

CORPORATE SOCIAL RESPONSIBILITY

Business model & Nissens' approach to sustainability

Being a global production company, the Nissens Group is committed to offering a contribution to a limitation of the Group's environmental and climate footprint, just as it is the Group's obligation to consider the health and safety standards applicable for its employees.

In the company fiscal year of 2020/2021, Nissens published its annual COP report in June 2020, and with the continued adherence to UN Global Compact, Nissens will continue to develop the focus and initiatives linked to social responsibility and sustainability.

Human rights

Nissens is committed to supporting and respecting the internationally proclaimed human rights.

Area	Risk	Actions in 2020/2021	Results 2020/2021
Code of Conduct	Adverse human rights, negative environmental impact, and corruption issues in own organizations and external supply chain.	We continue to specify our expectations to our employees across Nissens' global organization and to our suppliers in our Code of Conduct.	All of Nissens' employees are made acquainted with the Code of Conduct, and a large number of our suppliers receive our Code of Conduct in the course of formalizing our business interaction.
Data privacy	Not handling personal and sensitive personal data and information in compliance with legal regulations and internal guidelines.	We have initiated a number of new initiatives and procedures to further strengthen our processes on management of sensitive personal data and information.	Our target for 2020/2021 was to secure that all managerial staff at top three tier levels at Nissens receives and signs our Data Privacy Policy and procedures to secure compliance. This target is reached. The same applies to a selection of employees with duties requiring access to personal data. All other employees have access to Nissens' Data Privacy Policy through official publications.

CORPORATE SOCIAL RESPONSIBILITY

Social & Labor Conditions

The experience, competence and well-being of Nissens' employees are vital elements in our ability to develop the business and succeed with our strategic plans and objectives. Across the Nissens Group, there is a commitment to support a safe and healthy work environment, the risk management of work-related accidents and injuries is a focus area.

Area	Risk	Actions in 2020/2021	Results 2020/2021
Employee development & satisfaction	Unstable employee turnover	To ensure organizational stability in our most populated entities and sites, we regularly measure and follow up on our retention of existing employees, and we take relevant measures to limit unwanted employee turnover.	Satisfactory retention levels across Nissens' main sites. Overall drivers for employee turnover are planned organizational restructurings or results of responsive ramp-ups and ramp-downs, but with no criticality on capacity.
Employee safety, health and well-being	Employees getting injured at work	Our health and safety focus is supported by regular, ongoing measurement and follow-up on e.g. the development of injury rates.	In 2020/2021, our LTIR (Lost Time Injury Rate) on blue-collar employees in Slovakia and Denmark combined is 2.2. In comparison, the LTIR in 2019/20 was 4.4.
	High sickness absence impacting negatively on daily operations and planned outputs	We measure and follow up on our sickness absence on both blue-collar and white-collar employees on a monthly basis and take necessary actions to support our employees and limit as well as prevent absence due to sickness.	Weighted average for our short-term sickness absence rate for blue-collar and white-collar employees measured across our main sites in Denmark, Slovakia and China in 2020/2021: 2.9% compared to similar level of 3.4% in 2019/2020. Satisfactory performance in a year marked by the Covid-19 pandemic.
Diversity in other managerial positions	Risk of discriminating based on gender, race, religion, ethnicity when hiring new employees	In our policy on gender and cultural diversity, we have defined a target of a minimum share of female managers group management level.	In 2020/2021, the female representation in Nissens' Group Management amounts to 17%.
Gender distribution at BoD and Management		Our board of directors currently consists of six members, of which six are male, and zero is female. It is outlined in Nissens' policy on gender and cultural diversity that we work to ensure that regardless of gender, race, and religion, all employees must be treated equally, in order to ensure that everyone has equal opportunities for employment. We have a wish to increase the representation of women in the Group Management Team supporting the CEO and the board of directors, and we therefore strive to have at least one of each gender among the final candidates in search processes.	

CORPORATE SOCIAL RESPONSIBILITY

Climate

Nissens strives to minimize the risk of having an unnecessary detrimental impact on the climate through the optimization of our energy consumption and a reduction of the Group's CO2 emissions. The Group's ambition and approach are outlined in its environmental and energy policies, which apply to all of Nissens' locations and define the work within environment and climate in Nissens' production sites.

