

/ Corporate Social Responsibility

Corporate Social Responsibility at
Ib Andresen Industri A/S

2018/2019

Statutory CSR Report, cf. Sections 99 a and 99 b of the Danish Financial Statements Act

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/Foreword

Once again, we are pleased to present the CSR Report of Ib Andresen Industri.

The aim of our CSR Report remains, as always, to describe how, in our day-to-day business, we convert our values and ethical rules into tangible actions so we become still better at shouldering our responsibility:

- / as a supplier to our business associates,
- / as a workplace for our employees, and
- / as part of society in general, where we wish to exercise the social responsibility we share with others.

Our annual CSR Report helps us maintain our focus on implementing the objectives we set for ourselves so that we can continually become an even better business associate for our customers and suppliers, a better workplace for our employees and an active contributor to society.

This CSR Report, which covers the company Ib Andresen Industri A/S, Danish Business Registry No. DK35745114, constitutes an integral part of the Directors' Report in the 2018/2019 Annual Report for Ib Andresen Industri A/S.

August 2019

Chairman of the Board
Ib Andresen

CEO
Bjørn Thorsen



/ Business concept and business model

Founded by Ib Andresen in 1967, Ib Andresen Industri today processes approx. 500,000 tonnes of steel annually. Headquartered in Langeskov, Denmark, the company has departments in Nyborg, Vejle and Fredericia.

Our business concept is:

'Ib Andresen Industri is a supplier of international renown specialising in the processing of steel and metal, mainly in coil, sheet and tubular form, based on our extensive expertise and high-tech solutions.

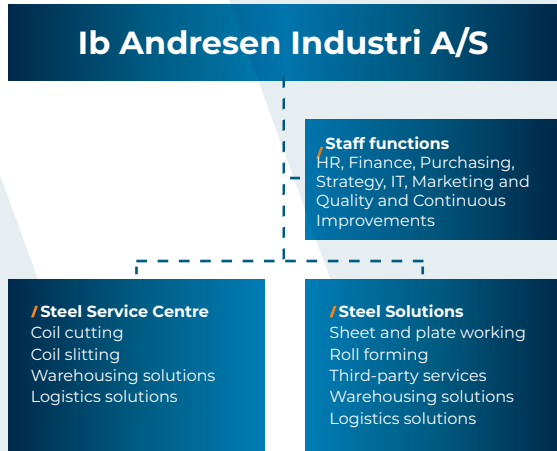
Ib Andresen Industri's workplaces must continue to be attractive, allowing us to attract highly proficient, highly motivated employees.'

Our customers span many industries and are very different in size. We mainly do business with the wind, manufacturing, solar, construction, transport and steel service centre industries.

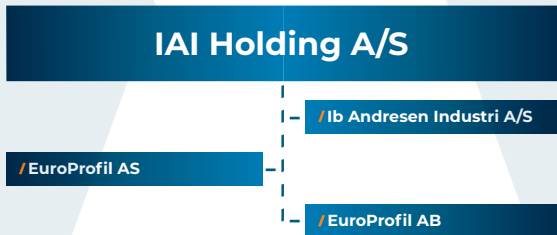
Through active participation in our customers' product development, we seek to contribute to boosting their competitiveness, and we therefore only produce workpieces according to customer specifications.

Ib Andresen Industri's **core competencies** are focused on two main business areas: 'Steel Service Centre', where coils are processed into sheets and slit coils, and 'Steel Solutions', where the services include sheet and plate working and roll forming with associated logistics solutions.

/ Business areas



Ib Andresen Industri A/S is a subsidiary of IAI Holding A/S:



/Values

Our values express certain common fundamental characteristics – our corporate culture – which should be the guiding principles for all our actions, both in-house and externally.



/Trust and respect

We base our partnership on trust and respect. We treat everyone – customers, suppliers and colleagues – as we ourselves would wish to be treated. It must be possible for our business associates to rely on us in every circumstance.



/Innovation and development

We use and develop our creativity and innovative capacity in a setting where the ability to identify new opportunities and the willingness to exploit them is appreciated – to ensure that we continue to remain among the best in all our areas of specialisation, and to ensure that our customers get the best solutions possible.





/ Commitment and responsibility

We realise that a sense of shared commitment develops our company and generates the greatest value in our day-to-day work. We understand, acknowledge and shoulder our shared and individual responsibilities – and we are here because we want to be.



/ Growth and profitability

We strive to ensure that all our business transactions and investments (financial, technological and human) are profitable so that they contribute to growth and our continued independence. Good earnings are a means of developing our company.



/ Business ethics and risks

Based on our corporate values, it is our aim to be a responsible company in the way we pursue our business and in relation to our business associates.

We treat our own employees very responsibly and, as a multinational corporation, we are aware of our responsibility in relation to the people and societies our operations affect.

With the above in mind, we have identified the main risks in respect of which we as a company may have a negative impact on society.

In light of these risks, we have developed a number of policies, and we have identified areas in which we can minimise the risks through action. This is described later in this CSR Report.

| Risks | Policy | Area for action | |
|--|--|----------------------|--------------------------------|
| Respect for human rights | Human rights | Employees | Occupational health and safety |
| Discrimination | | | |
| Work-related accidents and injuries | Social conditions and labour rights, including diversity | | |
| Mental working environment | | | |
| Energy consumption and carbon emissions | The environment, including climate impact | Environmental impact | |
| Waste sorting and recycling | | | |
| Corruption and bribery | Anti-corruption | Business connections | |
| Events in our supplier chain which are incompatible with our business ethics | Code of Conduct | | |

In general, we see ourselves as a company with a relatively limited negative impact on society, and thanks to our geographical location alone, the world around us offers a high level of prosperity, good welfare, respect for basic human rights and a low level of corruption.



