



Corporate Social Responsibility

CSR Report 2020/21

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Our CSR report 2020/21

Taking corporate social responsibility and showing sustainable behaviour is not a choice – it's a matter of course, and it increases our awareness of responsibility in our company and in the rest of the value chain we are part of.

Although the transformation towards sustainability presents big challenges for companies, it also presents big opportunities.

The annual CSR report is not just an overview of our sustainability initiatives or a status of how far we have come in our journey towards our goals. The report is also our way of opening the door to our world, and showing how we take care of the environment, employees, customers, suppliers and other stakeholders.

The coronavirus pandemic has obviously affected our company, and, fortunately, we have successfully re-gained solid and almost normal conditions for our business.

The UN global goals still form a central basis for our CSR efforts, and we focus our initiatives on seven out of the 17 goals.

Also, this year the report is structured in our four strategic main areas within CSR; *Environment & Energy, Employees, Customers & Products, and The Surrounding Society*.

In our CSR report, we describe major as well as minor initiatives during the year 2020/21.

In the management of Qubiqa, we consider it one of our most important responsibilities to provide a framework that inspires and motivates everyone in the organisation to achieve our goals within CSR and sustainability.

November, 2021

Morten Seeberg
CEO



Our CSR VISION: "We want to be the preferred, responsible partner and supplier of high-quality products, services and knowledge to our customers to help them realize their opportunities"

Profile of Qubiqa

Qubiqa is a global market leader within the development and manufacturing of automated packing solutions for the insulation industry.

Our main activity is to develop, produce, sell and service solutions and products for automation and optimization of internal logistics, with special focus on the insulation industry. Most solutions contain integrated, electronic control and software systems for advanced, logical, and user-friendly operation of even complex systems.

The company dates back to 1945, established under the name of Seelen, when it set up its first premises in Esbjerg, Denmark. For half a century, the company - now under the name Qubiqa - has developed, produced, and installed machines for the insulation industry.

Almost all world-leading insulation manufacturers are among our customers. We take on projects on all continents and have worked in nearly every country in the world.

At Qubiqa we focus on being best at what we do – and we take pride in that. Working for Qubiqa is both challenging and inspiring. We aim at being energetic and result-oriented, and we pursue our goals. But we also try to have room for fun, and we encourage our employees to find a healthy work-life balance.

The combination of an in-depth knowledge of products and production methods, a good portion of creativity as well as tight project and financial management make it possible to arrive at the optimal solution for the customer.

Reduction of customers' shipping costs, fuel consumption, and carbon emissions are among the results of Qubiqa solutions that compress insulation materials and other products, so they take up considerably less space when they are transported and handled.

For a number of years, the Danish private equity fund BWB Partners I K/S has been the majority owner. As of August 2021, a group of new owners consisting of members of Qubiqa's Board of Directors, members of Qubiqa Management group and two private investors, have acquired the company.

Based on our CSR vision we always strive to accomplish that ...

...our CUSTOMERS see	...our EMPLOYEES see	...the WORLD AROUND US sees
<ul style="list-style-type: none">...that Qubiqa works professionally and ambitiously with product innovation, services, product knowledge, responsibility, and sustainability...that they get products and solutions of high quality that are produced under sustainable conditions.	<ul style="list-style-type: none">...that they can grow and develop together with Qubiqa, because we offer good opportunities for personal and professional development...that Qubiqa is an attractive, responsible, and safe workplace, where employees are happy to work...that social aspects are always considered.	<ul style="list-style-type: none">...that Qubiqa works strategically with sustainability and societal responsibility...that we differentiate ourselves by embracing a holistic view of sustainability and responsibility...that we do not compromise on our values, quality, sustainability, and responsibility.

Selected key financial figures

Included here are selected financial key figures only – more details can be found in our financial annual report.

<i>Financial figures are in 1.000 DKK</i>	2020/21	2019/20	2018/19	2017/18	2016/17
Gross profit (in thousand DKK)	85,906	94,405	111,372	63,764	81,964
Annual profit (in thousand DKK)	1,147	3,991	-2,048	-41,968	-5,918
Total equity (in thousand DKK)	45,735	42,330	32,155	34,940	72,497
Equity ratio	29.0	25.8%	17.4 %	13.6 %	27.8 %
No of employees	185	215	233	198	190

Selected key CSR figures

Below are some selected key figures derived from our efforts within CSR. You can find more detailed information about our effort and progress throughout the CSR report.

