



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

02.03.22

Dear Stakeholders,

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

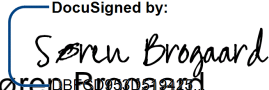
We are pleased to confirm our continued support for the Global Compact and renew our ongoing commitment to the initiative and its principles. We take this opportunity to confirm our commitment to the UN Sustainable Development Goals.

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

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

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

Sincerely yours,

DocuSigned by:  
  
Søren Brogaard  
CEO

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## Progress on the UNGC Ten Principles

Trackunit and its affiliates continue their commitment to the Ten Principles and made significant progress in 2021.

Theme	Summary of key engagements in 2021
<b>Human rights</b> <u>Principle 1</u> : Businesses should support and respect the protection of internationally proclaimed human rights; and  <u>Principle 2</u> : make sure that they are not complicit in human rights abuses.	<b>Our values</b> At Trackunit, the principles of human rights are embodied in our different Policies, that we review and upload yearly. Our internal Policies are all time available for our employees and our external Policies are provided to third parties before the conduction of business. We have a clear focus on trust, integrity and ethics, what is communicated by the conduction of audits, trainings and third-party questionnaires.
	<b>Our solution and vision</b> Trackunit started the “Eliminate Downtime” movement (read more below under “Environment”) that supports the restoration and security of defective machines at an early stage. In this manner, injuries of operators can be avoided. Trackunit’s tracking solution may be used to detect and control the usage of machines in a dangerous manner for the operator or other parties. Another positive impact on the health of the operators can be reached by understanding the pollution of used machines.
	<b>Balance and health</b> Trackunit continues focusing on having an open communication with employees about the handling of stress and life balance. Trackunit engages in proactive measures to provide a balanced work culture through coaching and mindfulness guidance, which we consider is very important considering the challenges of COVID-19 pandemic. At Trackunit, the personal well-being of the employees is highly valued, even beyond work. Trackunit promotes autonomy at work which means that everyone can decide how to plan their workday to have a healthy life balance. Trackunit also conducts anonymous employee surveys where we ask our employees questions about how their mental and physical wellbeing is and how it can improve. The results are taken up by the leadership in all-staff meetings and taken action on as we believe it’s also important to speak about these topics openly and to join forces in improving ourselves.
	<b>Whistleblowing</b>

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	<p>One of Trackunit's highest priority is to provide a safe working environment. This includes to protect workers from workplace harassment. Employees can raise concerns and make reports without fear of reprisal. A smooth and swift mechanism for Whistleblowing is provided, including a Whistleblower Policy. All employees received training regarding both, the Sexual Harassment Policy and the Whistleblower Policy last year.</p>
<b>Labor rights</b>	
<p><u>Principle 3:</u> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p><u>Principle 4:</u> the elimination of all forms of forced and compulsory labor;</p> <p><u>Principle 5:</u> the effective abolition of child labor; and</p> <p><u>Principle 6:</u> the elimination of discrimination in respect of employment and occupation.</p>	<p><b>Fair working conditions</b></p> <p>In all our different Trackunit offices all over the world, we follow all applicable labor rights and recognize the right to collective bargaining. Our goal is to offer a fair working place where our employees feel good and like to work. Since the start of the COVID-19 pandemic we enabled all employees to work from home. We respect all preferences regarding working spaces during this time without any consequences. Our priority is that our employees feel safe. Therefore, we take all the precautions and safety measures recommended by the government.</p> <p><b>No discrimination</b></p> <p>We do not discriminate in employment opportunities or practices and implemented in this context an Equal Employment Opportunity, which is available for all employees. We reflect this culture in our recruitment and promoting processes. One of our biggest goals for Q4 is to promote diversity and inclusion much more as we are a global company with more than 26+ nationalities and we want everyone either already employed or future employees to feel valued, included, and not discriminated against in any way. In Trackunit we strongly believe and encourage diversity and equality between all human beings.</p>
<b>Environment</b>	
<p><u>Principle 7:</u> Businesses should support a precautionary approach to environmental challenges;</p> <p><u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility; and</p> <p><u>Principle 9:</u> encourage the development and diffusion of environmentally friendly technologies.</p>	<p><b>Eliminate Downtime</b></p> <p>We at Trackunit are on a journey to eliminate downtime of construction machines until 2025. We made a promise to the industry and genuinely believe in the positive impact on the environment. The construction business is one of the least productive sectors in the world. Downtime of machines means not only more environmental pollution due to the use of damaged equipment, the manufacture of new equipment instead of the repair, and the transport of misplaced machines. It is our mission to start the downtime movement and find a solution until 2025, even with the new leadership.</p>

