



MAKEEN
ENERGY

March 2022

Responsible energy solutions on a sustainability journey

Communication on Progress
for the UN Global Compact

Table of contents

CEO statement.....	5
UN Global Compact	6
MAKEEN Energy at a glance	8
Human rights	13
Human rights risks	13
Implementing our code of conduct for suppliers and third parties.....	15
Establishing a permanent donation for humanitarian causes through the Global Compact system	15
Labour.....	17
Strengthening our whistle-blower service	19
Audit external suppliers for the use of forced and child labour.....	19
Training in non-discrimination	19
Strengthening female representation in management	21
Reporting on accidents and near-misses.....	21
Environment	25
Reducing CO ₂ emissions	27
Encouraging investment in environmentally friendly technology	29
Anti-corruption	33
Training in anti-corruption	35
UN Sustainable Ocean Principles.....	39
9 principles – and a focus on 2	39
What we can do.....	39
Key Performance Indicators overview	42

This Communication on Progress report covers the statutory statement according to section 99a of the Danish Financial Act for MAKEEN Energy a/s for the financial year 2021.



Anders C. Anderson
CEO/Managing Director

CEO statement

2021 was a year of growth for us. In the US, a rapidly growing market for LPG meant that our business boomed, and I've been proud to head a company supplying ordinary people with a reliable energy source through extreme cold, tornadoes, heatwaves, and electricity cuts. LPG is a fossil fuel, and we wish that was different. But gas is enormously flexible and still able to make a critical difference. Not just in the US, but in many places around the world.

During the year, many companies have had to say no to orders because of supply shortages, just as attracting talented employees has been difficult. That has not been the case for us. We've been capable of delivering on our agreed output and we've also been capable of attracting new employees for us to support our growth. I've been grateful to experience how our new employees have been welcomed and integrated into our culture, how they've been introduced to our values, and how they've understood our work practice. We are a younger, more diverse and multicultural company than we were a year ago.

Our gas business and associated service contracts around the world generated most of our revenue in 2021. This revenue has ensured that we've not only been able to keep our talented employees, grow and employ more, but we've also been capable of moving in new and environmentally friendly directions with a speed and financial backing that ensures our success. In short, the next chapter for our company became tangible this year.

Our department for liquefied natural- and biogas took off with the order of building Denmark's first biogas liquefaction plant, NORDLIQ. We also sold and started constructing our first Plastcon plant. Upon completion in late 2022, we will start turning plastic waste into pyrolysis oil, usable in the production of new plastic materials – a truly circular solution.

MAKEEN Energy has supported the UN Global Compact for 4 years, and within our organisation, we've not been good enough at implementing support for the principles. That doesn't mean that we've not moved rapidly in the right direction, however. We aim to scale up our internal communication and support for the cause in 2022, as we're introducing new Key Performance Indicators and as we're creating a new role within our organisation, designated at ensuring the implementation and fulfilment of our goals. To maintain and focus our efforts to change for the better, senior management continues to fully support the UN Global Compact as well as the UN Sustainable Ocean Principles.



Anders C. Anderson
CEO/Managing Director

UN Global Compact

Global Compact is a United Nations initiative. By signing up, companies world-wide commit to following the initiative's ten principles within the four topics: human rights, labour, environment, and anti-corruption.

In January 2018, MAKEEN Energy chose to join the UN Global Compact as a part of our sustainability journey, and this Communication on Progress report is, consequently, the fourth one from us.

The four topics and the ten principles of the UN Global Compact are listed to the right¹.

¹ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

HUMAN RIGHTS	
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.
LABOUR	
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.
ENVIRONMENT	
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.
ANTI-CORRUPTION	
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

MAKEEN Energy at a glance

MAKEEN Energy is a global, market-leading corporation in the energy industry. We are determined to play an active role in the sustainable transformation of the energy market, and this is why we develop responsible energy solutions that make a difference for people and planet. We do this by enabling our partners to embrace the energy market of tomorrow, by bridging gaps between present and future energy supply and by empowering our people to innovate.

We have 23 offices worldwide and employ +2,500 people. We have customers in 140 countries and the average length of our customer relationships is 26 years. Our average portfolio is around 400 projects, and our newest department, MAKEEN EnviroTech, which develops our Plastcon solution, has grown from around 5 to around 60 people through 2021.

WE SUPPORT



In January 2018, we joined the **UN Global Compact**



Wherever you are, we are

We have customers in
140
countries



Our history can be traced back to **1936**, and the MAKEEN Energy name was introduced in 2015



We have **offices in 23 countries**, and our headquarters is in Denmark

Areas of business:

Gas Solutions and Equipment (LPG, LNG, LBG)*.
Chemical recycling of plastic waste and composite materials.
Unparalleled Customer Support.

Our purpose is to deliver
responsible energy solutions for people and planet



Across 6 continents, we have approx.

2,500
employees

* LPG (liquefied petroleum gas), LNG (liquefied natural gas), LBG (liquefied biogas)



Responsible energy solutions for people and planet

Human rights

MAKEEN Energy supports, respects, and encourages support and respect of all internationally proclaimed human rights. We take our role as a global corporation very seriously when it comes to our responsibility towards the people that we employ and the people that we affect with our products.

Our CSR Committee oversees the overall management of our efforts within human rights protection. Part of the work that the committee is responsible for is the reporting on and implementation of our established Key Performance Indicators (KPIs) related to our engagement with the UN Global Compact. Furthermore, the Committee ensures that MAKEEN Energy does not contribute to human rights violations of any kind.

