legislation and regulations governing pay and working hours, including those pertaining to minimum pay, overtime pay, sick leave, piece rates and other compensatory elements.

Working hours

We expect the supplier not to require employees to work more than 60 hours per week including overtime, or more than the limits on regular and overtime hours permitted under local law, whichever is the lower. Workers must be entitled to at least one non-working day in every seven-day period.

Particular employees with unusual working conditions may be exempted from this general requirement when covered by specific national or international legislation; however, in the course of 12 weeks no employee must be required to work more than an average of 60 hours per week, including overtime.

Freedom of association and right to collective bargaining

We expect the supplier not to prevent employees and other workers from associating freely with any lawful workers' association or collective bargaining association of their choice.

Discrimination

We expect the supplier's hiring and employment practices (including promotion, training and rewards) not to be discriminatory on the

grounds of race, colour, ancestry, religion, gender, gender identity or expression, sexual orientation, age, physical or mental disability, health condition, pregnancy, political opinion or affiliation, national, social or ethnic origin, union membership, marital status, citizenship status or veteran status.

Harassment and disciplinary measures

We expect the supplier not to use or permit the use of corporal punishment or other forms of mental or physical coercion, disciplinary actions or sexual harassment.

Child labour

We expect the supplier to ensure that no person is employed at an age younger than 15 (or 14 where the law of the country permits) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.

The supplier must protect young workers of legal working age, up to the age of 18, from any type of employment or work which, by its nature or the circumstances in which it is carried out, is likely to jeopardize their health, safety or moral.

If a child is found working, the supplier must act in the best interest of the child, and any measures taken must aim to improve and not worsen the child's situation.

Forced labour

Forced, bonded or indentured labour or involuntary prison labour is not to be used.

Health and safety

We expect the supplier to provide safe and healthy working conditions and take appropriate precautionary measures to protect employees from work-related hazards and anticipated dangers in the workplace.

The supplier must comply with all applicable local legislation and regulations to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of the employer's facilities.

We expect the supplier to continuously improve working conditions and reduce workplace-related risks and hazards by e.g. setting targets and conducting appropriate training.

Environment

We expect the supplier to meet all relevant local and national environmental regulations and to strive to minimise damaging effects to the environment.

Corruption and bribery

We expect the highest standards of integrity in all business interactions. The supplier must not engage in any form of corrupt practices, including extortion, fraud or bribery, whether direct or indirect.

Conflict minerals

We expect the supplier to initiate a process to ensure delivery of "conflict-free minerals" products and to implement a conflict minerals policy that prohibits the purchase and use of conflict minerals.

13. PEOPLE RESPONSIBILITY

BITZER Electronics is still one of the very best workplaces in Denmark. In 2021, our trust index was 94% and we are ranked as no. 11 among medium-sized companies in Denmark by the Great Place to Work Institute®, which is an advancement from the year before. Furthermore, we received the communication award and were nominated for the diversity award.

In this report, we have chosen to present some of the areas that we have focused on in particular, since the last report in order to meet our vision, which is to be one of the best places to work in Denmark with a trust index of 95% as measured by the Great Place to Work Institute®.



Trust index:

Refers to the overall average result of the Trust Index® Employee Survey by the Great Place To Work® Institute.

Management and leadership

We have improved the employees' view of the management's ability to manage and delegate. One of the basic things we have focused on is for the individual manager to reserve more time to leadership.

Another focus area has been to increase the empowerment in the organisation. That is to move the decisiveness from the management into the organisation. The management has worked with this at management seminars and also discussed the theme with BITZER Electronics' Advisory Board, which comprises both employees and managers.

From a top-level perspective, we have focused on setting the direction of the company and communicating it. The strategy efforts are followed up with focus on the leadership and co-operation guidelines.

Cross-organisational collaboration

Cooperation and knowledge sharing across the organization is decisive to succeed with complex development and production projects. We have worked to improve our abilities to match expectations including our dialogue competences in order to reach the planned goals.

One of our tools to work with cross-organizational collaboration is to make agreements on specific issues between two departments. One example is an agreement between Sales and R&D on how to have a closer relationship between the customer and R&D, where the two departments have agreed to use the same terms and definitions – to speak the same language. Other tools are accomplishing value stream mapping projects and working with a thorough project model to have a common basis for the collaboration.

Cross-organization collaboration is very much supported by a strong experience of team and family spirit, which is why we still work on improving this goal.

In the years to come, improved cross-organizational collaboration through improved organizational cohesion will remain a focus point.

Diversity / Inclusiveness

Inclusiveness is one of our values. This value is multifaceted, but it also includes our responsibility to include people in training and education to become strong members of the workforce. These are examples of how we contribute:

- // Under an agreement with the local university (SDU), we offer four student jobs every year for engineer students. Every year, we offer four internships for students of engineering.
- // We have four internships for engineer students every year.
- // Every year, we have two or three students write their final thesis at BITZER Electronics every year.
- // We always have one PhD student.
- // We have four apprentices. One of them is an adult apprentice and one is our first warehouse and logistics apprentice.
- // We take on new graduates, if possible.
- // We make room for employees who need special employment conditions.

BITZER ELECTRONICS' VALUES

Our values are the foundation of our organisation. They help us to make business decisions and influence all of our interactions within the company – personal and professional.

Professionalism

We strive to be a competent, reliable business partner. A partner that keeps its promises and consistently delivers above the bar in terms of quality, service and value.

Inclusiveness

We believe in individualism with a respect for diversity and the many cultures that come together to work under our roof. We are driven by good attitudes, the mutual desire to achieve job satisfaction and our preparedness for change.

Good business acumen

We are driven by sound business practices in all daily decisions, both internally and externally. All decisions should be ethical and to the benefit of the company as a whole.

