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CR Policy

EFFECTIVE DATE: 1 January 2023

Issue	CR Policy
Version	16
Responsible	Nicolaj Ulnits
Approved	Group Executive Management
Valid from	1 January 2023

Lovpligtig redegørelse for samfundsansvar, jf. årsregnskabslovens § 99a
Redegørelsen udgør samtidig en bestanddel af ledelsesberetningen i virksomhedens årsrapport 2023

Statutory report on social responsibility, pursuant to årsregnskabsloven § 99a
The report is also part of the management report of the company's annual report 2023

Opening

By this policy, GPV Group declares that we intend to meet a wide range of topics related to Corporate Responsibility (CR). As of 2018, the title of this policy has changed from Corporate Social Responsibility (CSR) to Corporate Responsibility (CR). This reflects that GPV considers responsibility and sustainability to go beyond the social elements.

The policy underlies the targets set by the Executive Leadership. The results achieved during the past year as well as efforts for the coming year will appear from the annual follow up on agreed KPIs and their annual targets.

This policy requires as a minimum to fulfil the principles contained in

- TLS 8001 (Thai Labour Standard)
- UN Global Compact.

1. About GPV

1.1. Business and operating principles

Founded in Denmark, GPV is the second-largest European-headquartered EMS company specialised within the high-mix EMS value chain with more than 60 years of experience and industry insights.

We strive to be the most trusted, powerful, and top-of-mind EMS partner to our customers and work to enable our customers to accomplish more through excellent performance across the high-mix EMS value chain.

Our more than 8,000 employees deliver complex electronics, in-house mechanics and cable-harness, mechatronics, and box-build solutions including ODM design & engineering as well as test development services from our 19 production sites in Europe, Asia, and the Americas. We comply with local legislation in the countries in which we operate.

1.2. Code of Conduct

The GPV Group is dedicated to being a responsible employer and a good corporate citizen. The Code of Conduct represents our core values and reflects our continued commitment to ethical business practices and regulatory compliance.

The Code of Conduct for Employees applies to all employees of the GPV Group worldwide, and it is the responsibility of Management and all employees to ensure compliance with this Code of Conduct.

In the event of non-compliance, employees are encouraged and expected to give notice to the Executive Board, and they are assured that they will suffer no retaliation or other negative consequences in such case. We have a very serious view on any suspicion of breach of GPV's Code of Conduct, and in any cases of non-compliance with the Code of Conduct, we will act.

2. Corporate Responsibility (CR)

2.1. Workplace

GPV strives to continuously improve our work environment. We aim to strengthen and implement a shared corporate culture which is to help us treat all colleagues equally, regardless of culture, history, and tradition. If GPV employees have good working conditions and are committed to their work, together we can do the best job possible.

- **Diversity**

In GPV, we aim to place the right people in the right job. We are looking for competencies to fill in a certain job regardless of religion, culture, ethnicity, etc.

- **Training and development initiatives**

It is our aim to provide our colleagues with continuous and relevant education and training.

- **Working hours**

In GPV, the number of working hours lives up to the local labour legislation. In situations where law or agreements claim overtime pay or another kind of nuisance bonus, it will be paid.

2.2. Health, Safety and Environment (HSE)

GPV ensures that production in all phases of the supply chain is planned and organised to promote a safe, healthy, and responsible working environment. The purpose is to avoid accidents and to ensure that the physical and mental condition of the employees does not deteriorate.

The work at GPV is carried out in accordance with the following principles:

- Risks are controlled and managed at the source.
- To the extent commercial feasible, the work is adjusted to fit the individual employee in terms of equipment, as well as work and production methods.
- Monotonous work is limited to minimise its impact on the employee's health.
- No work methods constitute danger to the employees.

GPV makes every effort to ensure that our processes are safe and that high-quality standards are maintained throughout the entire supply chain, from incoming raw material to finished goods.

GPV makes every effort to ensure that no employee suffers physical or psychological harm at work.

In terms of prevention of work accidents, the responsible unit management must notify any Lost Time Injury (LTI) to the CEO within 24 hours, and within 48 hours an investigation result must be presented for discussion to avoid similar incidents in the future.

2.2.1. Health

It is important to GPV to have healthy employees. GPV ensures that efforts to improve the general health are part of the GPV way to act.