We're quite far in our work on human rights, as the table detailing our KPI's on the following page shows. In the table, we present the results from last year and lay out our path for further work that we aim to undertake in the coming 12 months.

Human rights risks

We find it natural to support and respect the protection of human rights for all individuals who are somehow involved in our activities.

However, these intentions and efforts do not come without potential challenges, and for our business we have identified the following risks within the topic of human rights:

- Monetary penalties due to legal violations
- Negative impact on our reputation among suppliers, customers, employees, and other stakeholders
- Non-compliance with our corporate purpose of developing responsible energy solutions for people and planet

Our two KPI's concerning our work on strengthening human rights are listed. After the graph, our work is detailed. We've had the first KPI since 2020, and this year we're pleased to introduce an additional KPI.

	2020 TARGET	2020 RESULT	2021 TARGET	2021 RESULT	2022 TARGET
KPI 1	In our internal ERP system, we will create a feature that visualises the number of signatories of our code of conduct for suppliers and third parties.	Target achieved. In addition to creating the ERP feature, the first 38 signatories have also been registered within it. Moreover, 48 other relevant suppliers and third parties have been identified, on the basis of a risk assessment, as relevant future signatories.	Create setup ensuring all new suppliers and third parties sign code of conduct. Increase the number of signatories among relevant existing suppliers and third parties by 20%. Carry out 3 external audits, selected on the basis of a risk assessment.	<p>Due to the COVID-19 pandemic, our planned audits needed to be cancelled. We have not been able to fulfill our KPI for 2021.</p> <p>Globally, our signatories have increased from 38 in 2020 to 59 in 2021, much more than the 20% we were aiming at.</p>	<p>We are raising the signatory target among suppliers and external stakeholders to 40%.</p> <p>Further, we are setting up an audit team and we will conduct 3 audits.</p>
KPI 2					<p>In previous years, we've donated ad hoc to good causes. In 2022 we're looking to structure it.</p>

Implementing our code of conduct for suppliers and third parties

KPI 1

At the beginning of 2020, we set a goal of visualising the number of signatories of our code of conduct for suppliers and third parties. This relatively new document is an important tool for MAKEEN Energy when it comes to protecting the international human rights throughout our entire supply chain – and by keeping track of our progress, we make sure that these efforts continue uninterrupted.

As a global corporation in the energy industry, we realise that we never act independently of a supply chain. Partners will always be involved in our projects, and to include them in our considerations concerning human rights as well as other business ethics, we introduced our code of conduct for suppliers and third parties in 2019.

The next step on the way, and our goal for 2020, was to create a feature in our internal ERP system to keep track of and visualise the number of signatories. A target that was soon turned into reality. As a result, we could quickly continue and take yet another step by starting to collect signatories.

Naturally, it has been our goal to continue increasing the number of signatories of our code of conduct for suppliers and third parties throughout 2021. At the same time, our goal was to select 3 external suppliers based on a risk assessment and conduct external audits amongst them.

However, due to the need to respect COVID regulations locally, it has not been possible for our audit team to conduct the planned 3 external audits. We regret to report that our KPI has not been fulfilled.

At the time of writing, 59 signatories have been registered in our ERP system, and an additional 26 suppliers and third parties have been identified – all chosen based on a risk assessment that considers parameters like geography and industry. This is an increase from the 38 signed signatories that we had last year. By signing the document,

these partners have guaranteed that they do not violate any human rights by, for example, using forced or child labour.

Going forward, we will create and implement a setup that ensures that our ERP system automatically sends out notifications, so all new suppliers and third parties are asked to sign the document. At the same time, we plan to go forward with the three external audits that we have been unable to conduct in 2021. We will also increase the number of signatories among the relevant existing suppliers and third parties, and we will strive to reach a 40% sign rate among all suppliers and external stakeholders through 2022. This is our new KPI.

Establish a permanent donation for humanitarian causes through the Global Compact system.

KPI 2

Unfortunately, 2021 was a year with many humanitarian causes worthy of direct fiscal support. MAKEEN Energy has always taken pride in being able to support causes when they arise, and we expect no less of our responsibility in the future. In 2021, MAKEEN Energy supported both Red Cross, Danish Hospital Clowns and Danish Childhood Cancer Foundation directly with donations.

That is why we've decided to work towards implementing a strategy for direct fiscal support to humanitarian causes throughout 2022, resulting in a clear long-term commitment to support for years to come.

Our new KPI 2 for 2022 is to put these donations into a system – the questions that we will answer are: How much we pledge to donate and how we are going to select the causes that we support.



Harsha Vardhan

Labour

As a global company with offices in 23 countries and more than 2500 employees, we want to make sure that we never underestimate our challenges and responsibilities when it comes to the working environment that defines what it is like to work at or for MAKEEN Energy.

As a market-leading corporation within LPG cylinder filling, we also acknowledge that we're creating a global ecosystem of sub-contractors and suppliers, a business model that often makes it hard for corporations to ensure that standards are adhered to.

We always adhere to both local and international requirements regarding working conditions. In addition to this, we continuously focus on our own methods, processes, and systems – and review them regularly. On the one hand, this enables us to detect and prevent possible risks, and on the other hand, it gives us a chance to discover opportunities for improvement.

Together with our environmental policy, these efforts all aim at ensuring the health, safety, and well-being of our employees. And to fully achieve this, all employees at MAKEEN Energy have freedom of association and the right to collective bargaining. We consider this as their right – and as our common benefit.