Focus area	Goals	Goals in numbers	2020/21	2019/20	2018/19	2015/16 (baseline)
Environment & energy	Implement initiatives to reduce our energy consumption	3 initiatives/year	2	2	2	2
	Use carbon-neutral electricity	100 % in DK and PL	100 % ¹	100 %	100 %	100 %
Employees	Hire apprentices/ trainees etc.	3 apprentices/ trainees etc.	9	12	14	3
	Conduct annual employee development interviews	95 %	84 %	100 %	N/A ²	85 %
	Reduce the No of lost time injuries (LTIs) (frequency)	Max. 10	13	8	14	17
Customers & products	Incorporate sustainability into our product development	2 initiatives/year	2	2	2	1
The surrounding society	Conduct anti-corruption training	100 % of "high-risk positions"	100 %	100 %	100 %	N/A
	Ensure high level of data security	2 initiatives/year	4	2	2	3

¹ For Poland carbon-neutral electricity has been consumed since January 1st 2021

² See page 9 for further explanations

UN Sustainable Development Goals

We support the UN Global Goals, and we've arranged our CSR objectives and activities in order to contribute to this agenda in the best possible way. When possible and appropriate, we incorporate the goals into our business activities.

Our CSR strategy includes direct support for the seven SDGs listed below.

 <p>4 QUALITY EDUCATION</p>	 <p>5 GENDER EQUALITY</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
<p>Our efforts include</p> <p>We have policies and principles regarding our working environment, education of employees, and on senior employees. In a close collaboration we develop our employees' competences, as well as improvements of the working environment.</p>	<p>Our efforts include</p> <p>We have principles regarding gender equality and diversity, which applies to management as well as all employees ensuring that we do not discriminate based on gender, race, age, sexual orientation, or religion in our day-to-day operations or in connection with hiring processes.</p>	<p>Our efforts include a)</p> <p>We have set up a policy targeted on reducing our energy consumption, which includes giving relevant knowledge on reduction possibilities to our employees and partners and continuously identifying and performing optimizations of the energy consumption.</p>	<p>Our efforts include a)</p> <p>A policy aimed at incorporating sustainable design principles into our product innovation and product development processes, creating long-term and sustainable solutions. Furthermore, our purchase policy contains sustainability requirements towards our suppliers.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	 <p>13 CLIMATE ACTION</p>	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	
<p>Our efforts include a)</p> <p>We continuously focus on creating developments and improvements regarding waste from all sources. We aim at reducing consumption of materials, energy, transportation, and any other types of resources.</p>	<p>Our efforts include a)</p> <p>A policy aimed at reducing our climate footprint, e.g. through contracts for supply of carbon-neutral electricity. We demand that our suppliers strive for reducing their emissions and we deliver manufacturing equipment to the insulation industry.</p>	<p>Our efforts include</p> <p>We have policies for anti-corruption, data security and responsible and ethical communication, aimed at our own company and at relevant business partners. We ensure continuous high-quality work processes within these three areas.</p>	

Note a) In supplement to impacting Qubiqa's own performance, our efforts and established results within these seven SDGs in particular are also important contributions to our downstream value chain – i.e., to our customers' work with and support for the SDGs.

Our CSR governance

We still exercise business driven CSR because this approach ensures a logical and relevant value creation for both our company and our surroundings.

Several policies within the CSR area form the basis of our day-to-day conduct and contain concrete development indicators that we use to ensure that we comply with the policies

Organizational CSR setup

CSR is an important area of responsibility to our management group, and it is an agenda point at relevant board and management meetings.

Our executive management and board of directors are responsible for the overall decisions and the allocation of resources relating to CSR.

We have established a CSR steering committee which convenes regularly during the year to follow up on the progress of our CSR action plans. The CSR steering committee has representatives from the management group and selected specialists, who ensure that our CSR efforts address the entire organization; including capturing and incorporating development ideas from our employees.

At the progress meetings, action plans are reviewed, and the committee discusses and agrees on appropriate actions.

Materiality analysis

We focus on implementing initiatives that create the highest overall benefits for Qubiqa and its primary stakeholders.

On this basis we have systematically identified and analysed which CSR topics are the most relevant to us, to society and to our primary stakeholders to ensure that our CSR efforts always have the best possible relevance and impact.