We subscribe to the principles of the United Nations Global Compact, the purpose of which is to promote sustainable societal development based on ten internationally recognised principles relating to human rights, labour rights, the environment and anti-corruption. We strive to ensure that our business associates do the same. This is reflected in our positions on:

- 1. Human rights**
- 2. Labour rights, including diversity**
- 3. The environment, including climate impact**
- 4. Anti-corruption**

1. Human rights

'Trust and respect' is one of Ib Andresen Industri's four core values, and it means that we see all people as equal and entitled to equal treatment and respect, irrespective of race, colour, gender, age, nationality, religious creed, political persuasion or sexual orientation. We respect international law on human rights at all Ib Andresen Industri's workplaces, and we will react to breaches of these, including by any business associates.

In addition to complying with applicable legislation, our policies designed to support human rights include the following: Integration Policy, Anti-Bullying and Anti-Sexual Harassment Policy, Privacy Protection Policy (GDPR) and Senior Policy, where we conduct interviews with older members of the workforce to ensure that our employees always have a job which is within their capacities both physically and mentally – including as they grow older.

2. Social conditions and labour rights, including diversity

Ib Andresen Industri is fully committed to a safe and secure working environment where we respect our employees' freedom of association and organisation, their right to collective bargaining, as well as any labour rights established by law. We ensure that no child labour or forced or compulsory labour takes place at the workplaces of Ib Andresen Industri or its affiliated companies, and we will react to any breaches in this area by any of our business associates. We will ensure non-discriminatory conduct at our workplaces.

We continually undertake activities designed to further enhance the mental and physical working environment as well as employee health, and we have, among other things, a health policy and a smoking policy to underpin this.

In our efforts to be a socially responsible company, we take a positive approach to partnering with authorities and organisations on factors affecting our fellow human beings.

2a. Diversity *(statutory report under Section 99 b of the Danish Financial Statements Act)*

We support diversity within our corporate organisation, as diversity promotes enhanced innovation, stronger teamwork and better problem-solving. It is our aim that at least one sixth of the company's board members elected at the general meeting will

be women by no later than 2020.

We acknowledge that diversity promotes a healthy, balanced working environment at other management levels too, and also promotes a more nuanced approach to task performance and problem-solving in our daily routines. We are aware that as a manufacturing company in the metalworking industry, we are generally a male-dominated organisation, and that it is therefore difficult to achieve a 50-50 split between male and female managers.

Nevertheless, it is our policy that we should better reflect the wider world in this area, and it is our aim that female managers should occupy at least 10% of the company's managerial positions.

In recruiting new staff, we generally encourage all qualified candidates – irrespective of gender – to apply for our vacancies.

3. The environment, including climate impact

Ib Andresen Industri is aware of its environmental and energy-related responsibilities. Our production processes and services must be carried out with a minimum of pollution of the natural environment, duly allowing for the technical and financial options open to the company. We comply with all laws and official requirements in this field.

In choosing our suppliers, we require them to meet their binding obligations vis-à-vis authorities.

Our climate impact is also a factor in our Environmental Policy. We conduct ongoing initiatives to reduce our climate impact, such as minimising our energy consumption, and we select a new area of focus each year.

We are environmentally certified to ISO 14001. Our environmental work is therefore guided by our obligation to make 'ongoing improvements'.

Our ongoing environmental and climate-related improvements are documented by the setting of targets for significant factors which we can affect and control for the benefit of the environment and the climate.

In addition, we ensure the efficiency of the environmental management system through performance evaluations and the improvement initiatives deriving from them.

4. Anti-corruption

Ib Andresen Industri opposes all forms of corruption and financial exploitation.

| | |
|--|---|
| Bribery | Ib Andresen Industri refuses to accept or give bribes in any form whatsoever. |
| Facilitation payments | Ib Andresen Industri does not permit facilitation payments. |
| Gifts | Ib Andresen Industri provides and receives only minor gifts for special occasions. |
| Political and charitable contributions | Ib Andresen Industri makes no contributions to political parties. Charitable contributions are discussed at management level. |

/ CSR Policy

With our CSR commitment, Ib Andresen Industri wants to convert our values and ethical rules into tangible actions, so we continually set new objectives and become even better at shouldering **our responsibilities**:

/ **as a subcontractor**, where we are a key link in a supply chain and accordingly feel a particular responsibility in relation to the products and services we provide and to prove worthy of the trust our business partners place in us;

/ **as a workplace**, where we feel responsible for maintaining a safe workplace with a healthy physical and mental working environment, where a high level of information and continuous development and training create job satisfaction and enthusiasm;

/ **as a member of society**, where we feel responsible for mitigating the company's environmental impact out of consideration for the surrounding environment, and where we also wish to share social responsibility in our local area.

The actions we take to meet the demands of our CSR Policy and the outcomes of those actions are described in this CSR Report.





/ Business connections

As a supplier company of international standing, Ib Andresen Industri is characterised by high levels of integrity and business ethics. Our ethical beliefs are rooted in our values, and it is our objective that all trade should be conducted with correspondingly trustworthy and responsible business connections.

Any actions that may cast doubt on our integrity and business ethics are unacceptable.

/ Anti-corruption

Objective:

Ib Andresen Industri opposes all forms of corruption and financial exploitation.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|---|--|
| 1 | Information to and training of key employees, primarily in sales and purchasing, concerning our anti-corruption policy. | <p>1. In 2018/2019 at Ib Andresen Industri, we had no cases or activities which involved corruption or economic exploitation.</p> <p>2. We have carried out training of and provided information to key staff about our anti-corruption policy:</p> <ul style="list-style-type: none"> · At department meetings · At a group induction course attended by all new employees. |

| / | Action planned for 2019/2020 |
|---|---|
| 1 | Continuing to provide information to and train key employees, primarily in sales and purchasing, concerning our anti-corruption policy. |



/ Trade with customers and suppliers

We give high priority to ensuring that all business associates – both customers and suppliers – are responsible companies which comply with current law, including rules relating to safety, climate change, the environment and human rights.