PEOPLE RESPONSIBILITY GOALS

The indicators below relate to BITZER Electronics' ability to maintain and improve employee well-being, motivation and job satisfaction. Furthermore, they give an idea of BITZER Electronics' ability to retain employees, recruit new employees

and create new jobs. These numbers relate to our overall vision of being one of the best places to work in Denmark with a trust index of 95% as measured by the Great Place to Work® Institute. BITZER Electronics wants to improve in all areas meas-

ured by the Great Place to Work® survey; however, the goals set out below are specifically important to us.

Description	2016	2017	2018	2019	2020	2021	Target 2022	Comments
No. of employees	103 (January 2017)	107 (January 2017)	113 (January 2018)	118 (January 2019)	115 (January 2021)	115 (January 2022)		
Staff turnover	3.8%	7.6%	4.4%	4,2%	11,3% ¹	13,93% ²	About 5%	Measured as the number of resigned employees compared to the average number of employees.
Sick leave	3.3% (excl. long term sick leave: 1.7%)	3.2% (excl. long term sick leave: 1.7%)	3.9% (excl. long term sick leave: 1.8%)	3.0% (excl. long term sick leave: 1.72 %)	2.4% (excl. long term sick leave: 1.6 %)	2% (excl. long term sick leave: 1.5 %)	1.5%	Including long-term sick leave.
No. of physical injuries	0	0	1	1	0	0	0	BITZER Electronics focuses on preventive activities
No. of psychological injuries, e.g. stress	2 case of stress related sick leave.	1 case of stress related sick leave.	2 case of stress related sick leave.	3 case of stress related sick leave.	4 cases of stress related sick leave.	3 cases of stress related sick leave.	0	BITZER Electronics focuses on preventive activities. All managers have attended a course on how to prevent and spot stress at an early stage, whether work related or personal matter.

Notes:

These indicators follow the calendar year, except for the competence development goal.

Note 1: Staff turnover including closing of Århus office

Note 2: Number is relatively high due to organizational changed and a long range of restructuring of different departments.





14. CODE OF CONDUCT

BITZER Electronics strives to maintain strong ethical standards and to be a company of good standing and integrity. BITZER Electronics' anti-corruption policy is based on the UN's Convention against Corruption as well as our obligations under the tenth principle of the UN Global Compact initiative: Businesses should work against corruption in all its forms, including extortion and bribery.

Corruption is defined by Transparency International as "the abuse of entrusted power for private gain."

Within our supply chain, we ensure that our partners work against corruption as well, by asking our suppliers to comply with our

Supplier Code of Conduct (see pages 30-31), which includes a paragraph on corruption and bribery.

BITZER Electronics has an internal policy regarding gifts. Gifts to and from external partners must respect a reasonability principle, whereby they do not act as a means of persuading someone to do something which is dishonest, illegal or represents a breach of confidence.

Compliance training

Each year BITZER Headquarter have compliance training, where all employees in the BITZER group are trained and tested in working and acting in an ethical way, which comply to the 10 principles of UN Global

Compact. The compliance training is distributed to all new employees and employees with specific customer or distributor contact is also tested in an advanced compliance course.

Whistleblower hotline

If a an employee is unsure whether their conduct in a specific case is consistent with the Code of Conduct, they can file a report with BITZER Legal Services at or the whistle-blower helpline. This can be done personally, verbally or in writing. This can be done with employer name but also anonymously.

Results goals and actions (December 2020 - December 2021)

Goal:

Continued communication of BITZER compliance policies:

- a. An annual general training to all employees.
- b. Special annual instructions to employees with considerable external contacts (sales managers, purchasing officers etc.).

Result:

- a. An annual general training was held in 2020. The instruction is part of BITZER corporate training programme on compliance.
- b. Special annual instructions to employees with many external contacts were held in 2020. Participation is registered.

New goals and actions (December 2021 - December 2022)

Goal:

Continued communication of BITZER compliance policies:

- a. An annual general instruction to all new employees distributed from BITZER Headquarter.
- b. Special annual instructions to new employees with considerable external contacts (sales managers, purchasing officers etc.)
- c. Inform employees about our whistle-blower hotline internally in the BITZER Group



15. FINAL WORDS AND FACTS

BITZER Electronics' CSR report is one of five accountings that BITZER Electronics accomplishes every year. The other four are our financial accountings, our quality assurance accountings, our customer satisfaction survey and the Great Place to Work® employee survey. These are the accounts where we measure ourselves in relation to our targets and goals.

The overall purpose of the CSR-report is to perform continued, prioritized efforts within the framework of UN Global Compact, in order to show our social responsibility towards customers, suppliers and employees.

As a socially responsible company, BITZER Electronics will continue to implement and incorporate the ten principles of the UN Global Compact initiative into our strategies and our daily work.

Facts

Date of issue of this communication on progress (COP): 17 February 2022

Company name and address:
BITZER Electronics A/S
Kærvej 77
DK-6400 Sønderborg
VAT/CVR no.: DK21340006

Bank: Sydbank A/S, CVR no.: DK12626509

No. of employees on date of issue: 115

Management:

Henning H. Kristensen,
Managing Director

Peter Westergaard
Managing Director

Board of Directors:

Christian Wehrle
Rainer Große-Kracht
Martin Büchsel
Frank Hartmann

Date of signing the UN Global Compact:
13 March 2012

This report has been printed using environmentally friendly ink on FSC-certified paper in a limited number of copies. See www.fsc.org.



BITZER Electronics A/S
Kærvej 77 // 6400 Sønderborg // Denmark
Tel +45 73 42 37 37 // Fax +45 73 42 37 30
info@bitzerdk.com // www.bitzerelectronics.com

Subject to change // 02.2022