GPV helps enhance the health of its employees by improving the work environment with initiatives targeting an improved well-being.

2.2.2. Environment and sustainability

In the production, there is a risk of environmental impact by discharging substances into the air, the ground, and the water. Current ESG Targets are incorporated in GPV's strategy. GPV complies with all applicable laws and regulations, and our aim is to contribute to sustainable development by focusing on

- Employees
- Environment

- Quality

GPV is ISO 14001 certified which means that we continuously work determinedly and systematically to improve the environment. Every year, GPV is evaluated by external auditors.

2.3. Quality

GPV ensures that our suppliers show respect of high product quality and of the environment. GPV inspects and audits significant suppliers at least once a year and visits suppliers with low performance.

Internal quality conditions comply with the industry's highest standards to live up to the terms of the quality certificates GPV has achieved. These certificates are given in the CR report's data sheet.

3. Respect of other people, cultures, and equal employment opportunities

Regardless of the country in which we operate, we maintain that the human rights of every individual should be respected and upheld.

3.1. Discrimination

All GPV employees must show respect of the values and cultures of the people with whom GPV works – both internally and externally. As a natural consequence, GPV prohibits discrimination on the basis of sex, race, colour of skin, religion and beliefs, political opinion, sexual orientation, age, handicap, or national, social, and ethnic origins.

GPV ensures that we do not discriminate when hiring, moving, promoting, or dismissing employees, or in connection with pay reviews, training and development or other working conditions. All these elements are based on relevant and objective criteria.

3.2. Freedom of association

GPV does not interfere with the employees' choice of union or other association and respects the employees' right to organise and enter collective bargaining.

3.3. Child labour

GPV does not accept child labour. GPV is aware of and respects the ban against child labour as expressed in the EU Directive 94/33/EC of 22 June 1994 on the protection of young people in the workplace, the UN Convention on Economic, Social and Cultural Rights of 16 December 1966, ILO Convention No. 138 of 26 June 1973 on Minimum Age, ILO Convention No. 182 of 17 June 1999 on the Worst Forms of Child Labour as well as the UN Convention on the Rights of the Child of 20 November 1989.

4. Corruption

As a global company, GPV is exposed in Asia, Europe, and the Americas – and thereby in different cultures. Each culture has different attitudes towards doing business. As expressed in our Code of Conduct, we pride ourselves of acting credibly and with integrity in all of our operations, and we do not accept or offer bribes.

5. External relations

5.1. Community relations

GPV is aware of and observes all applicable laws, rules, and regulations in the various countries in which we operate. GPV is responsible for understanding these laws, rules, and regulations and how they apply to our business and jobs, and for preventing, detecting, and reporting instances of non-compliance to the relevant individuals, institutions, or authorities.

5.2. Suppliers and collaborators

GPV sources raw materials in different countries. Our ambition is for our suppliers to meet our Supplier Code of Conduct which governs ethical, social, and environmental responsibilities. It is essential that customers trust us if we are to sell our products. By acting responsibly, communicating openly, and maintaining an on-going dialogue with customers and suppliers, we create the right conditions for trust.

GPV has a set of ethical guidelines for all colleagues with external supplier relationships (see section 1.2. Code of Conduct)

6. Implementation

A number of the above-mentioned issues are implemented by the guidelines established by the management and with flow-down to the single management teams in each entity and department. Further, the GPV Code of Conduct has been signed by all relevant employees in the organisation. Other issues are implemented by concrete action plans and ongoing measuring with quarterly follow-up.

As regards to discrimination, child labour, freedom of association and corruption, these issues are met to the extent it is possible from the current knowledge. If suspicion appears to the management that any of this is violated, this will be investigated promptly.

Collection of measures take place continuously in the BI system, and targets for focus areas are set by the group management as strategic goals. Data on all measures are collected from each entity to evaluate the progress and eventually initiate corrective actions.

KPIs of various ESG measures are periodically evaluated by the Executive Leadership together with local management teams on the so-called “Business Improvement Meetings”.

6.1. General and extraordinary CR Activities 2023

Beyond the ongoing measuring of fact and figures, we are working with a number of initiatives within corporate responsibility which we onwards describe as ESG initiatives (Environment- Social- and Governance Initiatives). The aim is to participate as an active player in the communities where GPV is operating.