/ Suppliers

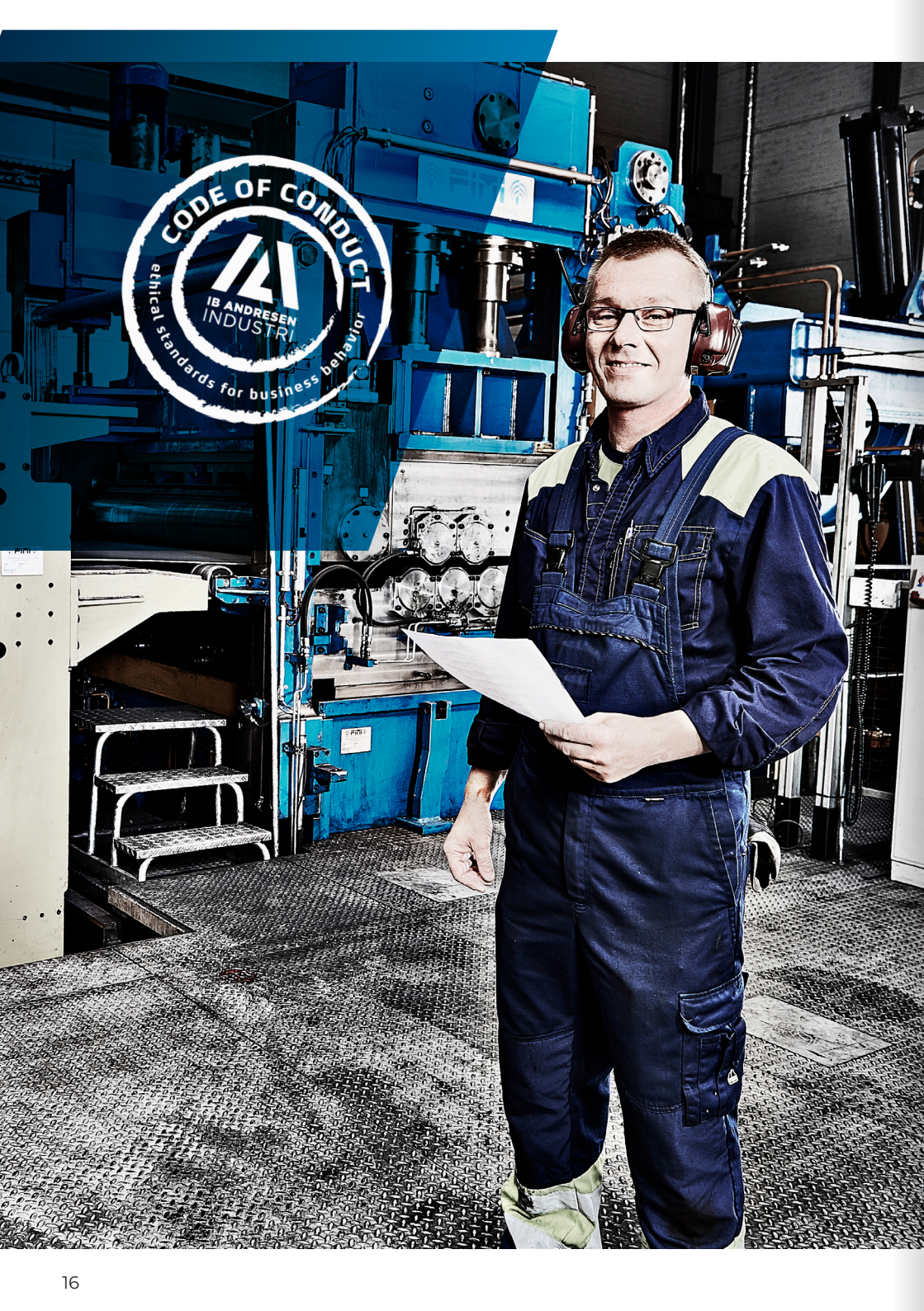
Ib Andresen Industri's most important strategic product is steel, roughly 90% of which is purchased directly from steelworks. These steelworks are always inspected and assessed before becoming a supplier of Ib Andresen Industri. Steel is manufactured worldwide, but most of the steel that is received by Ib Andresen Industri originates in western Europe, where we have confirmed that steelworks run their business in accordance with our expectations of responsibility.

Steelworks outside western Europe seem to take their responsibilities more lightly, and Ib Andresen Industri has rejected steelworks as prospective suppliers in several instances after an inspection gave rise to responsibility-related concerns.

Objective:

We will undertake a risk assessment of the extent to which Ib Andresen Industri suppliers respect human rights and labour rights and act in accordance with a responsible environmental policy.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|--|--|
| 1 | Drafting of guidelines/procedures for handling suppliers' codes of conduct with a view to accepting them if they are consistent with Ib Andresen Industri's Code of Conduct. | Guidelines/procedures have not yet been prepared. The point is included in the actions planned for 2019/2020. However, process suppliers are informed and audited in accordance with Ib Andresen Industri's Code of Conduct to ensure that they comply with the points set out in the Code of Conduct. |
| 2 | Continued implementation of our Code of Conduct at 50% of the top 30 suppliers according to the new guidelines (point 1) and ensuring internal transparency concerning suppliers which have been approved. | The implementation has begun, but the objective has still not been achieved. Problems continue in that 1) a number of suppliers still do not wish to sign Ib Andresen Industri's Code of Conduct, because they already have their own; and 2) in that guidelines/procedures for the handling of a supplier's code of conduct (see point 1) have yet to be prepared. However, it is ensured through information and auditing that our process suppliers comply with the contents of Ib Andresen Industri's Code of Conduct. |
| 3 | Continuing to ensure that the steel delivered to Ib Andresen Industri does not contain conflict minerals. | All steel suppliers to Ib Andresen Industri are asked to complete, sign and return a form, or alternatively send a declaration of conformity. |