The most recently updated materiality analysis indicates that the issues listed below are among the most important CSR topics for us to work with – and our concrete CSR objectives and development activities are based on addressing these topics.

The materiality topic list includes: Responsible supply chain management, employee satisfaction, recruitment, responsible communication, anti-corruption, data security, sustainable innovation, environmental policy, work environment policy, energy consumption, equality, and waste

The principles for conducting our materiality analysis comply with international standards and guidelines for good CSR practice

CSR policies

Our CSR policies broadly address material issues within the CSR area at Qubiqa. The policies constitute the framework of concrete action plans that are subsequently implemented by management and employees with relevant and needed qualifications.

Our policies in 2020/21 are unchanged compared to last year.

Our four CSR focus areas

CSR area 1 – Environment & Energy

Supported within CSR area 1



Our goals	Goals in numbers	2020/21	2019/20	2018/19	2015/16 (baseline)
Implement initiatives to reduce our energy consumption	3 initiatives/year	2	2	2	2
Use carbon-neutral electricity	100 % in DK and PL	100 % ³	100 %	100 %	100 %

Our consumption of carbon-neutral electricity in Denmark during 2020/21 has reduced the emissions by 49.3 tonnes carbon (2019/20: 70.1 tonnes, 2018/19: 98.9 tonnes and 2015/16: 107.2 tonnes), and our consumption of carbon-neutral electricity in Poland since January 1st 2021 has reduced the emissions by 431.8 tonnes carbon

Our principles⁴

Our policies regarding **environment, energy consumption, climate actions** and **waste separation** describe that Qubiqa at any time, openly and objectively will participate in environmental improvements, and where technically and financially relevant, will work actively to minimize negative impacts on the environment and the consumption of resources at any stage of the company's value chain on which we have relevant influence.

- The vision of our energy consumption policy and climate action policy is to reduce the amounts of energy consumed, and to reduce our energy costs while continuously moving towards more environmentally friendly and climate-friendly types of energy and contributing to increase our employees' and customers' knowledge about energy optimization.
- Regarding waste, it is our goal to reduce loss of materials and other resources and to reduce negative impact on the environment caused by waste from our production and from other activities. We will do that through e.g. material usage optimizations, reuse and recycling.

Activities and results during the year

Climate-friendly electricity: As in previous years we still have a contract for supply of fully carbon-neutral electricity in Denmark – the carbon emissions saved during 2020/2021 were 49.3 tonnes. During 2020/21 we have switched to carbon-neutral electricity consumption at our site in Poland, and due to Polish conventional grid carbon content being at a high level, the avoided carbon emissions are similarly high – for the five-months period January till May 2021 the saved emissions amount to 431.8 tonnes.

Furthermore, we use climate smart gas in our manufacturing processes, which reduces our carbon emissions⁵.

³ For Poland carbon-neutral electricity has been consumed since January 1st 2021

⁴ The policies are unchanged compared to last year

⁵ Emissions from our climate smart gas compared to conventional gas for manufacturing purposes

Equipment and vehicles to support green transition: Environmental requirements for new machines and vehicles are defined in our purchase policy, and similar requirements for IT equipment are addressed in our IT policies. When we buy new manufacturing equipment, cars, IT equipment etc. optimized and reduced energy consumptions are part of our selection criteria. The possibility of recycling and disposing environmentally correctly at product end-of-life is also a part of our policies.

Reducing energy consumptions: Guidance on how to reduce energy consumption are part of our employee handbook and other relevant policies. These also include guidance on e.g., how to contribute to climate friendly private and business travels etc.

At our site in Poland, we installed photocells to control lighting in social rooms, and conventional lighting sources are successively being replaced with LED lighting. At our site in Denmark, we have replaced radiator thermostats and updated the room heating control systems in the office areas.

In general, we continuously implement improvement initiatives based on the statutory energy saving evaluation report.

Hazardous materials: Finding and utilizing possibilities for using less or non-harmful/hazardous substances in our manufacturing processes is still an ongoing process, and replacements and reductions are being achieved.

Manufacturing materials: We still focus on utilizing rest lengths of manufacturing materials, whenever possible.

It continues to be an important issue to us that all employees are aware of how they can contribute to saving as much manufacturing material as possible. Thus, this is a frequent issue in our internal meetings at both company and team level.

Use of automatic and semi-automatic functions in our manufacturing IT management system when planning the concrete manufacturing processes is still an important contributing factor towards reducing the amounts of manufacturing materials waste.