Area	Risk	Actions in 2020/2021	Results 2020/2021
Energy consumption	Limitation of energy consumption impact	In 2020/2021, Nissens Cooling Solutions has pursued the implementation of additional one-shot brazed products within the Full AluX series. One-shot brazing enables full elimination of certain production processes during manufacturing, e.g. the welding process, which is a process that demands higher energy consumption.	During 2020/2021, the company has introduced Full AluXsafe as a replacement to the existing AluXsafe product. Complete implementation and implementation in progress of Full AluXstream in significant customer projects in the wind turbine industry is current status. An increase of 50% in products manufactured acc. to the Full AluX principle is expected next year compared to this year's level.
CO2 emissions – scope 1	Limitation of climate impact through production optimization	In 2020/2021, we have continued our work with optimization of production processes to reduce our scope 1 CO2 emissions. We have intensified our co-operation with external energy consultants to identify potential reductions in emissions.	A CO2 baseline for 2020 has been created to identify the global CO2 footprint of Nissens Cooling Solutions. The work to build a platform for defining targets and actions to reach carbon neutrality is now ongoing.
CO2 emissions – scope 2	Management of climate impact through operations initiatives	In 2020/2021, we have continued our efforts in optimizing energy usage across production processes and buildings.	Compressor upgrades to more environmentally friendly versions through optimization of operation mode have been implemented. Positive outcome from continued conversion from traditional lighting sources to LED lighting in Nissens' factories is registered.

CORPORATE SOCIAL RESPONSIBILITY

Environment

Nissens strives to minimize the environmental footprint of our production through a continuous focus on resource optimization throughout the Group's production facilities. The environmental management system is certified according to ISO14001 standards, and the Group is working in a structured manner with our environmental awareness and sustainability for years.

Area	Risk	Actions in 2020/2021	Results 2020/2021
Waste	Excessive waste through production	We continuously work with optimization of our process waste. Removal of paint on large coolers for the wind turbine industry is one of the initiatives taken in 2020/2021 to limit waste.	In 2020/2021, the removal of paint has given positive results without compromising on product quality and lifetime. The positive achievements have led to quotation of the no paint solution as the preferred solution for customers in the on- and offshore wind turbine industry going forward.

Anti-corruption

The Nissens Group is committed to upholding a high degree of business ethics in all the markets in which the Group operates, and Nissens works against corruption in all of its forms. The Group's expectations regarding anti-corruption are specified in a Code of Conduct, which all of Nissens' employees must comply with.

Area	Risk	Actions in 2020/2021	Results 2020/2021
Corruption	Employees engaging in activities of corruption	Our Code of Conduct is distributed to our employees during their onboarding in the company, just as our policy is available on our global intranet. Whistleblower access is available for named or anonymous reporting of breaches of laws and regulations as well as non-compliances with Nissens' policies.	We have not identified any non-compliance or breaches with our Code of Conduct in 2020/2021. No reports on incidents nor confirmed incidents are registered in our whistleblower system in the past year.

Covid-19
Statement
(with non-financial
impact)

Pandemic risks: Combining business and people priorities

The global Covid-19 pandemic has called for a number of decisions and priorities to put in place to limit and mitigate any risks likely to arise from the effects of the pandemic. At Nissens, we have at an early stage of the pandemic defined two main priorities: Keep the business in operation and protect our employees. When maintaining the ability to keep serving our customers through the pandemic, we are able to protect our business foundation and the work places of our employees. When taking actions to limit risks of virus spread, we can keep our employees safe whilst performing their jobs at Nissens.

Protection of our employees: Implementation of actions

To keep the business in operation, we have implemented various measures to protect our employees during the pandemic e.g.: Regular distribution/updates of Covid-19 guidelines, mandatory use of face masks and gloves; respect of distance guidelines, use of hygienic measures like disinfection and extra cleaning, limitation of external visits, guests and travelling, introduction of online meeting activities and online socializing events, offers for onsite PCR testing and quick test kits, offers for coaching/psychological treatment and mental health survey.

Stay in operation – develop the organization

Thanks to our Covid-19 measures and the compliance from our employees, we have managed to stay in operation with stable manning levels and limited cases of Covid-19 infections inside our organization during the pandemic. Besides limiting virus spread across Nissens, we have further strengthened Nissens' position as a strong and developing organization thanks to a successful inauguration of a new foreign production site, the acquisition of a group of companies in Europe, an increase in product launches as well as strong sales growth rates during the year of a global pandemic.