| / | Action planned for 2019/2020 |
|---|---|
| 1 | Draft guidelines/procedures for handling the supplier's code of conduct with a view to accepting it, in the event that it is consistent with Ib Andresen Industri's Code of Conduct. This process is expected to be completed by the end of 2019. |
| 2 | Continued implementation of our Code of Conduct at 50% of the top 30 suppliers according to the new guidelines (point 1) and ensuring internal transparency concerning suppliers which have been approved. |
| 3 | Continuing to ensure that the steel delivered to Ib Andresen Industri does not contain conflict minerals. |

/ Customers

Adapting to the international focus on CSR as a competitive parameter

In times of widening international contacts, Ib Andresen Industri must be renowned as a responsible supplier, both locally and internationally. Our fundamental values are appreciated in all our markets, and we will reinforce the communication of this.

Objective

It is our objective to always communicate and provide information about our beliefs and values, including our position on CSR, to our customers and other stakeholders in our main markets. In order to provide the best possible point of departure for ensuring that this happens, we must continue to work to embed our CSR positions throughout the organisation.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|--|--|
| 1 | We have continued our efforts to promote our CSR actions in our markets. This has primarily been done through exposure in the digital media. | We have used our CSR Report as a tool to become certified as a supplier by several of our customers. |
| 2 | In-house, we have focused on our CSR positions and results. | Our CSR positions have been presented to all new employees at our group induction courses. |

| / | Action planned for 2019/2020 |
|---|--|
| 1 | We will continue our efforts to integrate our CSR positions into our market and customer communications, as we consider this an increasingly important competitive parameter in a globalised world. |
| 2 | We will intensify our in-house focus on CSR and our own positions on this. Our CSR positions and results must be known within our organisation so our salespersons and others engaged in external contact can enter into a dialogue about this with our customers. |

/ Employees and social responsibility

It is the aim of Ib Andresen Industri to be a modern, attractive workplace which creates a secure framework for staff well-being and development. The keywords for our staff-targeted efforts are delegation, involvement, skills development and focus on good management.

Although we always strive to ensure that the greatest possible consideration is given to the individual employee, consideration of the whole will always take precedence over consideration of the individual.

We wish to ensure that Ib Andresen Industri continues to be known as a good workplace through a high level of in-house information and great outward transparency.

Our HR management efforts

At Ib Andresen Industri, we take a holistic approach to our employees. After thoroughly introducing them to our company and their job, our staff activities aim to delegate responsibility and encourage staff involvement in highly autonomous teams.

The intensity of our efforts in individual areas can vary from one year to the next, as we assess the company's immediate situation and needs.

/ Social responsibility

In addition to our objective to be a modern, attractive workplace for our own employees, it is also the objective of Ib Andresen Industri to be a socially responsible company that takes a positive approach to partnering with authorities and organisations on factors affecting our fellow human beings.

Ib Andresen Industri works constructively with knowledge centres and educational institutions at national and local level.

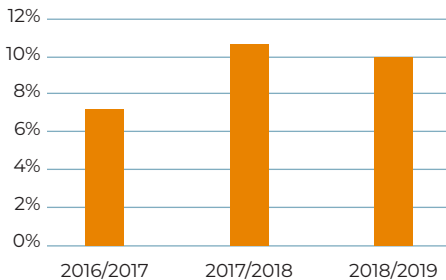
Our CSR efforts

Ib Andresen Industri will wherever possible find suitable methods for retaining our employees for as long as possible, and is happy to work with public authorities committed to advancing other members of society in their working lives by participating in, for example, 'the accommodating labour market', acting as a host for work experience schemes, traineeships, etc.

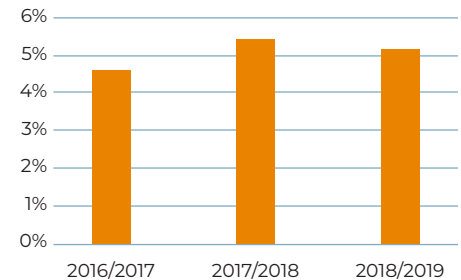
Ib Andresen Industri makes its know-how available to collaborative efforts relating to traineeships, study programmes, etc. We also take part in committees whose purpose is to develop public educational offers in order to achieve closer connections between the business community and educational institutions.



Staff turnover – key figures



Sickness absence – key figures



Note: Sickness absence includes both short and long-term illness.

| Current areas of focus | |
|------------------------|--|
| 1 | Attraction – Branding Through targeted branding of our company by collaborating with educational institutions and knowledge centres and by getting involved in visits and lectures, we seek to ensure a broad knowledge of and interest in Ib Andresen Industri as a workplace. |
| 2 | Recruitment/Onboarding: As far as possible, we will recruit new qualified employees via specifically designed recruitment processes and selected media, while ensuring a systematic, effective induction process at the same time. |
| 3 | Training/Skills development: Through active training and skills development initiatives (in-house and externally), we will continuously upgrade our employees' skill sets. By collaborating with educational institutions and knowledge centres, we want to make it possible for our company to acquire the latest knowledge. |
| 4 | Retention: As far as possible, we will find suitable methods for retaining qualified employees and, in instances where this is not possible, we will ensure a satisfactory placement in the labour market (see also skills development). |

