

## **VELUX GROUP MODERN SLAVERY STATEMENT 2021**

**Statement for the fiscal year ending 31 December 2021**

### **INTRODUCTION**

In compliance with the Modern Slavery Act 2015, the VELUX Group provides the following statement in relation to the prevention of slavery and human trafficking in our own business as well as in our supply chain. This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the fiscal year ending 31 December 2021.

Modern slavery is a crime and a violation of fundamental human rights. It can take many forms, such as, but not limited to slavery, servitude, forced and compulsory labour and human trafficking, all of which amount to the deprivation of a person's liberty by an individual or entity to exploit them for personal or commercial gain.

### **VELUX ORGANISATION AND SUPPLY CHAIN**

The VELUX Group operates a global sales, service and manufacturing network with sales companies in 40 countries and production sites in 12 countries. Our product portfolio includes roof windows and skylights, modular skylights for commercial buildings, flat roof-windows and sun tunnels, blinds and roller shutters, flashings and installation products and active (digital) products. Globally we employ 12,500 highly skilled and dedicated employees who help us to provide our customers with the products and services they need. VELUX is headquartered north of Copenhagen in Denmark.

The way we do business is defined in our Model Company Objective, formulated by our founder Villum Kann Rasmussen in 1965. Based on the Model Company Objective we aim to set a positive example through our behaviour. It guides how we respectfully engage with the people we work with; defines how we give back to the societies we operate in and sets the direction for how we responsibly work with scarce natural resources. Finally, by Model Company, we mean a company working with products that are useful to society. Our products, which provide natural light and fresh air through the roof, help create healthy and comfortable indoor environments.

In 2020, the VELUX Group launched its Sustainability Strategy 2030: a 10-year transformational journey in which we pioneer climate and nature action, innovate sustainable products and secure a responsible business. We transform our high ambitions for sustainability into tangible actions across our company and value chain. This ensures that sustainability is truly integrated throughout our business from sourcing to production, people and products to sustainable building advocacy and product end-of-life.

### **VELUX POLICIES**

A number of VELUX Group policies set our position and requirements connected to human rights and working conditions. These policies are developed based on the principles set forth in the International Bill of Human Rights and the core labour conventions of the ILO and with reference to the principles of the UN Global Compact and the UN Sustainable Development Goals.

The policies are publicly available on our homepage and demonstrate the high expectations we set for ourselves, our suppliers and our employees.

## **SUSTAINABILITY POLICY**

The VELUX Group Sustainability Policy provides high-level guidance on how we conduct business. The main content relating to sustainability from our group policies is incorporated in the Sustainability Policy and we take a clear stance against forced labour, human trafficking and child labour in and beyond our value chain. Also, through our policy, we acknowledge our responsibility to respect freedom of association and collective bargaining and to ensure proper working conditions, non-discrimination and diversity in our entire organisation.

The policy commits us to respecting human rights, including the principles set forth in the International Bill of Human Rights and the core labour conventions of the International Labour Organization (ILO). This includes avoiding infringing the rights of individuals, groups and communities through our business activities and relationships.

## **CODE OF CONDUCT AND BASIC WORKING CONDITIONS FOR SUPPLIERS**

The Code of Conduct and Basic Working Conditions for Suppliers (Code of Conduct for Suppliers) was introduced to ensure that all VELUX Group products and services are developed and manufactured in a responsible way throughout our value chain, including sub-suppliers. We expect our suppliers to share our commitment to the high standards we set for ourselves. The Code of Conduct for Suppliers therefore shares our standpoint against forced labour, human trafficking and child labour; It also includes how we expect our suppliers to respect freedom of association and collective bargaining; and to ensure proper working conditions, non-discrimination against employees and their employees' right to privacy.

## **VELUX CODE OF CONDUCT FOR EMPLOYEES**

The Code of Conduct for Employees provides a guide to daily behaviour for all VELUX Group employees. It builds on the 10 principles of the UN Global Compact and our VELUX values and serves as a guide to make the right choices. It describes the main principles of ethical behaviour and our expectations towards all VELUX employees within the following areas: human and labour rights, anti-corruption and business ethics, climate and environment, health and safety, information and data protection.

This includes a clear standpoint against child labour, forced labour and human trafficking; discrimination and harassment, including against physical punishment or other forms of physical, sexual, psychological or verbal abuse as a method of control in the workplace. The code also includes our standpoint on respect for freedom of association and collective bargaining and requirements relating to basic working conditions.

## **SUPPLY CHAIN DUE DILLIGENCE**

The VELUX Code of Conduct for Suppliers outlines our expectations for suppliers. Before a supplier is approved, it must undertake a self-assessment which includes elements of our Code of Conduct for Suppliers. After selection, suppliers are audited using our Supplier Evaluation and Approval Process, which includes confirmatory checks of our Code of Conduct for Suppliers. The VELUX Group also reserves the right to monitor and audit, as appropriate, our suppliers' subcontractors to assess their compliance with our Code of Conduct for Suppliers.

Compliance with the Code of Conduct for Suppliers is a KPI for the purchasing organisation. Compliance is monitored through scheduled re-evaluation activities and non-compliance is categorised in terms of severity ("major" and "minor"). Where non-compliance is identified, we request corrective action plans, and we undertake follow-up visits to ensure that improvements are made. The process to identify and close "minor" non-compliance involves sign off at manager level. For non-compliance categorised as "major", the sign off must occur at director level.

Our first choice is to offer support and advice to suppliers to enable them to implement and comply with the Code of Conduct for Suppliers. However, if requested improvements do not progress in an acceptable manner, we reserve the right to end cooperation with the supplier.

We are currently working to strengthen risk assessment and screening processes in line with upcoming EU Directives. In 2022 we will introduce an additional initial risk assessment to screen the supply chain and an in-depth risk assessment of selected suppliers based on applied filters derived from market intelligence and historical knowledge.

### **SPEAK UP LINE**

Our whistle-blower system, "Speak Up!", can be used to report illegal or unethical business behaviour or breaches to our Codes of Conduct. The whistle-blower system can be used by employees, business partners, suppliers, customers and any other stakeholders to report serious concerns in a secure and confidential way. All reports will be fully investigated, and appropriate remedial actions taken. The VELUX Group ensures anonymity and confidentiality to everyone involved in the investigation.

This statement has been approved by David Briggs, VELUX Group CEO, and the VELUX A/S Management Board.

#### **Related documents:**

- [VELUX Group Code of Conduct for Employees](#)
- [VELUX Group Code of Conduct for suppliers](#)
- [VKR GROUP CSR Policy](#)