Waste volumes: Our work procedures addressing the coordination of waste handling are still based on our previous efforts on analysing and optimizing this area. The results from this previous project have contributed to reducing waste volumes.

A good coordination between material specifications initiated by our sales department and the material specifications available for our manufacturing department, is still a significant source for reducing our manufacturing waste volumes.

All waste amounts are measured and registered for each relevant fraction. The areas most attractive and relevant for us to focus on reducing, are selected using the registered data.

Waste disposals: We focus on ensuring that the collection processes and the subsequent disposal processes at our vendors who collect our waste streams are based on up-to-date, optimized principles. This is part of our contractual requirements for the vendors, and we also follow up and evaluate on the actual processes, to ensure that they are aligned with the agreed conditions.

CSR area 2 – Employees

Supported within CSR area 2



Our goals	Goals in numbers	2020/21	2019/20	2018/19	2015/16 (baseline)
Hire apprentices/trainees etc.	3 apprentices/ trainees etc.	9	12	14	3
Conduct annual employee development interviews	95 %	84 %	100 %	N/A ⁶	85 %
Reduce the No of lost time injuries (LTIs) (frequency)	Max. 10	13	8	14	17
Reduce sickness absence (DK)	Less than 3.1 %	3.0 %	2.1 %	2.5 %	2.9 %
Increase number of female members of the Board of Directors	End of 2020/21: 1	0	0	0	0

Our principles⁷

Our policies within this area include a **recruitment** policy, a **working environment** policy, a policy on **apprentices and trainees**, a policy regarding **sickness absence**, a policy on **retention of employees** in connection with long-term sick leaves, a **senior employee** policy as well as a **diversity and equality** policy.

- The purpose of our working environment policy is to allow all employees to work effectively and without risk of injury – physically as well as mentally. Furthermore, the policy ensures that the office premises as well as the warehouse and production premises meet the requirements of a high standard working environment.
- The senior employee policy focusses on the retention and utilization of the knowledge and competences of our senior employees, and the continued development of their competences.
- It is important to us to continuously contribute to the education of the next generation and to assist citizens, who find it difficult to establish a foothold in the labour market. This is addressed in the apprentices and trainee policy.
- Our recruitment, training and retention policies are based on our goals on communicating openly and clearly, and to create the right match between Qubiqa and our employees. We want our employees to be employed for many years, and we have an active approach to long-term sickness absence and contribute to preventing absence due to sickness in general, reducing the number of and the duration of absence and ensuring a swift and well-supported return to work.
- Avoiding discrimination is important to us, and one of our goals is to achieve diversity among our management and employees. We ensure compliance with current legislation, and we strive to comply with national and international guidelines. Our policy regarding gender equality and diversity when hiring, promoting, or laying off employees states and explains our principles.

⁶ The model for employee development interviews was in a test phase, which means comparable data are not applicable

⁷ The policies are unchanged compared to last year

Activities and results during the year

Equality and diversity: Based on our diversity and equality policy we ensure that decisions are solely based on personal, commercial, and professional competences.

We are convinced that a constant effort to establish and maintain diversity within the organization is important to us, and that it helps us make better decisions, brings better financial results and higher satisfaction in general for all our stakeholders.

It is our objective to establish an improved balance between men and women in management positions. The objective is that women shall constitute 20 % (= 1 member) of the Board of Directors, and we are working to achieve this. The industry in which we operate, has a majority of men, which is why we consider our objective to be both ambitious and relevant.

Work-related accidents: Our work environment committee together with management continuously take concrete measures and set concrete objectives to ensure that Qubiqa remains a safe place to work. When an accident occurs, a thorough analysis and a safety inspection round are performed, and facts about the accident and how it may have been prevented are communicated to all employees.

The Lost Time Injury frequency (LTI-f) for 2020/21 is 13, which is above our goal of a maximum frequency of 10. We have had a total of four injuries during the year, which is one more than last year.

Near-misses: Registering, mapping, and learning from near-misses is still an important effort to us. The objective is to identify potential hazardous situations to better be able to set up relevant mitigation actions.

Educate the next generations: During the year we have had eight apprentices, students and trainees, connected to or employed at Qubiqa, and one person with difficulties establishing a normal foothold on the labour market has been employed at Qubiqa.

It is important to us that we take our part of the societal responsibility within this area.

Sickness absence: The absence has increased in 2020/21, but we are pleased that the absence level is still below our goal.