/1. Attraction/Branding

Objective:

Our objective is to have direct contact with educational institutions at all levels of the educational system – primary/secondary schools, adult vocational training centres, technical and vocational schools, academy profession programmes and universities – for the purpose of contributing to the development of the training and education programmes and heightening an awareness of Ib Andresen Industri. In addition, by providing traineeships and facilities to trainees and students for their study projects, we seek to identify prospective candidates for future employment.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|--|--|
| 1 | <p>In 2018/2019, we continued our close collaboration with educational institutions at all levels of the educational system, and we continued to provide assistance in the form of traineeships, final projects and company visits for students.</p> | <p>We have seen a larger number of applicants in 2018/2019 than we have been able to accommodate. The reason why we have been unable to accommodate all applications is that we want to ensure a high quality in the agreements we enter into. We are receiving applications from the same wide range of educational fields.</p> <p>We have had trainees and interns from:</p> <ul style="list-style-type: none"> - Lower secondary school (week-long traineeships) - University of Southern Denmark (engineering students as interns). |
| 2 | <p>Continued participation at selected trade fairs, in part to brand the company's name and to meet prospective candidates face to face.</p> <p>Over the past year, we have participated in the following events:</p> <ul style="list-style-type: none"> - Engineering Job Fair at the University of Southern Denmark. - Project/Internship Days for engineering students at the University of Southern Denmark in both autumn and spring. - Education Fair in Nyborg Municipality, organised by UUO (Greater Odense youth educational guidance service), targeting lower secondary school students, to give them an overview of vocational study programmes. - Jobmesse Fyn (Job fair Funen) organised by the job centres on the island of Funen. | <p>We are still seeing that students are exploring the possibility of making contact with companies earlier and earlier in their study programmes.</p> <p>This includes first-year students who come to us, and we continue to meet them throughout their studies in subsequent years.</p> <p>This establishes a closer relationship and enables students to make better, more informed choices about their internship or project options.</p> <p>We continue to be visited by several educational institutions, and we have again been visited by some 100 engineering students in this period.</p> |
| 3 | <p>We have continued our efforts to optimise the use of social media to attract prospective candidates.</p> | <p>We have upheld our efforts to attract new employees via social media at the same high level in 2018/2019, and we can still see that the increasing number of social media followers means we are reaching more people.</p> <p>The number of LinkedIn followers has increased by 20%, and the number of Facebook followers by 23%.</p> <p>We are attracting significant interest and attention from the younger segment in particular as a result of our use of employee testimonials (videos), which are shared and viewed frequently on the social media.</p> |

| | | |
|---|--|---|
| 4 | Our implementation of a conscious employer branding strategy vis-à-vis the more knowledge-intensive profiles in particular has paid off. | We have hired two additional profiles with a master's degree. |
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| / | Action planned for 2019/2020 | |
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| | | |
|---|--|--|
| 1 | We will continue to ensure that our attraction and recruitment activities support diversity. Therefore, we encourage all qualified candidates – regardless of gender – to apply for our positions. | |
|---|--|--|

/2. Recruitment/Onboarding

Objective:

Out of respect for prospective applicants, we will at all times ensure correct processing (pursuant to GDPR regulations) and punctual handling of all applications, both solicited and unsolicited, just as we will maintain high standards in the employment process.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|--|---|
| 1 | In the period, we have again been busy recruiting new employees due to the following: - introduction of new technology - colleagues who retire/take early retirement. We have also reinforced our efforts targeting trainees/apprentices. | We have again succeeded in recruiting the staff resources we need. We had 24 apprenticeships/traineeships in the period. Three of these processes were completed in the period. |
| 2 | Recruitment processes for employing both hourly-paid and salaried employees/managers are now managed in a digital HR recruitment system. | The implementation of a digital HR recruitment system has made the administration in HR considerably more efficient, as well as underpinning the correct processing of personal data in terms of GDPR. The managers involved express whole-hearted satisfaction with the system, which has resulted in greater satisfaction with the recruitment process in general. The onboarding component has not yet been digitalised. |
| 3 | Over the year, we held three two-day induction courses for 71 employees. | The induction courses are still praised by our new employees and thoroughly familiarise them with our company, including our organisation and various business units and how they are interrelated. |

| | | |
|---|-------------------------------------|--|
| / | Action planned for 2019/2020 | |
|---|-------------------------------------|--|

| | | |
|---|---|--|
| 1 | In the coming year, we need to prepare an improved and digitalised onboarding programme for all staff groups. | |
|---|---|--|

/3. Training/Skills development

Objective:

We aim to continuously be significantly higher than the expected number of trainee points set by the Employer-based Educational Assistance Programme (AUB).

