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United Nations
UN Global Compact

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Att.

Your ref.

Your letter dated

Our ref.

Date
February 24th, 2022

Secop GmbH – Communication on Progress

Period covered: Jan. 1st, 2022 – Dec. 31st, 2022

Statement of continued support by the Top Management Board

We are pleased to confirm that Secop GmbH reaffirms its support of the Ten Principles of the United Nations Global Compact with respect to human rights, labour, environment, and anti-corruption. With this communication we express our intent to advance those principles within our sphere of influence.

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 are also committed to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Dr. Jan Ehlers
Managing Director
Secop GmbH

A. Human Rights Principles

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

Assessment, Policy and Goals

At Secop we continue to support the Universal Declaration of Human Rights and ensure that all employees abide to the same principles.

It is written in our Ethics Handbook which incorporates the internationally recognized principles including Human rights and is committed to ensuring a healthy and safe work environment, the right to privacy and equal treatment. Secop will not tolerate discrimination or harassment, including physical, verbal, sexual or psychological harassment, abuse or threats. Moreover, Secop will ensure that there is no discriminatory practice of its employees.

Business partners and suppliers are requested to adhere to these principles and to the principles of the UN Global Compact, which are also part of the Secop Code of Conduct that suppliers are required to sign and encouraged to implement.

Implementation

Concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations are described in Secop's Ethics Handbook, which incorporates ethical guidelines for employees throughout the Group. Secop's Ethics Handbook was edited thoroughly in 2021 and published in February 2022.

We actively encourage employees to use any communication channel to report potential claims, such as Management, HR Department, employee representatives, or through an anonymous report system (Whistleblowing Hotline: Secop Reporting Channel) to an internal Compliance Officer. This internal position was created and filled in the beginning of 2022.

Proper procedure is taken for proven violations against regulations as stated in our Ethics Handbook, both relevant internally for employees as externally for partners, business associates and contractors.

Measurement of outcomes

In the past year Secop has not been subject to any investigations, legal cases or incidents involving Human Rights violations. There are periodic management-level reviews of consistency with Human Rights Principles.

B. Labour Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

At Secop we continue to support the ILO Core Conventions and will not do business with any organization who uses forced or child labour.

In our Ethics Handbook Secop incorporated the internationally recognized principles including Labour standards and is committed to ensuring the freedom of association and avoiding discrimination in the workplace.

Secop does not tolerate forced labour or work that can be described as involuntary and ensures that all employees have employment contracts respectively are subject to agreements which determine employment conditions, including pay rates and overtime pay arrangements, and terms of termination.

Secop respects the legal requirements of the minimum wage principles in all its entities.

Business partners and Suppliers are requested to adhere to these principles and to the principles of the UN Global Compact, which are also part of the Secop Code of Conduct that suppliers are required to sign and encouraged to implement.

Implementation

Concrete actions to implement Labour policies, address Labour risks and respond to Labour violations are described in Secop's Ethics Handbook, which as already mentioned was renewed in 2021 and published in February 2022.

The local Human Resources Departments are accountable for executing the company policy regarding labour.

We actively encourage employees to use any communication channel to report potential claims, such as Management, HR Department, employee representatives, or to an internal Compliance Officer through an anonymous report system (Whistle-Support).

Proven violations against regulations can lead to a termination of the employee's contract.

Measurement of outcomes

Secop has not been involved in any investigations, legal cases or other relevant events related to the contravention of the Global Compact Labour Principles. There are periodic management-level reviews of consistency with Labour Principles.

C. Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

The protection of internationally recognized principles including Environment is explicitly part of Secop's Ethics Handbook.

Secop has formalized its commitment towards environmental protection and energy efficiency as part of its ethic handbook. With regards to that, Secop continuously reviews company vision, policies, and strategies to proceed sustainability. Secop continuously ensures sustainability in the management of all its activities and is committed to minimize its impact on the environment. Secop takes initiatives to promote environmental responsibility by incorporating the 'triple bottom line' of sustainable development – economic prosperity, environmental quality, and social equity, into the company's policies and strategies and by working with suppliers to improve environmental performance up the product chain and down the supply chain.

Secop has actively been supporting the development of environmentally friendly technologies that protect the environment, are less polluting, use all resources in a more sustainable manner, use less electrical energy, recycle more of their wastes and products, and handle residual wastes in a more acceptable manner than the technologies for which they were substitutes.

Implementation

Secop implemented a certified environmental management system according to ISO 14001:2015 for the production facilities in Slovakia and China. Both systems have been recertified and are valid until 2023. The corporate management requires all locations, branches, and sites to create and maintain an environmental management system in accordance with the requirements of the international standard of environmental management, ISO 14001, and for the system to be certified.

Environmental responsibilities have been assigned to dedicated local staff at the production locations. Accordingly, environmental KPIs, such as energy and water consumptions as well as waste amounts and types, are monitored. Secop complies with all local environmental regulations and holds all relevant environmental permits.

On regular basis, Secop carries out internal audits, ensuring that our working methods are compatible with how we aspire to work. The parts of the company which are certified according to the environmental and work environment management standards are audited by external auditors.

All managers must ensure that Secop's products are produced under proper social and environmental conditions and that business is done in accordance with applicable law and Secop's values and guidelines.

Measurement of outcomes

Energy efficiency is an important topic for Secop. Several measures have already been implemented to enhance its energy efficiency in the production process through new technologies and e.g. replacing all lighting through LED. Furthermore, energy efficiency and responsible use of resources are focus topics within product development and the cooling compressors are specifically designed in such a way that the energy consumption during the use phase is as low as possible while still providing large capacity with reduced material inputs.

Regarding environmental aspects in the supply chain, Secop has implemented a supplier code of conduct which includes environmental aspects such as avoiding pollution, reducing material consumption, waste and emissions to air, ground and water, transport, handling of chemicals and hazardous waste and contributing to recycling and reuse of materials and products. Moreover, there is a supplier evaluation process and a supplier audit plan in place.

As mentioned before, we are measuring key KPIs in operations that reflect environmental protection (e.g. water consumption, gas/energy efficiency, etc.) Secop has not had any reportable environmental incidents within the last year. There are periodic management-level reviews of environmental performance.

D. Anti-Corruption Principles

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

Assessment, Policy and Goals

At Secop we continue to support the UN Convention Against Corruption. Our company upholds a zero tolerance for bribery or corruption in all operations as stated in the Ethics Handbook, which contains ethical guidelines to all employees in the group.

Business partners and suppliers are requested to adhere to these principles and to the principles of the UN Global Compact, which are also part of the Secop Code of Conduct that suppliers are required to sign and encouraged to implement.

Implementation

Concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents are described in Secop's Ethics Handbook.

Any suspicion of involvement in corruption or fraudulent activities must be reported to the manager. Employees also have the possibility to report any abuse to Management board or to an internal Compliance Officer through an anonymous report system (Whistle-Support).

Any fraudulent situation detected that involves employees, business partners or suppliers must be investigated and may lead to contract termination.

Measurement of outcomes

Secop has not been involved in any legal cases, rulings or other events related to corruption or bribery. There are periodic management-level reviews of anti-corruption performance.