We work dedicatedly on preparing concrete plans for retention of employees after illness. An element of this is to perform interviews with employees in connection with frequent, short-term sickness absence as well as long-term sickness absence. The results from doing this systematically are good.

Employee competences: Ensuring that the employees' competences are constantly maintained is important for both each employee and for Qubiqa. Jointly, we discuss and plan what developments can be relevant to each employee.

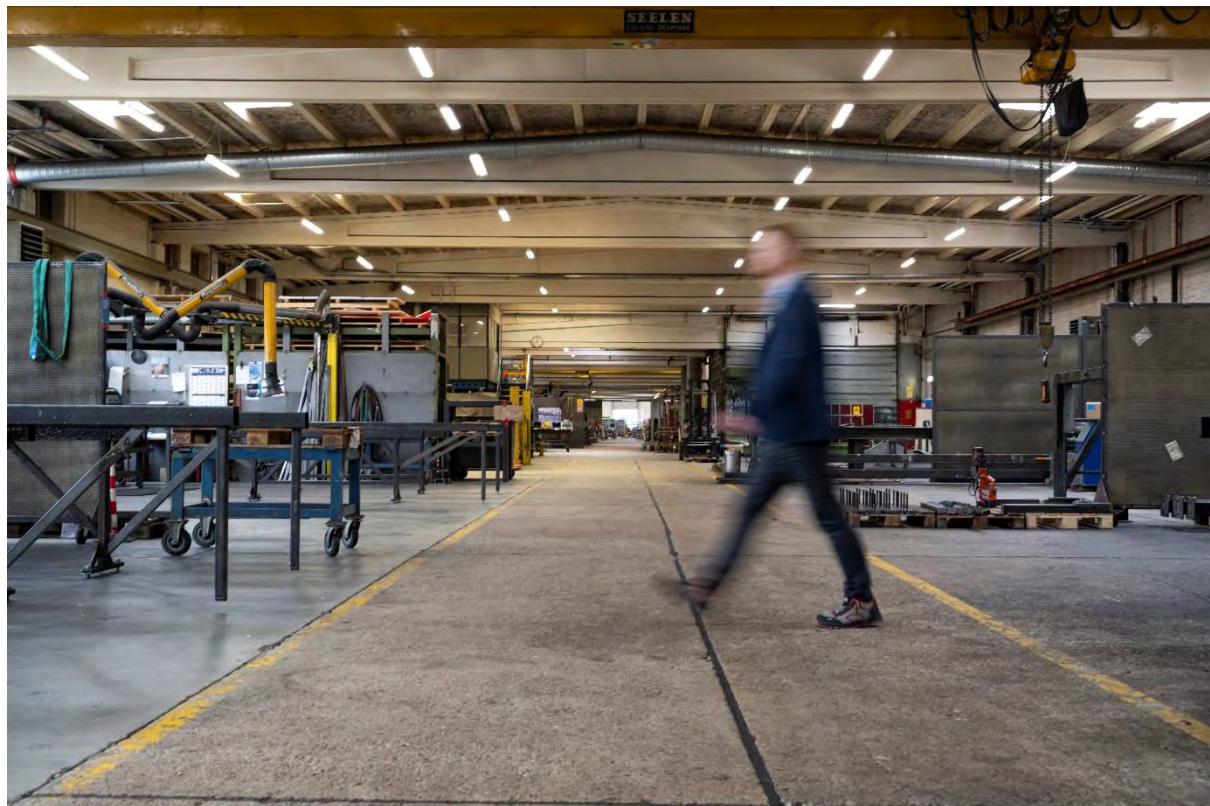
With the aim of contributing to giving us a coherent, efficient, and credible profile towards existing and potential employees, we communicate what we do within employee development. This is reflected on our website, on social media, in advertisements, recruitment processes etc.

We still have close connections to educational institutions linked to our industry, and we participate in job fairs, training sessions etc.

Employee satisfaction: Clear and transparent insight into the needs and possibilities for each employee are important, and thus we perform regular employee development interviews based on a simple and generic method, which ensures that the manager and employee address all relevant topics in a logical and efficient way.

Interviews with our senior employees are still conducted as part of the retention and planning effort for our experienced and skilful employees.

We offer our employees relevant benefits such as competence development and training, a healthy canteen scheme, health insurance, subsidised sports activities etc.