Dealing with people does not come without potential challenges, and for our business we have identified the following risks within the topic of labour:

- Monetary penalties due to legal violations
- Work-related accidents and near-misses among our employees
- Negative impact on our reputation among suppliers, customers, employees and other stakeholders
- Difficulties in attracting and keeping skilled labour
- Non-compliance with our corporate purpose of developing responsible energy solutions for people and planet

Our employees are our most valued asset, and we are fully committed to ensuring the best possible conditions for their work. On the following page you'll find no less than 5 KPI's that we've previously set up to ensure just that. In the overview, you'll find our reporting on our progress. Note that this year, we're abandoning one of our KPI's of auditing external suppliers for the use of forced or child labour, as we're merging it with our KPI 1 of auditing external suppliers for the signing of our code of conduct.

	2020 TARGET	2020 RESULT	2021 TARGET	2021 RESULT	2022 TARGET
KPI 3	At all our hubs, we want to strengthen our efforts to prevent stress and bullying in 2020, among other things by using the results from the first global satisfaction survey (conducted in 2019) as our starting point.	Process in progress. Our work to prevent stress and bullying has started.	Our focus on preventing stress and bullying will continue. Among other things, we will work on setting up concrete and global initiatives and goals and continuously monitor the progress.	Our whistleblower service has been promoted globally, and we're seeing that it is being used and is taken seriously at all levels of management.	We're opening up our whistle-blower service and making it an option for all. Previously, we've had the whistle-blower service as an internal tool for employees and stakeholders. We will launch it externally on our new homepage and promote it through our external communication.
KPI 4	We will start to conduct external audits among our suppliers to check if they use forced or child labour, and in 2020 we will begin to check our 3 largest suppliers.	Target not achieved, mainly due to COVID-19 travel restrictions.	We will start to conduct external audits among our suppliers and third parties to check if they use forced or child labour – and to make sure that the signatories of our code of conduct for suppliers and third parties follow its standards (see KPI 1). At first, the target is to carry out 3 external audits, selected on the basis of a risk assessment.	Due to COVID-19, our planned audits needed to be cancelled. We have not been able to fulfill our KPI for 2021.	We're merging our auditing efforts in KPI 1 and will no longer be reporting specifically on this KPI.
Discontinued					
KPI 4	We will continue to educate and train our management in non-discrimination procedures. By the end of 2020, 100% should have completed the training.	Target not achieved, partly due to COVID-19 travel restrictions.	We will continue to educate and train all levels of our management in non-discrimination procedures, reaching 100% in 2021. To make it possible to carry through the training everywhere, it will be online. Moreover, we will work on establishing a setup that ensures continuous training during employment.	We have conducted value-based leadership training, and all of global management have been through it, fulfilling our KPI of reaching 100% in 2021. We are still working on establishing a setup for continuous training.	Our work on our setup for continuous training is to be completed. We will make it a digital tool and make it trackable just like our anti-corruption tool is. After setting the training up, we are planning for all of our global company to go through it.
KPI 5	By 2022, our goal is to have 20% women in the board of directors.	Process in progress. As there has been no need for replacement in our board of directors, it still counts 0% women.	By 2024, our goal is to have 20% women in all management functions across the organisation.	In 2021, we counted 17 female leaders out of a total of 127 leaders globally. This gives us an approximate 13% female leader count, well on our way to reach 20% in 2024.	Towards 2024 we aim to reach 20% female leaders. We'll set up a global registering of applicants. We'll promote five female role models employed at our company.
KPI 6	<i>2019 RESULT:</i> A global reporting system was created. It gives our employees the possibility to report work-related accidents and near-misses, and it provides us with a measure LTIFR (lost time injury frequency rate).	<i>This KPI was not among our focus areas in 2020. Consequently, we have not seen any development related to this matter.</i>	Focusing on both awareness and implementation, we will advocate for our employees to use the previously established global reporting system. Here, they should report all work-related accidents and near-misses. After a successful implementation, the measure of LTIFR should be <2 to live up to the industry standard.	We have seen the system being implemented wider than a year ago, but we still have doubts about whether all incidents are reported. The LTIFR is currently 15,25, but we do not have data from all hubs this year, only from Sri Lanka and Portugal.	We choose to keep a focus on this KPI. We will strengthen focus on importance of reporting incidents in our internal communication and as a task for managers. KPI for 2021 with 2 will continue in 2022.

Strengthening our whistle-blower service

KPI 3

For the last couple of years, we've offered all our employees the opportunity to use an external whistle-blower service. During 2021, the service has been promoted globally, and we're seeing that it is being used and is taken seriously at all levels of management. Furthermore, sharing information about the whistle-blower service has been prioritised as a management role and will continue to be so.

In 2022, our new KPI is to strengthen our well-functioning service further. We don't believe that we have anything to hide, and that is why we are opening our service externally to the world – in theory, everyone will be able to contact our whistle-blower service in the future, and all inquiries will be handled with the utmost care by our external partner.

In 2022, we are launching a new website, and part of the re-launch of our external communications activities will include the promotion of our whistle-blower service as an open, accessible tool.

Audit external suppliers for the use of forced and child labor

KPI 4
Discontinued

As with our KPI 1, COVID-19 meant that our planned audits needed to be cancelled. We have not been able to fulfil our KPI 4 for 2021, and this year we've decided to discontinue this KPI as a stand-alone goal.

However, we're not abandoning this goal because we don't think preventing the use of forced and child labour is important – on the contrary. We already have a good setup for auditing, and that is why, going forward, we're merging this KPI with our KPI 1. Our focus on and determination to prevent the use of forced and child labour will be just as strong as ever – but by abandoning this KPI, we're freeing up space to introduce a new KPI in our Environment category.