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	<p><b>Green projects</b></p> <p>Trackunit is continually striving to reduce the environmental impact of Trackunit and its customers. In the last years, we have put an extraordinary effort into different green projects. One of the key changes is the use of green energy. In our opinion, there can never be enough effort to make a company “greener”. That is why the leaders of Trackunit are always in the continuous exchange of ideas with all employees. Accordingly, we implemented different measures to find new, more sustainable solutions. In our process of improving the manufacturing of our products in 2021, the environmental impact was always taken into considerations and will be in the future as well. We are right now looking into developing tiles that can measure our customers Co2 footprint and create reports on that. Our customers have shown great interest in that feature, and we are certain that this feature will be very impactful to the entire industry as it will give overview and measurable tools to eliminate the carbon footprint in the construction.</p>
<b>Anti-Corruption</b>	
<p><u>Principle 10:</u> Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p><b>Commitment before cooperation</b></p> <p>Due diligence processes are very important to Trackunit. All our activities are within the economic sanctions’ requirements framework of the UN, the US, the EU, the EU member states and other relevant sanctions. Third parties have to acknowledge and sign our Anti-Bribery and Corruption and Sanctions/Anti-Money Laundering Policy (ABC and Sanctions/AML Policy) before the start of a cooperation. We always emphasize this requirement to all our employees worldwide.</p> <p><b>Due diligence</b></p> <p>We conduct a due diligence process to detect, prevent, and, where appropriate, report money laundering, terrorist financing, issues regarding health and safety, and other illicit activity from all our customers and suppliers. These due diligence procedures mitigate the risk of a cooperation with suppliers and customers that have a negative impact on human rights. In the last year, we enforced our internal policy that any breach of the ABC and Sanctions/AML Policy leads to the end of the cooperation. We use a documentation tool last to facilitates our due-diligence process which ensures that we it's done in a systematic way every single time.</p> <p><b>Training</b></p>

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	<p>In order to familiarize our employee values with our work against corruption, we provide our Antitrust and ABC and Sanctions/AML Policy all time to our employees. All newly recruited employees in the last year received an onboarding training in this matter. Further, the interactive e-learning module on the ABC and Sanctions/AML and Antitrust Policy has been updated in the company's e-learning platform.</p>
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## Measurement of Outcomes

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

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

- **No human rights violations** were reported in 2021.
- Trackunit decided on taking a new role that aides in designing a new work environment that engages people, gives a sense of belonging and makes them proud of their work last year. This continues with the change of leadership and the defined vision “New Tracks”.
- The “HR” department was changed to “**People and Talents**” to lead the path for this approach. The People and Talents department took initiative and established a new “**Health & Safety Organization Team**” in the headquarter to enable more safety.
- Trackunit focused last year on **stress reducing** and communicated the offered flexibility with regards to working spaces and other circumstances to its employees already before the COVID-19 pandemic.
- Trackunit continued the cooperation with an external coach that visited the office multiple times in order to support personal development opportunities through raining, coaching, and mindfulness.

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

- The “**Eliminate Downtime**” move started with the promise to reduce breakdown and failure of machines until 2025. For this purpose, Trackunit started to cooperate with different companies of the construction industry and collected and analyzed machine data. One of the first results is that the construction business is losing 60 % in productivity growth due to downtime. This number motivates companies to participate the Eliminate Downtime move, what will help to reduce injuries and pollution in the long run.
- In order to receive a better overview of the market and different machines, Trackunit engaged in knowledge sharing this year. One important example is the “Trackunit Next event” held in February 2022 that Trackunit held for the whole industry and internal as well to share learnings, numbers and also insights to the construction industry and invited our customers and stakeholders to speak about important issues such as information health and safety security, sustainability and sustainable modern leadership.<sup>1</sup>

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

- Trackunit’s canteen focuses on providing green organic and healthy alternatives to employees, including vegan and vegetarian meals.
- Trackunit is continuously reducing paper
- In Trackunit’s headquarter, where most employees are located, Trackunit installed three new taps with fresh water and ordered hundreds of glass bottles for filling. Since then, no new plastic water bottles were ordered. With these measures, Trackunit managed to **remove plastic bottles** completely in the headquarter.

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<sup>1</sup> The recordings of the event will be made public soon when it’s ready.

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

- Every second week, Trackunit conducted the **due diligence process** to detect illicit activity from all customers and suppliers.
- No illicit activity Trackunit discovered was remained without action or consequences.
- April and September 2021, mandatory **compliance training** was conducted in: Anti-Money Laundering, Anti-bribery and corruption, Antitrust, Whistleblowing and Sexual Harassment.
- 100 % of staff completed the mandatory compliance training.

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