CSR area 3 – Customers & Products

Supported within CSR area 3



Our goals	Goals in numbers	2020/21	2019/20	2018/19	2015/16 (baseline)
Incorporate sustainability into our product development	2 initiatives/year	2	2	2	1
Perform CSR control processes of suppliers ⁸	Completed 100 % of Qubiqa DK and Qubiqa US suppliers	100 %	100 %	100 %	N/A
Suppliers to sign Supplier Code of Conduct	100 % of suppliers with new contracts during the year	100 %	100 %	100 %	N/A

Our principles⁹

Our **purchasing** policy and our policy regarding **sustainable innovation** are the two documents that form the basis of our initiatives within this CSR area.

- The purpose of our purchasing policy is to ensure that we coordinate and optimize our purchase of goods and services, thereby establishing a foundation for good purchase standards regarding e.g., sustainability, human rights, quality, service, and finance. Our suppliers and their sub-suppliers are expected to respect all human rights, labour rights as well as environmental, social and ethical expectations. Furthermore, we expect of our business partners that they clearly show how they work with these issues in their own corporations.
- Our sustainable innovation policy ensures that we offer our customers solutions based on sustainable principles, and that we constantly strive to promote sustainable designs. We want design, development, manufacturing, and transportation of our products to be based on sustainable principles and we will continuously implement concrete initiatives.

Activities and results during the year

Sustainable product designs: We work in a rather specialized field, which means there are only relatively few sources from which we can acquire relevant competences in sustainable innovation. Despite this we constantly participate in and follow the dialogue and development within sustainable product designs, and we continuously incorporate new and better materials and processes.

During 2020/21 we have initiated the design of a new packaging machine – a so called Bagger with Stacker – which will imply reduced transportation volumes and costs for our customers.

We are always pleased when our customers require that we incorporate their CSR policies and other sustainability requests into our work processes and thereby into the final solutions for the customers.

⁸ As of 2019/20 our principles, methods and thresholds for responsible supply chain management have undergone some changes. Main content and objectives, though, remain the same and are in general comparable to previous years.

⁹ The policies are unchanged compared to last year

Remote solutions reduce number of travels: During the COVID19 crisis we have implemented further use of remote equipment for solving problems with products and solutions on the customer's site. We are convinced that this has reduced the number of travels to and from customers.

Best possible technologies to be used: Projects for customers with a total time consumption of more than 100 man-hours include a focused review at the end of gate 2. This ensures that we are able to incorporate the newest technologies and knowledge into the project. We consider the results from this to be satisfying – in many projects actual adjustments are added based on the review.

With the aim to support a high degree of energy efficiency, we still integrate motor drive instead of air drive in relevant projects as part of our solutions, and electric motors in our project solutions shall live up to the EU IE3 norm even if it is not required by the customer or local regulations.

Responsible and sustainable suppliers: We have strict requirements for suppliers to respect human rights, labour rights, environmental, climate, anti-corruption issues etc. Supplier contracts still include the suppliers' confirmation and adaptation of our Supplier Code of Conduct.

All new suppliers must sign our Supplier Code of Conduct. All included suppliers (which are all new suppliers and existing suppliers with spend over 100 t.DKK per year) of Qubiqa DK have signed the Supplier Code of Conduct and included suppliers of Qubiqa PL are expected to have signed by the end of next year.

Last year we updated and strengthened parts of our procedures and concepts for responsible supply chain management, and it is our conclusion based on 2020/21 experiences, that these updated methods have been beneficial and relevant as they contribute to enhanced quality in the work.

Human rights: We have a specific policy on our approach to this to ensure that we live up to recognized human rights, including the part deriving from the cooperating with our suppliers.

During 2020/21 we have performed a thorough internal due diligence on Qubiqa's own compliance with the requirements. The basis for the due diligence were the questionnaires, methods and templates that we use towards our suppliers. The questionnaire consists of 31 detailed questions, which are qualitatively answered as well as evaluated on a scale and with the possibility of answering "yes", "no" or "partly".

Questions are with main areas such as "management", "labour rights", "employee conditions", "health and safety" and "legal compliance".

The due diligence process was performed by an external, specialised consultant, and it included a series of interviews and qualitative as well as quantitative evaluations. Interviews were done with management representatives at both the Danish and the Polish sites.

The overall conclusion was that we have a satisfactory level of compliance, as the score on a scale from 1 to 4 (4 being best) ended out at 3.9.