Training in non-discrimination

KPI 4

Throughout 2021, all MAKEEN Energy management on a global level has undergone our value-based leadership training, and this means that we're happy to report that we're able to fulfil this part of our (new) KPI 4. The other part of this KPI in 2021 was to establish a setup for continuous training, and, unfortunately, we've not completed this task at the time of writing. However, we continue to keep this goal in our KPI, and in 2022, we wish to establish a setup for continuous training. Once our work on our setup for continuous training is completed, we will ensure that the digital tool, which will be trackable just like our anti-corruption tool, is rolled out across all of our global organisation. Basically, in 2022, our goal is that every single one of our employees will go through our non-discrimination training. This is our new KPI 4.



Ragu Raja

COMMUNICATION ON PROGRESS FOR THE UN GLOBAL COMPACT LABOUR

Strengthening female representation in management

KPI 5

Ensuring strong female representation in an engineering company that has traditionally been male-dominated can be hard. Nonetheless, it is our goal. In 2021, we counted 17 female leaders out of a total of 127 leaders globally. While this might not sound impressive, it gives us an approximate 13% female leader count – not that far from our goal of having 20% female leaders in 2024. At this point, we've decided to keep our KPI set up in 2020 – towards 2024 we aim to reach 20% female leaders.

Distribution of men and women across all MAKEEN Energy's management functions



In order to not leave the fulfilling of this KPI to chance, we're now committing ourselves to setting up a global tracking/statistics tool of our applicants, which will allow us to gain data to inform our challenges in achieving this goal. For example, if only five percent of our applicants are female, hiring more female leaders is a question of attracting candidates. If, on the other hand, the percentage of female applicants is fifty, the challenge of hiring more female leaders might be a question of changing local cultures in some of our hubs.

We want to keep our mind open and apply all tools necessary to ensure female representation in our company, and that is why we're committing ourselves to gaining the ability to have full transparency on this important field in 2022. This will also allow us to decide if we should further increase the percentage of female leaders that we would like to reach in the future.

We're proud of the female leaders that we already have. And that is why through 2022, as part of our launch of our new website, we will promote five female role models, who currently work at our company, through our global external communications channels.

Reporting on accidents and near-misses

KPI 6

As a responsible company that treasures our employees dearly, one thing that has always been a top priority is to avoid accidents. Luckily, thanks to our rigorous focus on safety and procedures, we have an incredibly good track record when it comes to just this.

However, to further bolster our work on preventing accidents, we've setup our KPI 6, which aims to implement a global reporting system for reporting accidents and near-misses. This system is set up, and our work through 2021 has been to promote it and ensure that it is being used.

It is incredibly hard to measure and quantify how much our system is being used and how many times accidents and near-misses go unreported. We have a strong feeling that the system works, and we have data that shows that it is being used, but as we still have doubts about whether all incidents are reported, we're keeping our KPI 6. During 2022, we will further strengthen our focus on the importance of reporting incidents through our internal communications channels and as a task for managers.

The LTIFR is currently 15.25, but the underlying data is insufficient to represent our global company, as it is only data from Portugal and Sri Lanka – hubs where we have a high percentage of manual labor and a low percentage of office workers who typically have less accidents. However, our KPI from 2021 of 2 will continue to guide us in 2022.

**Enabling our
partners to
embrace the
energy market
of tomorrow**

	2020 TARGET	2020 RESULT	2021 TARGET	2021 RESULT	2022 TARGET
KPI 7	During 2020, we will reduce our headquarters' CO ₂ emissions from heating. From 348 tonnes/year in 2019, it should be reduced to 5 tonnes/year.	Target not achieved. The utility provider was not able to carry through a shift to district heating at our headquarters, which should have reduced CO ₂ emissions.	In 2021, we will focus on reducing our CO ₂ emissions globally. At first, we will establish a baseline for all our locations, and on the basis of this, we will aim to reduce CO ₂ emissions by 40% by 2030 as is the European (headquarters' location) goal, aligned to meet the Paris Agreement.	Baseline not defined. No possibility of measuring reductions. Headquarters have been connected to district heating. Awaiting approvals, the switch has not been finalised in 2021, but the new heat source will drastically lower HQ CO ₂ emissions.	Continue our effort to locally reduce CO ₂ emissions. Enhance our EV infrastructure. Further strengthen our support for digital meetings and less travel activity across our organisation.
KPI 8					Scale up our investments in environmentally friendly technology through our EnviroTech department.

Environment

During the last couple of years, the MAKEEN Energy group has re-oriented itself as a company. Having been industry leaders in the filling of LPG cylinders for more than half a century, we today have a stable, reliable, and growing business – the perfect backdrop for bold new research, development, and investments.

As our owners, our board and global directors have investigated where to use our decades of experience in handling gas to the benefit of people and planet, handling the enormous problem of plastic waste has been a solution that ticks all boxes. By “cracking the code” of using pyrolysis to chemically recycle materials, we’re well positioned to now offer a solution for future circular economies – and not just within plastics, but also for the wind industry and for composite manufacturers. Furthermore, besides pyrolysis, our experience in liquefaction enables us to offer several other environmentally friendly solutions as well.

Dedicated as we are to making our influence on our surroundings as positive as possible, our approach is based on the principles and requirements of the ISO 14001:2015 standard, in combination with our environmental policy (which can be found on our website), with national requirements and with customer criteria.