Based on job appraisal interviews and the change processes initiated, we will ensure our employees' level of skills by developing and implementing relevant in-service training for the employees involved.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 | | | | | | |
|----------------------------------|---|---|----------------------------------|----------------|-------------------------|-----------------|----------------------------|------------------------|
| 1 | We have continued our team development efforts through the programme: The Five Behaviours of a Cohesive Team. | We are seeing that the programme's terms and meanings have been fully integrated and 'thrive' in significant areas of the organisation, giving us a clear frame of reference for good management and a code for good cooperation at the same time. | | | | | | |
| 2 | We have had three trainees in the period. | We have permanently employed two of the three trainees. | | | | | | |
| 3 | <p>Current apprenticeship situation in the period:</p> <ul style="list-style-type: none"> - 10 plant operators - 4 metalworkers - 1 electrician - 1 data technician - 1 industrial technician - 1 logistics assistant - 1 property service technician - 1 automatic control technician - 1 apprentice under the Basic Integration Training Programme (IGU) - 2 commercial assistant trainees. <p>Two metalworker apprentices dropped out during the period.</p> <p>We participate in local and national education committees and serve as master inspectors for several study programmes.</p> | <p>We are quite pleased by the fact that – according to our assessment by the Employer-based Educational Assistance Programme (AUB) concerning the 'mandatory' number of apprenticeships – we are 11,27 apprentice points above our expected contribution.</p> <div data-bbox="632 766 1041 933" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Jeres mål for elevpoint for 2018</td> <td style="text-align: right; padding: 2px;">7,44 elevpoint</td> </tr> <tr> <td style="padding: 2px;">Jeres opnåede elevpoint</td> <td style="text-align: right; padding: 2px;">18,71 elevpoint</td> </tr> <tr> <td style="padding: 2px;">Forskel i elevpoint</td> <td style="text-align: right; padding: 2px;">11,27 elevpoint</td> </tr> </table> </div> <p>The very fact that we help train apprentices/trainees to benefit the business community is a key element of our strategy and corporate social responsibility.</p> <p>We do not experience problems with recruiting apprentices/trainees, and we are proud to have both youth and adult apprentices, as well as a single trainee under the Basic Integration Training Programme (IGU).</p> | Jeres mål for elevpoint for 2018 | 7,44 elevpoint | Jeres opnåede elevpoint | 18,71 elevpoint | Forskel i elevpoint | 11,27 elevpoint |
| Jeres mål for elevpoint for 2018 | 7,44 elevpoint | | | | | | | |
| Jeres opnåede elevpoint | 18,71 elevpoint | | | | | | | |
| Forskel i elevpoint | 11,27 elevpoint | | | | | | | |
| 4 | We have completed role descriptions for all roles in the company. | We have thus laid the foundation for further work on skills development and on the 'right person in the right role'. In addition, our recruitment process level has been upgraded. | | | | | | |

| / | Action planned for 2019/2020 |
|---|---|
| 1 | We complete the work started on mapping the skills for all job functions in the company. |
| 2 | We continue to work on the implementation of the new HR system, so that we further digitalise our HR processes: onboarding, expertise management, skills development, the holding of appraisal interviews, etc. |

/ 4. Retention

Objective:

We must process all queries concerning reduced capacity for work for the purpose of finding an in-house solution.

We must implement measures that can ease the work situation of older employees.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|--|---|
| 1 | <p>The accommodating labour market.</p> <p>We work closely with municipal job centres on retention and speedier clarification of employees' job situations.</p> <p>In the period, a number of cases have failed to be clarified, which is why we have set up additional Section 56 conditions.</p> <p>In addition, we actively use the reduced-hours job scheme.</p> | <p>As a result of a focused and speedy clarification effort by HR, employees on sick leave have been relieved of undue pressure related to their periodically reduced working capacity.</p> <p>There is widespread satisfaction with the company's active efforts to retain older-aged employees and employees with reduced working capacity.</p> <p>We receive praise and recognition from the job centres and municipalities with which we cooperate on retaining employees suffering from long-term illness.</p> |
| 2 | <p>We actively use interviews with older employees in our job appraisal system to retain older employees on the job.</p> | <p>As a natural consequence of having a relatively large number of older employees, more agreements have been set up for this group of employees this year.</p> |

| / | Action planned for 2019/2020 |
|---|---|
| 1 | <p>We need to continue developing our basic company culture so that the requirements of future generations are more closely aligned with what they expect of a modern undertaking and its actual cultural standpoint.</p> |

/ Occupational health and safety

Ib Andresen Industri aims to be a safe and secure workplace with a healthy physical and mental working environment, keenly focused on safety, health and well-being.

Our occupational health and safety efforts

Our OHS organisation works at two levels. A Group-level OHS committee at the top and local OHS groups at the level below. All shifts are represented in the groups.

Occupational health and safety is rooted in our staff through OHS groups, highly skilled OHS representatives and active OHS coordinators.

Our Health Committee launches health-promoting activities, just as various care schemes address any employees in need of them. We have in-house company-supported staff associations and fitness clubs.

| / | Current areas of focus |
|---|---|
| 1 | The physical working environment: We ensure a healthy working environment and a high level of safety, including through our local OHS organisation and ambassadors in collaboration with managers and employees. |
| 2 | The mental working environment/well-being: We are involved in the mental working environment in several ways, including through job satisfaction surveys and workplace assessments. |
| 3 | Health: Through our Health Committee, we have intensified our focus on health-promoting activities. |

/ The physical working environment/safety

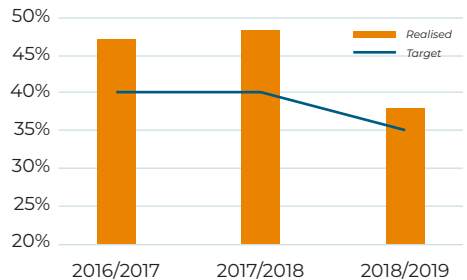
Objective:

Our focus on occupational health and safety must be strengthened, and we must reduce the number of occupational accidents. In the 2018/2019 financial year, our target was to reduce our rate of occupational accidents to a maximum of 35 occupational accidents/1 million working hours.

In the 2019/2020 financial year, we will endeavour to further reduce this rate to a maximum of 30 occupational accidents/1 million working hours.

The management must continuously discuss and flag up the importance of safety, thus supporting the keener focus on the safety culture and safe behaviour.