With that in mind, GPV continues aiming for three strong 2030 ambitions based on the basic principle DoMoreWithLess:

More renewable energy – Less resource consumptions

Reduce GHG emission intensity from scope 1+2 with 50%

More focus on the next generation – Less poverty

Lost Time Injuries per 1 million working hours < 1.0

Develop KPI for community engagement and poverty effect

More capacity utilisation – Less waste

Develop KPI for capacity utilisation (OEE)

In 2022, GPV further strengthened the transparency in the way we do business by a sustainability rating via an external neutral company EcoVadis. This resulted in a silver medal in 2022 and of course it is our ambition to increase the score in 2023.

6.2. Environmental Initiatives 2023

All production units in GPV are certified according to the working environment management standard ISO 45001. This means that regardless of where our production is located, there is documentation that the production complies with strict safety and environmental requirements.

Climate Change

Provide common transportation and replace diesel company cars & forklifts with electric ones (general).

Implementation of EV-chargers on-site (M-THB, E-THB & E-DKA).

Energy

In E-FIL, we expect to save 55,000 kWh/year by adding a new insulation layer on the roof (6,000 m²).

In E-CHM, we expect to cover 320,000~340,000 kWh/yearly from our third-party PV on our roof (solar cell).

In E-CNB, we save 40-50% from installation of new air compressors & air conditioning (150,000~200,000 kWh/year).

Changing to LED lights.

- In Cables, we expect to save -15% of electrical power.
- In E-CHM, we expect to save ~92,500 kWh/year.
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- In E-EEE, we expect to save ~64,000 kWh/year
- In E-DEH, 50% is installed, we expect to save 20% on lights & 5% for the site.
- In E-SEV, we estimate to save 26,000 kWh/year.

Energy audits, installation of measurement equipment's & sensors, prepare work hour schedule for office ventilation equipment, adjusting indoor climate/temperature.

- In E-MYJ, we expect to save 54.432 kWh/year switching off high voltage lights in warehouse.
- In E-EEE, we expect to save 110,000 kWh/year by reducing heat setpoint temperature by 1.5 degrees. We further expect to save 41,400 kWh/year by scheduling the ventilation system to be on eco-mode outside working hours.
- In E-DKA, we have identified 10 high-consuming machines and installed measurement equipment. On our first machine, leaded wave soldering machine, we have managed to reduce our consumption by 35%.

Energy saving campaigns and instructions.

- In E-MXG, we saved 20% of monthly energy cost by opening windows instead of air-conditioning (expect saving ~276,000 kWh/year)
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- In E-CHM, we expect to save 11,000 kWh/year by sealing identified compressed air leaks.

Water

Centralise plate washing through machine to reduce water usage ~450L/day (E-LKK)

Changed humidification units to reduce water consumption ~1,100m³/year (E-EEE)

Pollution & Chemicals

In E-LKK, safe disposal of chemical, e-waste and hazardous waste to reduce land contamination (04/07/2023 – e-waste: 6,066 kg and chemical waste: 1,773 kg)

Changing high volume chemicals to environment friendly materials (water based) in dialogue with suppliers. (M-DKT, Cable, E-DKA, E-MYJ, E-EEE)

Biodiversity

CO₂ absorbing tree reforestation & replantation

3,300 mangroves in total planted along the lagoon over 700 meters (E-LKK)

Waste

Reduce carbon footprint and promoting green mentality through employee education and campaigns (general)

Removing 7,000 plastic bottles and 3,000 plastic cups per year with paper cups and by providing personal GPV bottles for all employees (E-CHM)

Forest cleaning activity in the municipal area organised in collaboration with municipal environmental department (E-CHM)

250-300 kg less hazardous waste from the SMT department (E-SKH)

Waste separation (chemicals, hazardous, electronics, garbage, food etc.) and disposal to approved waste collectors. Preventing contamination and pollution (E-CHM, E-LKK, E-DEH, E-EEE, E-SKH, M-DKT)

Reducing paper waste from printing, paper towels, promoting digital work and handing over waste papers which is then recycled (E-CHM, E-CNS, E-SKN, E-LKK, E-EEE)

Reduced generation of hazardous waste by reusing and recycling of the chemical by 1,44kg (E-MYJ)

Waste-water treatment plant discharging treated water ~19,000 liters daily (E-LKK)

Clean our waste-water from the circuit board washing instead of sending it away as waste-water (E-SEV)

6.3. Social Initiatives 2023

In the field of human rights, the overall risk assessment has been updated. This has not changed in the overall picture, where our primary focus is on production units in Sri Lanka, Thailand, and Mexico. At these production units, extra attention is paid to fundamental human rights, the ILO conventions, and compliance with local law. We will continue to be a good place to work, and all employees must be ensured good and proper conditions. Going forward, further work will be done within the social area to concretise new initiatives and ambitions.

