

ANNUAL COMMUNICATION OF PROGRESS
2021-2022



ØSTERMARK
GROUTING

Statement of Continued Support

August 10, 2022

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

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

Wider societal disruptions continue to pose serious challenges that the world must face – from humanitarian crises caused by conflicts to the impacts of the pandemic on people and economies, to the ongoing threat of climate change and more. Østermark Grouting believes that business has a key role to play in helping to address these challenges and we are committed to playing our part.

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

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

The period covered by this Communication on Progress (COP) is: July 2021 to August 2022

Sincerely yours,



Thomas Bak

Group CEO



Human Rights Principles

Commitment

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

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

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

Østermark Grouting employs 55 people from 5 different nationalities, working in 2 global divisions. 16% of our employees are women and 83% are men. In our management team 25% are women and 75% are men.

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

Implementation

In order to prevent discrimination of any kind and protect against harassment (e.g. physical or psychological) both direct and indirect from colleagues or management, Østermark Grouting A/S has implemented a Whistleblower Scheme called Ethics Line.

Ethics Line increases the opportunity for employees and partners to comment on offenses and other serious matters in Østermark Grouting A/S, and protects employees who submit information to the Whistleblower Scheme.

Ethics Line is communicated and accessible to and understood by employees and partners.

A Business Partner Code of Conduct has been implemented. It provides the foundation for our continuous engagement with business partners and dialogue in good faith on their ethical, social, and environmental performance. It outlines our expectations regarding basic compliance with applicable law, respect for labour and human rights, environmental management, and anti-corruption. The code is an integral part of our relationships and part of all contracts with business partners.

The Business Partner Code of Conduct are signed by all approved suppliers.

Measurement of outcomes

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

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

Labour Principles

Commitment

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

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

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

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

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

Implementation

Østermark Grouting have carried out an employee satisfaction survey. The purpose was to map the employees' perception of the workplace, work and well-being at the workplace. The goal is that the survey can support the work of promoting engagement and motivation and creating healthy and efficient workplaces.

Action plans have subsequently been drawn up for mastery, colleagues and work life balance.

Measurement of outcomes

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

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

Environmental Principles

Commitment

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

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

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

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

Implementation

Following have been implemented in the report period:

- Purchase of trucks with reduced environmental impact
- Replacement of light sources to LED
- Change to local suppliers (less transport)

Measurement of outcomes

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

Anti-Corruption Principles

Commitment

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

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

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

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

Implementation

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The Business Partner Code of Conduct are signed by all approved suppliers.

Østermark Grouting A/S has implemented a Whistleblower Scheme called Ethics Line. Ethics Line increases the opportunity for employees and partners to comment on offenses and other serious matters in Østermark Grouting A/S and protects employees who submit information to the Whistleblower Scheme.

Measurement of outcomes

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

Planned actions 2022 / 2023

Østermark Grouting finds it necessary to integrate sustainability into the organization's core strategy, in order to have the best opportunity to achieve long-term, sustainable growth and profitability. A such integration will make it possible keeping the focus on the essentials, promoting innovation, achieving commercial differentiation in the market, meeting the expectations of internal and external stakeholders, attracting and retaining employees, demonstrating compliance and protecting your organisation's reputation.

Østermark Grouting has only limited experience in working with sustainability and lacks knowhow and sparring to move forward with this. Østermark Grouting has therefore signed up for a Masterclass in sustainable business plan for SMEs (Business Plan Earth).

The purpose of the Masterclass is to examine challenges and find opportunities and turn them into business potentials that benefit both the planet and our business. The outcome will be :

- A focused sustainable business plan.
- A plan for concrete employee involvement.
- A communication plan targeted at customers.
- An ESG statement.