Occupational accident rate – key figures



NOTE: The occupational accident rate is measured as the number of occupational accidents per 1 million working hours.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|--|--|
| 1 | <p>We systematically register near-miss accidents and observations.</p> <p>In addition, we actively follow up on the causes of the occupational accidents that have occurred, so that we can take corrective action.</p> <p>In the period, there has also been an increased focus on the safe behaviour of all employees.</p> <p>Tools used to create this focus:</p> <ul style="list-style-type: none"> - New user-friendly system for registering and handling near-miss accidents - Safety is the first item on the agenda of all white-board meetings - Greater management focus/greater involvement of the OHS groups - New mandatory safety intro for new employees/temporary employees. | <p>1.1 Unfortunately, we were unable to achieve our objective for the reduction of the number of occupational accidents in 2018/2019. We had a rate of 38 occupational accidents/1 million working hours.</p> <p>But we did see a 20% drop relative to the year before, when we had a rate of 48 occupational accidents/1 million working hours.</p> <p>1.2 Our registration of and efforts targeting near-miss accidents are proceeding satisfactorily.</p> |
| 2 | Implementation of emergency response exercises | In cooperation with Falck, we conduct emergency response exercises to train our employees in how to respond appropriately in different situations. |
| 3 | <p>Environmental and safety inspections:</p> <ul style="list-style-type: none"> - We have introduced a new user-friendly system for planning/managing/implementing safety inspections. | <p>In the period, we have continued our rounds of environmental and safety inspection in all departments, which has helped intensify the focus at all levels.</p> <p>In addition, workplace assessments have been carried out in the period for hourly-paid and salaried employees. We will work on the identified action areas in 2019/2020.</p> |

| / | Action planned for 2019/2020 | |
|---|---|--|
| 1 | We continue our systematic registration of near-miss accidents, while maintaining our focus on training employee awareness and behaviour by sharing lessons learned from accidents and near-miss accidents, so we continue to reduce the number of occupational accidents. | |
| 2 | We will continue our rounds of environmental and safety inspections in all departments to intensify the focus at all levels and make a positive contribution to a safer culture. | |
| 3 | <p>We will screen whether we have substances in the company with potentially carcinogenic properties. We will also screen for substances added to the REACH Candidate List.</p> <p>Based on this screening, we will risk assess and initiate priority efforts to find out whether it is technically possible to substitute the product/substance.</p> | |

/ The mental working environment/well-being

Objective:

We want job dissatisfaction issues and mental strains to be dealt with seriously and as soon as possible. We want to create/develop a 'safe space' for conversations and solution-oriented processes for this.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|--|--|
| 1 | Follow-up on allocated themes in the 2017 job satisfaction survey. | In the period, we have only done sporadic follow-up on the job satisfaction survey conducted in spring 2017. The follow-up on the major themes was carried out in the previous financial years. |
| 2 | Through a joint cooperative effort involving HR and the Health Committee, we will focus on raising awareness of stress symptoms and remedial action. | In the period, we have continued to focus on raising awareness of stress symptoms and remedial action. |
| 3 | Implementation of a job satisfaction survey in spring 2019. | The implementation of the job satisfaction survey has been postponed until autumn 2019. |

| / | Action planned for 2019/2020 | |
|---|--|--|
| 1 | Implementation of a job satisfaction survey in autumn 2019, with subsequent follow-up. | |
| 2 | Through a joint cooperative effort involving HR and the Health Committee, we will focus on raising awareness of stress symptoms and remedial action. | |



/ Health

Objective:

Ib Andresen Industri wishes to maintain and promote a good state of health among our employees. We wish to protect our employees to the greatest extent possible against harmful strains, physical and mental alike, and we wish to make an active, persevering effort to make a positive contribution to our employees' ability to lead healthy lives. Leading a healthy lifestyle boosts and energises the individual, both at home and at work.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|---|--|
| 1 | <p>Annually recurring, health-promoting activities:</p> <ol style="list-style-type: none"> 1. Two annual pedometer competitions 2. Health campaign(s) with activities such as the measurement of biological age/mini health check-up by a dietician, back/neck/shoulder teams, spinning, functional training and a walk-a-thon 3. Back/neck/shoulder teams 4. Spinning with IAI | <ol style="list-style-type: none"> 1. Two pedometer team-based competitions were held, one in October and one in May. An average of 50-60 employees participated in each competition (11-12 teams), with about 85% of these completing the competitions. For both competitions, approx. 342,000 steps were taken per participant. This means that the average for both competitions met the recommended target of 10,000 steps a day. Generally speaking, the Pedometer Competition is widely supported and it will be repeated in 2019/2020. 2. The health campaign 'Sund start 2019' (Healthy start 2019) began in January and lasted until Easter. The campaign repeated last year's initiatives of measuring biological age and mini health check-ups conducted by a dietician. Twelve employees participated in this, and a few of them chose to make use of offers via the company's health insurance, which funds courses with a dietician. Another element of the campaign was a walk-a-thon (involving group walks during lunch breaks once a week) with 16 participants, who went on 119 walks together over the 15 weeks. In addition, functional training, spinning and back/neck/shoulder teams were also part of the campaign (and are described below, as these activities are not limited to the 'Sund start' healthy start period). 3. As a new initiative, we have offered back/neck/shoulder teams consisting of two six-week training courses, for which about 25 employees signed up. The first team had the highest number of participants. This is an initiative we will repeat on a regular basis, as the feedback on the effect has been positive. 4. Two Spinning with IAI events were held in October and March, respectively. The events were fully booked with about 20 participants each time. |