However, our efforts do not come without potential challenges, and for our business we have identified the following risks within the environmental topic:

- Not meeting the growing demand for sustainable energy solutions
- No development of our business
- Monetary penalties due to legal violations
- Negative impact on our reputation among suppliers, customers, employees, and other stakeholders
- Non-compliance with our corporate purpose of developing responsible energy solutions for people and planet

We know that it is always possible to do better. To ensure that we keep on developing and improving our environmental efforts, we this year follow up on our Key Performance Indicator from last year, KPI 7, but we also introduce a whole new KPI 8, which aims at scaling up our commitment to invest in environmentally friendly technology.



Hamza Uran

Reducing CO₂ emissions

KPI 7

Last year, our commitment to implement district heating and thereby reduce our headquarters' CO₂ emissions from 348 tonnes/year to 5 tonnes/year could not be met. This year, we're happy to report that we've been successfully connected to the district heating grid and, pending approval to start utilising it, we're ready to heat our headquarter in an environmentally responsible way.

In our KPI 7 last year, we further set out to define a baseline from which we planned to start reducing our global CO₂ emissions by 40% towards 2040. We regret to report that we have not progressed with this task in 2021.

Going into 2022, we have decided to abandon the idea of defining a baseline for our CO₂ emissions. Working across countries and continents in drastically different energy scenarios, the work that must be put into defining a baseline simply does not merit the possibility to measure our results. We continue to be fully committed to reducing our CO₂ emissions, but going forward in 2022, we will not be reporting on our local reductions with measurable data-points, but with concrete initiatives.

In 2022, our concrete initiatives at our headquarters include bolstering our support for transitioning to electric vehicles amongst our employees by installing a greater number of charging points. Globally, we will make it a strategic target to support all levels of our organisation in conducting meetings virtually whenever possible, thereby preventing unnecessary travel and in particular air travel. During the COVID-19 pandemic, many companies have had positive experiences with a digital meeting culture, our company included – we aim to hold on to our experiences and implement them in our culture of doing business.

In order to track our reductions in traveling, we this year include a baseline from which to measure reductions going forward. As mentioned above, measuring CO₂ emissions reductions directly is virtually impossible for us, but we have other trustworthy available data, namely our annual travel expenses and our annual count of employees.

In order to create a robust statistic, we are basing our baseline on the employees who are employed directly at one of our global branches. MAKEEN Energy also indirectly employs a number of people through sub-contractors and Facility Management services in some countries. However, these employees are not included in our calculations as we don't have sufficient data on them and as they are not part of our travel budget or traveling regularly for our company.

As can be seen in the graph below, the global count of employees at MAKEEN Energy has drastically increased since 2018, as we've experienced tremendous growth across several markets. At the same time, our travel expenses have been lowered consequently, not even considering the extraordinary years of 2020 and 2021, where ordinary international travel was restricted because of the pandemic.

Taking the last pre-pandemic year, 2018, as a starting point, we're budgeting and aiming at a 37% decrease in our travel expenses per employee in 2022. This one-off large decrease reflects our commitment to keep our "good habits" from the pandemic. Our goal in the years to come is to keep decreasing our travel expenses per employee, as we continue to explore more environmentally friendly ways of doing business. We'll continue to report on our progress.



Approximate CO₂ emission reductions when switching to LNG or LBG as a fuel – in the maritime and trucking industries

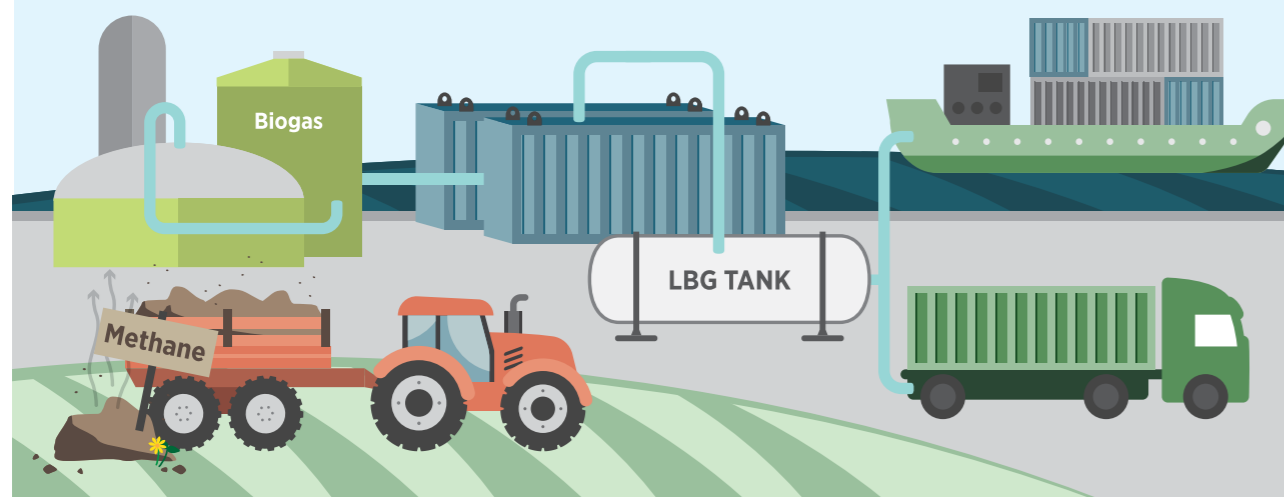
LNG ↓ 16%
LBG ↓ 95%

LNG ↓ 15%
LBG ↓ 95%



Source: The World Bank (2021) // The Oxford Institute for Energy Studies (2019)

Producing LBG from cow manure provides a CO₂ neutral fuel – for the maritime and trucking industries



Encourage investment in environmentally friendly technology

KPI 8

In 2021, several key events in our organisation have taken place, enabling us to introduce a new KPI this year. First and foremost, we've sold and started construction of our first Plastcon plant, which upon completion in late 2022 will convert plastic waste into pyrolysis oil. Pyrolysis oil derived from plastic waste can be used in a circular economy, where production of new plastic materials avoids extracting fossil fuels.

