

VELUX Group Policy

Policy:	VELUX Sustainability Policy
Reference to VKR Group Policy:	VKR CSR Policy, VKR Anti-Corruption Policy and VKR Competition Law Compliance Policy
Latest update:	June 2021
Latest review:	October 2022
Policy responsible:	VP External Relations & Sustainability, Fleming Voetmann
Target group:	All employees in the VELUX Group
Classification:	Public document

1. Introduction

In the VELUX Group, we continuously seek to minimise our footprint by the way we source, manufacture and sell our products. Our corporate purpose is to create well-being for people and the planet by transforming spaces using daylight and fresh air. We are committed to visibly lead the way by setting the standard on sustainable business. We are aware that sustainability goes beyond our own activities, and we take a responsible approach throughout the entire value chain.

As early as 1965, the Group's founder formulated the Model Company Objective. With the Sustainability Policy we strive to live up hereto.

2. Purpose

The VELUX Group Sustainability Policy provides high-level guidance on how we conduct business. The policy builds on the ten principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises as well as contributing to the UN Sustainable Development Goals. In the VELUX Group, we have implemented several policies which guide us in our daily business. The main content of the policies related to sustainability is incorporated in this document.

3. Policy

Climate and environment

In the VELUX Group, we are committed to develop new solutions that will help people and planet at the same time. We have set targets to halve our value chain carbon footprint and to achieve a 100% reduction of operational emissions by 2030. We reduce our carbon footprint by investing in renewable energy, as well as optimising our energy consumption and improving our energy efficiency at our sites and in connection with developing or changing processes, equipment or buildings. We minimise the

environmental and climate impact of our products, through product design changes and through our selection, use and sourcing of materials. In order to achieve our climate and environmental objectives, we have set up concrete targets, which we report externally on a yearly basis.

We strive to manufacture profitable products of quality with good craftsmanship, but at the same time minimise our negative impact on the environment. We use raw materials as efficiently as possible and work to reduce waste and discharges from our activities. Additionally, we believe that cooperation with our suppliers, customers and other business partners can help us set higher environmental standards, create innovative solutions and encourage sound attitudes towards the environment.

In order to continuously develop our climate and environmental efforts, we always look for new opportunities to enhance our products and to improve our manufacturing methods beyond what is generally expected of a company like ours. In the VELUX Group, we work with the following issues:

- **Sustainable sourcing:** In the VELUX Group, we develop and manufacture products. Our activities involve procurement and processing of natural resources (mainly pine, glass, aluminium and polyurethane), and we therefore have a direct impact on resources in the environment. In the VELUX Group, we strive only to use wood certified to the FSC or PEFC responsible forest management standards.
- **Waste:** The VELUX Group has manufacturing sites around the world, and we continuously work with reducing the negative environmental impact from our production. For us this means that we continuously work to optimise our resource efficiency and have a vision of reaching zero waste at our production sites.
- **Climate and Energy:** In the VELUX Group, we take action towards sustainable energy consumption as we see it as a natural part of doing sustainable business. We work systematically to limit the negative impact of our activities on the environment and the world's natural resources. We contribute to a more climate-friendly future by developing sustainable building solutions, providing products for healthy homes, and setting ambitious targets to cut our CO2 emissions and increase our use of renewable energy.

Human rights

In the VELUX Group, we put people first by developing products and solutions that create bright and healthy buildings for people to live, work, learn and play in. Additionally, we invest in and develop our people to be passionate performers.

The VELUX Group is a global company with operations all over the world. We have a strong focus on human rights and working conditions, and we are committed to respecting human rights, including the principles set forth in the International Bill of Human Rights, the UN Guiding Principles for Business and Human Rights and the core labour conventions of the ILO. This includes avoiding infringing the rights of individuals, groups and communities through our business activities and relationships.