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| | <p>5. Functional training</p> <p>6. Lectures on various topics within KRAMeT</p> <p>7. Two annual cookery school evenings</p> <p>8. Arbejdspladsernes Motionsdag (Workplace exercise day)</p> <p>9. Stop smoking</p> | <p>5. Functional training has become a continuous activity throughout the year, with employees having the opportunity to exercise in IAI once a week. During 2018/2019, 27 employees signed up for the activity with an average of nine participants each time.</p> <p>6. A health lecture was held in August, for which about 30 employees had signed up and at which a dietician and a fitness instructor together provided input on how small changes can make everyday life a little healthier.</p> <p>7. Two cookery school evenings were held in November and June, respectively, in the period. The course has been fully booked every time (approx. 16-18 people). The combination of cooking and social interaction across the organisation is a recurring success, and we will continue with two courses each year (spring and autumn).</p> <p>8. In October, we participated in the workplace exercise day Arbejdspladsernes Motionsdag, with 20 employees participating in a group walk with various activities along the way.</p> <p>9. Every two years, we offer stop smoking courses; alternatively, we support individual efforts by the individual employee if there is insufficient support in the company for setting up a course.</p> |
| <p>2</p> | <p>As a natural part of the company's health efforts, the company's sports clubs encourage activities after work and participation in company-related events. The activities include:</p> <ul style="list-style-type: none"> - Runs: Eventyrløbet (Adventure Run), the DHL Relay Race - Cycling: the 'We Bike to Work' campaign, Coast to Coast and Fyn Rundt (Round Funen) - Bowling: Company bowling with five teams - Fishing: with several annual trips - Company golf | <p>There is a high level of activity, with many participants at the individual events.</p> <p>We feel that the social gatherings boost team spirit in our everyday work and build relationships across the organisation.</p> |
| <p>/</p> | <p>Action planned for 2019/2020</p> | |
| <p>1</p> | <p>Through Ib Andresen Industri's Sports Association and the Health Committee, we will continue to carry out various health-promoting activities under the auspices of KRAMeT, such as information campaigns, stop smoking campaigns, pedometer competitions, back/neck/shoulder teams, functional training, spinning, walk-a-thons, IAI Company Competitions, hockey tournaments, lectures/training on healthy living and cookery school evenings.</p> | |



/The environment and climate impact

Ib Andresen Industri is aware of its environmental and energy-related responsibilities. We are environmentally certified to ISO 14001. Our environmental work is therefore guided by our obligation to make 'ongoing improvements'.

Our ongoing environmental and climate-related improvements are documented by the setting of targets for significant factors which we can affect and control for the benefit of the environment and the climate.

In addition, we ensure the efficiency of the environmental management system through performance evaluations and the improvement initiatives deriving from them.

Our environmental policy also includes the factor of our climate impact where we, for example, aim to minimise our consumption of energy.

Objective:

We aim to continuously work to reduce our impact on the environment and the climate.

| / | Action taken in 2018/2019 | Outcomes in 2018/2019 |
|---|---|---|
| 1 | Groundwater protection The project involving the refurbishment of our old truck washing site has been launched. | The project is still not completed and will continue into the current 2019/2020 financial year. |
| 2 | Energy optimisation Reduction of our electricity consumption. | In 2018/2019, we launched several small projects to minimise our electricity consumption. We have invested in energy-efficient LED lighting equivalent to 62 MWh. |
| 3 | Reduction of non-recyclable waste | Over the financial year, we worked to become better at recycling our waste. In this connection, our waste collector has taken a random sample, based on a screening of our waste volumes in Langeskov, to assess whether there are potential action areas in Langeskov. The result of the sampling showed a 2% sorting error, which is deemed to be behavioural. |
| 4 | The environmentally aware employee | Over the financial year, we have worked to heighten the environmental awareness of our employees. These efforts include information meetings for all employees with a view to heightening our employees' environmental awareness. |
| 5 | Other improvements implemented in 2018/2019: 1. Reduction of the use of plastic packaging 2. Replacement of paper towel dispensers | 1. Work has been carried out in the current financial year to reduce our consumption of plastic packaging, and we expect to be able to reduce our annual plastic consumption by approx. 21 tonnes. 2. 75 manual paper towel dispensers have been replaced with automatic paper towel dispensers. >> |

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|--|---|--|
| | <p>3. Replacement of fittings: Water resources</p> <p>4. Improvement of the aquatic environment</p> | <p>>> This has reduced our consumption of paper towels by approx. 30%.</p> <p>3. About half of all water fittings in the company have been replaced from being hand-operated to being sensor-operated. Water saving features for baths and washbasins result in minimum 10% saving.</p> <p>4. 55 manual soap dispensers have been replaced with automatic sensor-operated soap dispensers. Experience data from our supplier indicate that this results in a reduction in the discharge of tensides of approx. 40%.</p> <p>In addition, better use of the resource is ensured.</p> |
|--|---|--|

| Action planned for 2019/2020 | |
|-------------------------------------|--|
| 1 | <p>Groundwater protection</p> <p>We will continue the refurbishment of our washing site and thus implement a specific initiative on our own property to reduce our environmental impact. The aim is to improve the protection against oil seepage.</p> |
| 2 | <p>Energy optimisation and carbon reduction</p> <p>We are continuing our efforts to reduce our consumption of energy to minimise unnecessary consumption. The focus is on reducing our electricity consumption and carbon emissions.</p> <p>The purpose is to save energy and reduce our climate impact.</p> |
| 3 | <p>Reduction of environmental and climate impact through the use of substitute products</p> <p>We are continuously working to reduce our environmental and climate impact, and we are therefore also looking at the products we use on a daily basis.</p> <p>Specifically, in 2019/2020 we will work on phasing out the use of a hand cleaner containing pieces of plastic (in the form of microplastics) as abrasive. The product is expected to be substituted for an alternative product where the abrasive is based on corn granules.</p> |
| 4 | <p>The environmentally aware employee</p> <p>We wish to ensure that all employees are aware of our environmental policy, environmental targets and the significance of being environmentally aware in relation to their own job duties, including an awareness of their contribution to the efficiency of the environmental management system and ongoing improvements, as well as of the environmental consequences of insufficient environmental awareness.</p> <p>The purpose is to increase our employees' environmental awareness.</p> |

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