In relation to establishing a grievance mechanism and in relation to overtime payment to parts of white collar employees in Denmark, Qubiqa has a partial compliance level.



Our goals	Goals in numbers	2020/21	2019/20	2018/19	2015/16 (baseline)
Conduct anti-corruption training	100 % of "high-risk positions"	100 %	100 %	100 %	N/A
Ensure high level of data security	2 initiatives/year	4	2	2	3
Comply with all marketing rules and internal policy	No violations	None	None	None	None

Our principles¹⁰

- The **anti-corruption** policy supports our effort in fighting corruption, cartel formation etc. The purpose of the policy is to ensure that management and employees on all levels have a good understanding of anti-corruption and anti-cartel formation including the efforts required of each employee.
The policy states that we do not accept corruption or any form of price fixing – whether the achieved advantage is financial or non-financial. We do not accept dubious or illegal business agreements, no matter if we are the supplier or the recipient of goods or services. We do not accept attempts to influence political or regulatory decisions, which affect our business.
- Qubiqa's **IT policy** constitutes the foundation of the daily IT operation of our company, with built-in safety and standardized business processes as well as focus on a reliable and high-level IT performance. This ensures a high degree of satisfaction among users, and that data are stored and used in compliance with current legislation and our other policies.
- Our policy for **responsible and ethical communication** ensures consistency in our communication – internally as well as externally. Communication about our CSR work is also part of the policy. Through our communication we want to ensure a clear, honest, ethically correct, and responsible perception of our results and activities. We focus on establishing a transparent communication. We will keep our stakeholders up to date on our activities in an ethical and responsible manner.

Activities and results during the year

Anti-corruption training: Two anti-corruption training courses have been performed during the year, with the participation of all new-hired employees from our Danish and Polish sites within the defined job positions¹¹. In total 14 employees have participated this year.

With the aim of giving the participants a strong and relevant knowledge and awareness on how to avoid situations within the corruption area, the courses have a total duration of three hours. The courses include both lectures, discussions, videos and dilemma training.

¹⁰ The policies are unchanged compared to last year

¹¹ Risk positions are defined as all job roles within purchase, sales, top management, and project management.

All employment contracts contain a clause regarding anti-corruption and cartel formation, and it is still the duty of our managers to provide guidance for employees in situations where they have questions or might be put in potentially difficult situations relating to anti-corruption.

Also, this year we have had no cases of corruption or cartel formation.

Ethical communication: All communication during the year has been performed in full compliance with current legislation and in compliance with our own policy for responsible and ethical communication.

Ensuring that our principles of accountability and fair balances in all written materials and oral communication are in focus of our efforts within this area.

Secure IT systems: To live up to all relevant and necessary requirements, our IT platform hardware and software is continuously updated.

During 2020/21 we have implemented a supplementary backup procedure of all business critical data, and we have asked an external IT security consultant to perform a safety audit of our systems. On this basis, a number of additional procedures and systems have been implemented.

To achieve a sufficient level for system event management, we have implemented a dedicated software solution that gives us a full overview of any events in our system landscape.

Our secure document handling system is still in use, and we remain focused on avoiding risks derived from criminal activities. Periodical vulnerability scanning of servers and network units have been performed.

Awareness trainings for employees: A fundamental element in establishing a high level of IT security in an organisation, is to train and motivate employees to live up the decided procedures. During the year we have performed more training and awareness activities aimed at fulfilling our IT procedures and our procedures within the EU GDPR directive. Activities have included presentations and discussions at internal meetings, and articles in internal media.



Accounting principles

The quantitative figures in this CSR report are compiled based on the following principles.