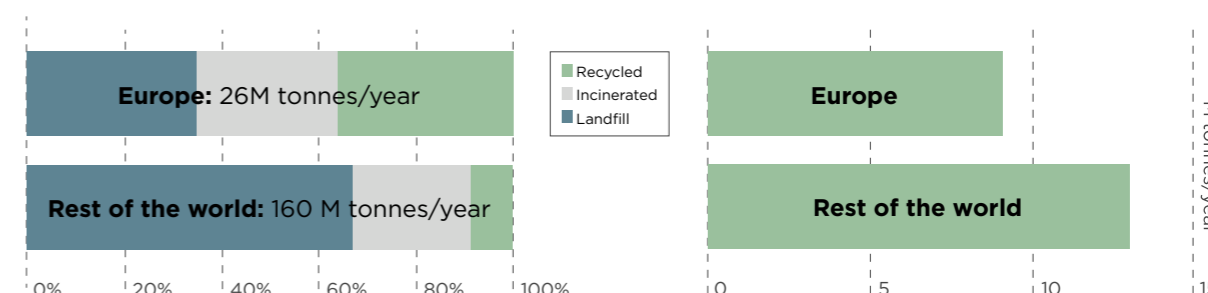
Since 2015, our liquefied gas division has been able to offer solutions assisting in the scaled-up use of biogas, a CO₂ neutral fuel. In 2021, the division sold its first full biogas liquefaction facility, which upon completion in 2023 will be the first of its kind in Denmark. It will be capable of supplying northern Germany, Denmark, and Scandinavia with liquefied biogas for the use in the transport sector, thereby replacing diesel and bunker oil.

The success of our Plastcon technology and our role in transitioning trucks and ships away from diesel and bunker oil spells a new chapter for MAKEEN Energy, a chapter where we're actively investing in and contributing to the utilisation of environmentally friendly technology. This is something that we're very proud of, but also something that we wouldn't have achieved without taking considerable risks. To achieve success, our full determination, also financially, has been the enabling factor – costly research and development, trials and errors, that only if we succeeded would pay off. But to succeed, determination is needed, and that is what this KPI represents – the determination to continue to invest in environmentally friendly technology.

In 2021 we've spent more than 10% of our total revenue on research and development of environmentally friendly technology. Going forward, we continue to expect spending substantial amounts of our revenue on inventing new solutions to pressing issues of our time, and we are looking forward to report on our progress in next years UN Global Compact.

GLOBAL PLASTIC WASTE AND HANDLING

– recycling plastic has started in Europe, but globally there's an urgent demand for action



Bridging gaps in global energy support

Anti-corruption

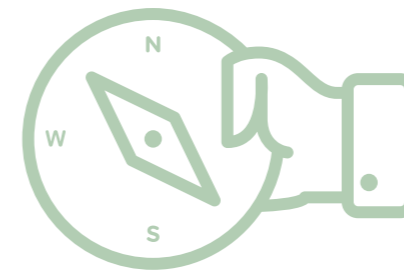
MAKEEN Energy operates in more than 140 countries, among them places which, according to the Corruption Perception Index by Transparency International, are at a very high risk of corruption being part of business practice in both public and private sectors. This also includes places that are characterised by rough competition for business opportunities, and that can easily lead to situations with demands for improper payments or other actions that break with our company policies.

We've always prided ourselves on not participating in any business activity that is corrupt or that we suspect could be corrupt. We are in no way interested in doing business based on improper payments or solving problems through illegal means. On the contrary, we believe in founding a business on strong values, integrity, and high moral standards and on the importance of a fair market that is not ruined by bribery and corruption.

As anti-corruption practice is part of our core values, we've been happy to join the UN Global Compact and set up KPI's to ensure that we continue to adhere to our standards and continue to find ways to strengthen our resilience against improper payments and illegal means of doing business.

Our activities do not come without potential challenges, and for our business we have identified the following risks within the topic of anti-corruption:

- Monetary penalties due to legal violations
- Negative impact on our reputation among suppliers, customers, employees, and other stakeholders
- Non-compliance with our corporate purpose of developing responsible energy solutions for people and planet
- Non-compliance with the stipulated practice set out in our anti-corruption training



	2020 TARGET	2020 RESULT	2021 TARGET	2021 RESULT	2022 TARGET
KPI 9	We will continue to educate and train our management and sales managers in our anti-corruption objectives and procedures. By the end of 2020, 100% should have completed the training.	Process in progress. By the end of the year, 38% of all employees within management, sales and business development had completed the training.	We will continue to educate and train all employees within management, sales and business development in anti-corruption objectives and procedures. To make it possible to carry through the training everywhere, it will be online.	Achieved.	KPI will be discontinued.
KPI 10	We will continue implementing anti-corruption training for all new employees within management, sales and business development. By the end of 2020, 100% should have completed the training.	Process in progress. By the end of the year, 38% of all employees within management, sales and business development had completed the training.	During 2021, it is our goal that 100% of the employees in question will have completed the training. Moreover, we will work on establishing a setup that ensures continuous training during employment.	Achieved. Our work on the setup has led to all new employees completing our training.	All new leaders and employees associated with business practice (internally promoted and externally hired) are required to take the training. Initiate the implementation of the training as part of our onboarding package, globally.