- The continuous focus on safety and preventive initiatives to detect near misses and increase preventive actions have in 2022 been fruitful leading the LTI rate to decrease from 1,6 by the end of 2021 to 1,1 by the end of 2022. We are moving in the right direction to our very ambitious target of achieving a work accident rate below 1 in 2025.

Employees

Training and up qualification, activities & various benefits for employees (general)

Cooperation with schools to promote our field of working, give internship opportunities to attract future talent (E-EEE, E-LKK)

Health & Safety

Clear correlation between increasing near miss activities and the positive trend of the LTIR. Driven by Martin Kjærbo, COO to increase the near miss reporting. Based on the Bradley-curve

Increase in near miss reporting and the safety walks frequency (general)

Safety monitors, floor marking and 5S Activities. Near Miss reporting as a QR-Code, safety audits and daily safety management

Regular health check (E-THB, M-THB, E-SKH, E-SKN, E-LKK, E-EEE)

H&S-, nutrition-, basic firefighting training, first aid course, psychological and career counselling (E-CHM, E-THB, M-THB, E-EEE, E-CHM, M-DKT)

Diversity & Inclusion

Give work opportunity to differently abled employees (E-THB, M-THB, E-LKK, Cable), war refugees (E-EEE), Ukrainian refugees (E-DKA)

Diversity Policy

Community & Engagement

Donation of household consumable goods/products/food, blood, incubators, and cash to the homeless, disabled, NGOs, hospitals, schools, villages, police stations (E-LKK, E-THB, M-THB, E-MXG, E-CHM)

Providing training and education for the community, students to obtain qualifications in the electronics sector and in leadership. (E-LKK, E-EEE, E-MXG, E-DKA)

Using our dismantled building parts and donating furniture no longer needed (E-LKK)

6.4. Governance Initiatives 2023

To further anchor the understanding of GPVs business ethics with regards to anti-bribery, we continue training newly hired white-collar employees in GPV Business Ethics on a monthly basis.

The importance of Cyber Security awareness is stressed by including this on the agenda on the BoD meetings.

To secure that privacy rights are respected, we continue to train in personal data protection.

Compliance Procedures

Double Materiality Assessment (DMA)

EcoVadis Assessment (GPV Group, E-CHM, E-LKK, E-THB, M-THB, E-MXG, E-SKH)

Implement Personal Data Protection Act (PDPA) to comply with Thai's Act (E-THB, M-THB)

RoSH /REACH compliance – to identify hazardous materials and reduce hazardous substances (39,439 materials comply with RoSH) (E-LKK)

Supply Chain Responsibility

Minimise oversea orders, for China especially. Instead, find suppliers in Europe to reduce transport costs and CO2 (Cables)

Included EMS (Environmental Management System) for supplier selection - 298 suppliers have ISO 14001 certificate (E-LKK)

Anti-corruption

Anti-corruption training (Group, E-THB, M-THB, E-DKA, E-EEE)

Business ethics

Privacy

Implementation of Personal Data Protection Act in Thailand (E-THB / M-THB)

6.5. Major initiatives 2024

Energy

Signed PPA, effective in Q4, 2024

- E-DKA expected to generate ~352,5 MWh/year
- M-DKT expected to generate ~352,5 MWh/year

Ongoing Solar Panel Projects

- E-THB expected to generate ~2.576 MWh/year
- M-THB expected to generate ~1.460 MWh/year
- E-LKK expected to generate ~1.588 MWh/year
- E-CNS expected to generate ~1.535 MWh/year

Ongoing Solar Panel Investigations

- E-EEE in process of reviewing
 - E-SKP in process of reviewing
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6.6. Gender Composition

The actual gender composition among the management level (employee responsible) shows a distribution of 13% female / 87% male. Among all employees, the gender composition shows a distribution of 57% female / 43% male.

Bo Lybæk
CEO

Henrik Tornbjerg
CFO