CSR-focus areas	Key figures (KPI)	Unit	Accounting principle
Financial key figures	Gross profit	Thou. DKK	These key figures (group figures) are derived directly from the financial annual reports of QUBIQA Holding A/S
	Annual profit	Thou. DKK	
	Total equity	Thou. DKK	
	Equity ratio	%	
	No of employees	Qty	
Environment and energy	Implement initiatives to reduce our energy consumption	Qty	An initiative is defined as a large or small project that is completed and that reduces energy consumptions
	Use carbon-neutral electricity	%	The percentage of the electricity consumption at the site in Esbjerg and the site in Poland that is carbon neutral (e.g. hydro power or wind power)
	Saved carbon -emissions	Metric tons	Calculated as the number of consumed kWh of carbon neutral electricity multiplied by the carbon factor in accordance with the annual environmental report (the 2020 "Miljødeklarering, 125 % method") by Energinet.dk (for Denmark) and the IEA statistics "CO2 emissions from fuel combustion 2020" (for Poland)
Employees	Hire apprentices/ trainees etc.	Qty	Apprentices are calculated as full-time equivalents ("FTE"). An apprentice is also included for the time he/she is at school. Trainees and persons in government supported positions that have been employed with Qubiqa for over 3 months are included
	Conduct annual employee development interviews	%	Percentage of employees that have completed their employee development interview out of the total number of employees that are to be interviewed. Includes data from Denmark only.
	Reduce the No of lost time injuries (LTIs) (frequency)	Accidents per million work hours	<u>Lost time injuries</u> Sudden accident during work hours that requires absence on the day of the accident and at least the next day <u>No of work hours</u> No of possible work hours per year, minus vacation days, extra days off, holidays, special holiday, care days etc.
	Reduce sickness absence (DK)	%	Sickness absence percentage calculated as No of registered hours of absence (only absence due to sickness is included) in per cent of number of possible working hours. Only Qubiqa in Denmark is included

CSR-focus areas	Key figures (KPI)	Unit	Accounting principle
	Increase number of female members of the Board of Directors	Qty	The number of women on the Board of Directors of QUBIQA Holding A/S
Customers and products	Incorporate sustainability into our product development	Qty	No of initiatives (e.g. systematic work processes, tests, training, education, lectures) to increase the knowledge of sustainable product development and designing
	Perform CSR control processes of suppliers	%	No of suppliers that have been subject to control processes in accordance with the requirements of our Supplier Code of Conduct compared to the No of suppliers included in the risk categories “medium/high/extremely high” in our Final Risk Score.
	Suppliers to sign Supplier Code of Conduct	%	No of suppliers with new contracts during the year who have signed the Supplier Code of Conduct compared to No of suppliers with new contracts during the year. Until 2020/21 only suppliers to Qubiqa DK are included. From 2021/22 all new suppliers will be included.
The surrounding society	Conduct anti-corruption training	%	The No of participants (3- to 4-hour course in general anti-corruption and Qubiqa's anti-corruption policy) out of the total No of employees in high-risk positions (e.g. purchasers, sales staff, top management, and project managers) who are to be trained
	Ensure high level of data security	Qty	No of initiatives to increase the data security
	Compliance with all marketing regulations and internal policy	Qty	No of violations of the marketing laws of the countries in which Qubiqa operates, or No of violations of Qubiqa's own communication policy

About data and information in the report

The information and data stated in this CSR report cover the group for the period from June 1st 2020 until May 31st 2021.

The group consists of the holding company QUBIQA Holding A/S with the fully owned subsidiaries Qubiqa A/S (Denmark), Qubiqa Sp. z o.o. (Poland), Qubiqa US Inc. (USA) and Qubiqa PL ApS (Denmark).

The content of this CSR report covers the entire group¹².

The data collection and data statement for this report have taken place in accordance with recognized principles of balance, transparency, accuracy, responsibility, and comparability.

Some of the quantitative data in this report only cover some of the companies of the group, which is explained where relevant. Where possible, comparative figures from previous years are stated.

In general, numerical data are based on data from our IT systems, invoices, meter readings, regular registrations etc. If figures are based on estimates, this will be stated.

Any major changes in the data used and the content compared to previous years will be explained in each case.



¹² Quantitative data in the data tables in this report does not include Qubiqa US Inc., due to this company's data levels being insignificant compared to the total group data levels.

Our product portfolio includes systems and solutions within:

Insulation Equipment

- Conveyors
- Roll-up machines
- Stacking equipment
- Packing
- Unitizing
- Palletizing
- Pallet wrapping
- Robot solutions
- Machines for pipe sections
- Electrical control and data collection

Board Handling

- Unloader/de-stacker
- Industrial laminating machines
- Cross-cutting
- Sizing
- Edge trimming
- Painting
- Drying
- Stacking
- Automated packaging
- Conventional and automated palletizer
- Carton erector

Biomass Handling

(Straw handling at power plants):

- Concept development
- Project management
- Simulation
- Automatic unloading of lorries
- Automatic crane systems
- Conveyor lines
- Distribution
- Material processing equipment
- Control system

If you have any comments or questions, please let us know.

E-mail us at: info@qubiqa.com