Our work with human rights goes beyond our own activities, and we set high standards for suppliers in relation to human rights, working conditions and non-discrimination policies. Our expectations to suppliers are expressed in the VELUX Group Code of Conduct and Basic Working Conditions for Suppliers. We recognise the importance of maintaining and promoting fundamental human rights, and our work is focused on the following issues:

- **Forced labour and human trafficking:** The VELUX Group prohibits the use of forced labour and any form of human trafficking. We do not accept any use of forced bonded labour. No worker shall be required to lodge deposits or identity papers with their employer, and workers shall be able to move around freely. We do not allow use of physical punishment or other forms of physical, sexual, psychological or verbal abuse as a method of control in the workplace.
- **Child labour:** No forms of forced or child labour shall be allowed in the VELUX Group or at our suppliers.
- **Freedom of association and collective bargaining:** We respect our employee's right to join, form or not to join a labour union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognised union, we are committed to establishing a constructive dialogue with their freely chosen representatives. The VELUX Group is committed to bargaining in good faith with such representatives.

Labour conditions

At the VELUX Group, we invest in and develop our people to be passionate performers. Within social and labour policy, our work is focused on:

- **Non-discrimination:** The VELUX Group has an Employee Code of Conduct stating that all employees shall have equal opportunities and treatment in employment, and no employee may be discriminated based on age, race, sex, colour, religion, national origin, sexual orientation, disability, or any other characteristic protected by national or local laws. The basis of recruitment, promotion or development in the VELUX Group is qualifications, skills, experience and performance.
- **Diversity, Equity and Inclusion:** The VELUX Group Diversity, Equity and Inclusion (DEI) Policy expresses our commitment to foster a diverse, equitable, and inclusive workplace that enables everyone to thrive. It defines our DEI targets and serves as a guiding principle for our company culture together with the Employee Code of Conduct
- **Working conditions:** Working conditions, hours, rest periods, leave and wages are in accordance with local regulations and industry practice.

Health, Safety and Well-being

In the VELUX Group, we believe accidents at work and occupational diseases are preventable. By building and maintaining a strong prevention culture, we strive to eliminate work-related accidents, harm and occupational diseases.

In the VELUX Group, safe and healthy working conditions are not only a legal and moral obligation, it is an integrated part of our business activities and our competitive formula with a clear focus on employing passionate performers. We believe time invested in health and safety has significant business benefits in terms of employee welfare and morale, on cost reduction by elimination of accidents and occupational diseases and on increased operational discipline positively impacting productivity, quality and delivery. Good health, safety and well-being is good business.

We always take time to ensure safety at work, and we ensure that all employees are involved, trained and competent in safety. Our safety vision is to have zero accidents and incidents. Our safety policy outlines how we work with safety. Leaders at all levels in our organisation are accountable for fulfilling the intentions in our safety policy within their area of responsibility.

Anti-Corruption and Business Ethics

In the VELUX Group, we are committed to fair business practices and to upholding the values of transparency and accountability. Our anti-corruption policy describes our approach to corruption and business ethics, e.g., conflicts of interest, bribery, extortion, facilitation payment, money laundering, tax evasion, gifts and entertainment and charity. A specific Anti-Corruption policy sets the direction for the company.

All VELUX companies must comply with all legislation anywhere in the world they operate. Because of major differences between the regions and countries in which The VELUX Group operates, this policy exemplifies possible interpretation difficulties in potentially critical areas. Where doubts arise, employees must use the VELUX Core Values and Model Company Objective to guide actions and inform their immediate superior. Furthermore, the VELUX Code of Conduct for employees can be consulted as a guiding tool in cases of doubt.

The Anti-Corruption Policy includes instructions on how to handle:

- Conflicts of interest
- Bribery
- Extortion (e.g. protection money)
- Facilitation payments
- Money laundering
- Tax evasion
- Gifts and entertainment
- Charity

Fair competition is essential for economies to function effectively, and the VELUX Group has a comprehensive competition programme with the aim to ensure that our sales companies avoid anti-competitive behaviour. Our competition law policy entails that we in no circumstances will make payments to gain an undue business advantage over a competitor. We take the same approach to all our suppliers.

4. Responsible

The VELUX Management Group has the overall responsibility of Sustainability in the VELUX Group.

Responsible for approval of deviations to the policy: Fleming Voetmann, VP External Relations & Sustainability.

Responsible for controlling and monitoring the compliance with the policy: Fleming Voetmann, VP External Relations & Sustainability.