



# The VELUX Group

## CSR & Sustainability Policies

In the VELUX Group, we continuously seek to minimise our footprint by the way we source, manufacture and sell our products. It is our core business to create better living environments for all. We are committed to creating building solutions that balance care for people and planet, and we do this by putting people first and introducing new building concepts to change the building sector. We are aware that CSR & Sustainability goes beyond our own activities, and we take a responsible approach throughout the entire supply chain.

As early as 1965, the Group's founder formulated the objective to be a Model Company: it is the Group's purpose to establish a number of Model Companies, which cooperate in an exemplary manner. By Model Company we mean a company working with products useful to society, which treats its customers, suppliers, employees of all categories and shareholders better than most other companies.

The VELUX Group CSR & Sustainability Policies provide high-level guidance on how we conduct business. The policies are built on the ten principles of the UN Global Compact. At the VELUX Group, we have implemented several policies which guide us in our daily business. The main content of the policies related to CSR & Sustainability are incorporated in this document.

### Governance

The VELUX Management Group has the overall responsibility of CSR & Sustainability in the VELUX Group. The CSR Committee is responsible of setting direction and defining our CSR & Sustainability activities. The members of the CSR Committee represent the VELUX Management Group in operations, brand, communication & marketing, HR and strategy.

## 1. Climate and Environment

In the VELUX Group, we are committed to developing new solutions that will help people and planet at the same time. We want to reduce our carbon footprint by optimising our energy consumption and improving our energy efficiency at our sites and in connection with developing or changing processes, equipment or buildings. 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 and have set targets for 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 use wood from sustainable forests.
- **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 CO<sub>2</sub> emissions and increase our use of renewable energy.

## 2. 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 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. 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.

## 3. 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 a diversity policy 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, sexual orientation etc. The basis of recruitment, promotion or development in the VELUX Group is qualifications, skills, experience and performance.
- **Diversity:** The VELUX Group has an overall gender diversity ambition to reach a balanced gender composition at the leadership level. Further, it is the ambition of the VELUX Group to build a diverse organisation.
- **Working conditions:** Working conditions, hours, rest periods, leave and wages are in accordance with local regulations and industry practice.

## 4. 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.

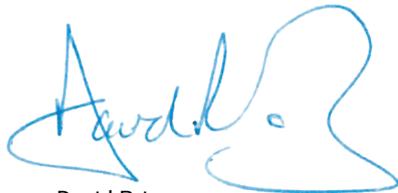
# 5. Anti-Corruption and Business Ethics

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, gifts and entertainment and charity.

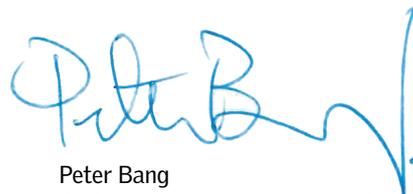
Our approach to anti-corruption and business ethics includes:

- **Extortion (e.g. protection money):** We work against extortion and always resist giving in to illegal coercion, intimidation or threats of physical harm made by persons to obtain money, property or services. We actively work to protect our employees against extortion.
- **Facilitation payment:** We are opposed to paying additional charges to speed up routine duties, e.g. to avoid undue delays. We will always endeavour to avoid such payments.
- **Money laundering:** We reject money laundering, whatever illegal activities are involved, and we observe all rules on that subject and cooperate with authorities.
- **Gifts and entertainment:** We neither give nor accept gifts or entertainment that could influence our business decisions.
- **Fair competition:** Fair competition is essential to 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.
- **Conflicts of interest:** In the VELUX Group, we aim to act with integrity and conduct business according to the Model Company Objective and our VELUX Values. We refrain from compromising the interest of the Group in favour of private interest, and refrain from taking actions that could, with any justification, negatively impact the reputation and raise legitimate questions as to the integrity of the VELUX Group.

## The VELUX Management Group



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WE SUPPORT

We continue to support the United Nations Global Compact and are committed to the initiative and its principles. This is our Communication on Progress in implementing the principles of the UN Global Compact.