Training in anti-corruption

KPI 9-10

Since 2020, we've completed our targets concerning training in anti-corruption. We've ensured that we're capable of educating and training our management and sales managers in our anti-corruption objectives and procedures, and we've focused on implementing such training sessions as a part of the onboarding programme for all new employees within management, sales and business development. These employees are at the front line when we interact with external stakeholders and are particularly exposed to the risk of facing potentially corruptive situations.

In 2021, we continued educating and training in anti-corruption, and with the learnings from 2020 and the COVID-19 pandemic in mind, the training was undertaken online – making it easily available everywhere at any time. In 2021, we succeeded in reaching a 100% completion rate within the targeted groups, and this means that we're happy to report that our KPI 9 can be considered achieved. We take this opportunity to discontinue the KPI and focus our efforts on our KPI 10.

In 2021, our KPI 10 focused on establishing a setup to ensure continuous training in anti-corruption for our employees throughout their employment with us. We are happy to report that by digitalising our anti-corruption training, we have this setup in place. That is why we've decided to set up a new KPI for 2022 – to make sure that all new leaders (internally promoted and externally hired) are required to take the course, and to further ensure that newly hired employees coming into contact with the commercial part of our activities, e.g., by directly making business transactions, or being in contact with people doing so, will complete our training.

Furthermore, we will initiate the implementation of the course as part of our onboarding package on a global scale, ensuring that by year's end, all new employees at MAKEEN Energy will be required to complete our digital anti-corruption training.



Empowering our people to innovate



UN Sustainable Ocean Principles

In October 2019, MAKEEN Energy signed the Sustainable Ocean Principles, a United Nations initiative, as one of the first companies in the world – and our support continued throughout 2021. As a signatory, MAKEEN Energy is dedicated to take action to promote the well-being of the ocean for current and future generations. In particular, our solutions for liquefied natural gas/biogas (LNG/LBG) and our plastic waste conversion technology, known as Plastcon, have great potential for having a positive impact. And for that reason, they are our starting point in relation to the UN Sustainable Ocean Principles.

9 principles – and a focus on 2

As a supplement to the UN Global Compact and its 10 principles within human rights, labour, environment and anti-corruption, the Sustainable Ocean Principles recognise the urgency and global importance of a healthy ocean. The initiative's 9 principles point out how we can act together to protect our ocean.

To focus our efforts, MAKEEN Energy previously chose to work dedicatedly with particularly two of the nine principles – and we still do so. Specifically, we pay attention to principles 2 and 3 that both address the issue of ocean health and productivity. Whereas principle 2 is about promoting or contributing to restoring, protecting, or maintaining a healthy ocean, principle 3 pays attention to preventing pollution and reducing greenhouse gas emissions that can affect the ocean.

During 2021, our focus on principles 2 and 3 has been evident through both our solutions for LNG/LBG as well as our Plastcon technology.

What we can do

In 2020, we joined project MAELSTROM, an EU-funded project that works to remove and reuse marine plastic litter from the coasts around Europe. As a cross-organisational collaboration, it brings together key stakeholders with the aim of removing and reusing plastic waste from the coasts around Europe in a sustainable way. Among others, MAELSTROM gathers research centres, recycling companies, marine scientists, and robotic experts. In 2021, our involvement in the project has been limited, partly since our role will be to analyse the possibility to chemically recycle marine litter with our pyrolysis reactors – so to say the “last step” in the project.

We are looking forward to participating, and as our Plastcon technology progresses and we continue to develop our skills in plastic recycling, so do our hopes of being able to provide a responsible and economically attractive solution to ridding the world's oceans of plastic.

In short, our Plastcon system converts harmful plastic waste into useful resources. It handles all types of plastic, and it turns the materials into pyrolysis oil, gas and carbon black – that, among other things, can be used for the production of new plastic materials. Imagine a future where marine litter can be used to produce new plastic, thereby replacing the need for extracting new fossil fuels. That's a future we hope to live in – and a future that we're committed to realising, by, among other things, continuing to support the UN Sustainable Oceans Principle.

Responsible energy solutions for people and planet



Key Performance Indicators overview

	2020 TARGET	2020 RESULT	2021 TARGET	2021 RESULT	2022 TARGET
HUMAN RIGHTS					
KPI 1	In our internal ERP system, we will create a feature that visualises the number of signatories of our code of conduct for suppliers and third parties.	Target achieved. In addition to creating the ERP feature, the first 38 signatories have also been registered within it. Moreover, 48 other relevant suppliers and third parties have been identified, on the basis of a risk assessment, as relevant future signatories.	Create setup ensuring all new suppliers and third parties sign code of conduct. Increase the number of signatories among relevant existing suppliers and third parties by 20%. Carry out 3 external audits, selected on the basis of a risk assessment.	Due to the COVID-19 pandemic, our planned audits needed to be cancelled. We have not been able to fulfill our KPI for 2021.	We are raising the signatory target among suppliers and external stakeholders to 40%. Further, we are setting up an audit team and we will conduct 3 audits.
KPI 2					In previous years, we've donated ad hoc to good causes. In 2022 we're looking to structure it.
LABOUR					
KPI 3	At all our hubs, we want to strengthen our efforts to prevent stress and bullying in 2020, among other things by using the results from the first global satisfaction survey (conducted in 2019) as our starting point.	Process in progress. Our work to prevent stress and bullying has started.	Our focus on preventing stress and bullying will continue. Among other things, we will work on setting up concrete and global initiatives and goals and continuously monitor the progress.	Our whistleblower service has been promoted globally, and we're seeing that it is being used and is taken seriously at all levels of management.	We're opening up our whistle-blower service and making it an option for all. Previously, we've had the whistle-blower service as an internal tool for employees and stakeholders. We will launch it externally on our new homepage and promote it through our external communication.
KPI 4	We will continue to educate and train our management in non-discrimination procedures. By the end of 2020, 100% should have completed the training.	Target not achieved, partly due to COVID-19 travel restrictions.	We will continue to educate and train all levels of our management in non-discrimination procedures, reaching 100% in 2021. To make it possible to carry through the training everywhere, it will be online. Moreover, we will work on establishing a setup that ensures continuous training during employment.	We have conducted value-based leadership training, and all of global management have been through it, fulfilling our KPI of reaching 100% in 2021. We are still working on establishing a setup for continuous training.	Our work on our setup for continuous training is to be completed. We will make it a digital tool and make it trackable just like our anti-corruption tool is. After setting the training up, we are planning for all of our global company to go through it.

	2020 TARGET	2020 RESULT	2021 TARGET	2021 RESULT	2022 TARGET
LABOUR					
KPI 5	By 2022, our goal is to have 20% women in the board of directors.	Process in progress. As there has been no need for replacement in our board of directors, it still counts 0% women.	By 2024, our goal is to have 20% women in all management functions across the organisation	In 2021, we counted 17 female leaders out of a total of 127 leaders globally. This gives us an approximate 13% female leader count, well on our way to reach 20% in 2024.	Towards 2024 we aim to reach 20% female leaders. We'll set up a global registering of applicants. We'll promote five female role models employed at our company.
KPI 6	<i>2019 RESULT:</i> A global reporting system was created. It gives our employees the possibility to report work-related accidents and near-misses, and it provides us with a measure LTIFR (lost time injury frequency rate).	<i>This KPI was not among our focus areas in 2020. Consequently, we have not seen any development related to this matter.</i>	Focusing on both awareness and implementation, we will advocate for our employees to use the previously established global reporting system. Here, they should report all work-related accidents and near-misses. After a successful implementation, the measure of LTIFR should be <2 to live up to the industry standard.	We have seen the system being implemented wider than a year ago, but we still have doubts about if all incidents are reported. The LTIFR is currently 15,25, but we do not have data from all hubs this year, only from Sri Lanka and Portugal.	We choose to keep a focus on this KPI. We will strengthen focus on importance of reporting incidents in our internal communication and as a task for managers. KPI for 2021 with 2 will continue in 2022.
ENVIRONMENT					
KPI 7	During 2020, we will reduce our headquarters' CO ₂ emissions from heating. From 348 tonnes/year in 2019, it should be reduced to 5 tonnes/year.	Target not achieved. The utility provider was not able to carry through a shift to district heating at our headquarters, which should have reduced CO ₂ emissions.	In 2021, we will focus on reducing our CO ₂ emissions globally. At first, we will establish a baseline for all our locations, and on the basis of this, we will aim to reduce CO ₂ emissions by 40% by 2030 as is the European (headquarters' location) goal, aligned to meet the Paris Agreement.	Baseline not defined. No possibility of measuring reductions. Headquarters have been connected to district heating. Awaiting approvals, the switch has not been finalised in 2021, but the new heat source will drastically lower HQ CO ₂ emissions.	Continue our effort to locally reduce CO ₂ emissions. Enhance our EV infrastructure. Further strengthen our support for digital meetings and less travel activity across our organisation.
KPI 8					Scale up our investments in environmentally friendly technology through our EnviroTech department.
ANTI-CORRUPTION					
KPI 9	We will continue to educate and train our management and sales managers in our anti-corruption objectives and procedures. By the end of 2020, 100% should have completed the training.	Process in progress. By the end of the year, 38% of all employees within management, sales and business development had completed the training.	We will continue to educate and train all employees within management, sales and business development in anti-corruption objectives and procedures. To make it possible to carry through the training everywhere, it will be online.	Achieved.	KPI will be discontinued.
KPI 10	We will continue implementing anti-corruption training for all new employees within management, sales and business development. By the end of 2020, 100% should have completed the training.	Process in progress. By the end of the year, 38% of all employees within management, sales and business development had completed the training.	During 2021, it is our goal that 100% of the employees in question will have completed the training. Moreover, we will work on establishing a setup that ensures continuous training during employment.	Achieved. Our work on the setup has led to all new employees completing our training.	All new leaders and employees associated with business practice (internally promoted and externally hired) are required to take the training. Initiate the implementation of the training as part of our onboarding package, globally.

MAKEEN ENERGY

MAKEEN Energy
Alsvej 21
8940 Randers SV
Denmark

Tel +45 8740 3000
info@makeenenergy.com

www.makeenenergy.com

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Responsible energy solutions for people and planet

MAKEEN Energy is a global, market-leading corporation in the energy industry. We are determined to play an active role in the sustainable transformation of the energy market, and this is why we develop responsible energy solutions that make a difference for people and planet. We do this by enabling our partners to embrace the energy market of tomorrow, by bridging gaps between present and future energy supply and by empowering our people to innovate.

Our portfolio includes equipment, customer support, spare parts, facility management, engineering and project management for everything from liquefied petroleum gas (LPG) filling facilities and liquefied natural gas/biogas (LNG/LBG) bunkering solutions to power plants and facilities that convert plastic waste into a resource. We take pride in having co-responsibility for our customers' success – not only for short-term business results, but also for long-term business transformation.

We employ and empower approx. 2,500 people across 6 continents and operate in over 140 countries. Our global reach, local presence and decades of experience ensure that we can deliver complete solutions at a level unmatched in our industry. As we say - *wherever you are, we are.*