Sustainability Report 2018
NKT is signatory to the UN Global Compact and this report provides Communication on Progress (COP) for the period 1 January 2018 to 31 December 2018.

UN Global Compact
NKT wishes to protect the environment, safeguard human and labour rights, and work against corruption.

NKT is signatory to the UN Global Compact and this report provides Communication on Progress (COP) for the period 1 January 2018 to 31 December 2018.
“At NKT, we are proud to play an active role in the global transition towards renewable energy sources as our power cable solutions are the backbone of the power grids bringing renewable power to life.”

Letter of commitment

The global demand for energy is changing, with a constantly growing focus on powering the world with renewable energy. At NKT, we are proud to play an active role in the global transition towards renewable energy sources as our power cable solutions are the backbone of the power grids that are bringing renewable power to life.

In 2018, we finalized the power cable systems for several major offshore wind projects, contributing to significant reductions in CO₂ emissions. Furthermore, we continued to strengthen our safety culture and to build responsible business processes in line with the principles of the UN Global Compact. We continue to believe that a diverse culture driven by engaged employees is a key enabler, and promote diversity and equality across the organization.

We are committed to supporting the global transition towards renewable energy based on rules for responsible and ethical behaviour defined in our Business Code of Conduct. Furthermore, our ambition is to conduct our business in accordance with the relevant United Nations Sustainable Development Goals (SDGs) that express the most important global challenges.

Our continuing commitment to the UN Global Compact strengthens our focus on responsible and ethical operation while maintaining our business pledge of bringing power to life sustainably. The principles of the UN Global Compact are the foundation for expanding the awareness of sustainability throughout our organization and among external stakeholders.

Roland M. Andersen
Interim CEO and CFO
Description of business model

NKT brings power to life by designing, manufacturing and marketing power cables for low-, medium- and high-voltage solutions. We operate globally with a stronghold in Europe and occupy a leading position in the offshore wind industry.

NKT operates in three main business lines: High-voltage cable solutions, low- and medium-voltage cables, as well as cable accessories and service operations. We are also a key player in niche markets such as telecom power cables. With view to focusing on our core business of power cables, services and accessories, our activities relating to catenary cables for the railway industry were divested in 2018 with financial close 1 February 2019.

With strong positions in several markets across our portfolio we have a clear ambition to continuously improve and become the best power cable company in the eyes of our customers and our people.

This is reflected in our current strategy plan, EXCELLENCE 2020, which is our roadmap for success and has three key targets: Customer satisfaction >50% (Net Promoter Score), Employee Engagement Index >80 and Return on Capital Employed >13%.

We operate nine manufacturing sites in Europe supplying customers all over the world.

NKT has strong market positions across the portfolio

Solutions
This business line includes high-voltage power cable solutions. NKT provides a broad range of solutions available for onshore and offshore purposes and can supply both AC and DC power cables. With its cable-laying vessel, NKT Victoria, NKT can offer customers end-to-end turnkey solutions including full installation services.

Applications
This business line offers customers a broad range of low- and medium-voltage power cables. NKT markets high quality products that conform to regulatory requirements for flame-retardant material and has developed ergonomic solutions. Telecom power cables are also developed and marketed.

Service & Accessories
This business line focuses on asset management services for onshore and offshore power cables. In addition, a full portfolio of power cable accessories is offered across medium- and high-voltage categories.

~3,400 Employees
1,435m Revenue, EUR

9 Manufacturing sites

With strong positions in several markets across our portfolio we have a clear ambition to continuously improve and become the best power cable company in the eyes of our customers and our people.

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We operate nine manufacturing sites in Europe supplying customers all over the world.
Sustainable Development Goals 2018

The UN Sustainable Development Goals (SDGs) define the greatest sustainability challenges globally and provide guidelines for the necessary actions. At NKT, we are committed to running our business in a way that contributes to a number of the targets. The goals and underlying targets with the most significant impact for NKT are set out below. More information on how we work to support the SDGs is provided across this report and in the target overview on page 23.

### Very high Impact

7. Affordable and clean energy
   NKT designs, manufactures and installs power cables that constitute the backbone of the global power grid. We link countries through interconnector systems, and we have extensive experience in connecting offshore wind parks to the onshore power grid, thus integrating renewable energy into the global energy mix. The integration of affordable and clean energy is essential for mitigating climate change by reducing carbon emissions and supports many of the legislative goals of renewable energy both at national and international level.

9. Industry, innovation and infrastructure
   NKT is actively supporting the development of the infrastructure needed to bring power to industries, cities and societies all over the world. We provide the cable technology and expertise needed to exchange energy across borders, and at a global level we have installed city cables for grid operators providing the infrastructure supporting a modern lifestyle.

### High Impact

13. Climate action
   As a front-end partner and cable solutions provider for the global power grids, NKT is supporting the transition to renewable energy. Maintaining and building the infrastructure needed to integrate and distribute renewable energy to the power grids is paramount for mitigating climate change, decreasing global carbon emissions, and reaching energy targets nationally and internationally. In the performance of these activities we strive to do business ethically, responsibly and sustainably.

8. Decent work and economic growth
   Providing a safe working environment for all employees is a NKT priority. Safety is one of our core values, and we strive continuously to strengthen our safety culture at all company levels. We participate in industry initiatives, operate within international standards, respect and comply with local labour laws, and support freedom of association. All our employees are engaged on contracts which adhere to local laws and regulations. Furthermore, health and safety compliance is embedded in our qualification process for vendors and business partners to ensure that we work only with companies which have a safe working environment.

12. Responsible consumption and production
   NKT continuously focuses on minimizing the environmental impact of its activities through reduced consumption of energy and natural resources. We strive to maintain high material utilization, and we operate one of the very few specialist recycling plants for power cables, which ensures re-use of materials and sustainable disposal of non-recycling components. Furthermore, we design our products with focus on sustainability and recycling. All our production sites are certified according to ISO 14001, the international standard that specifies requirements for effective environmental management.

### Moderate Impact

5. Gender equity
   NKT believes that a diverse organization provides the best foundation for developing the competencies needed to generate the company’s targeted financial results. We are committed to providing equal opportunity to our employees, and we will not tolerate discrimination or harassment based on race, religion, gender or other factors.

14. Life below water
   NKT has extensive experience operating in the offshore industry and strives to protect aquatic biodiversity and wildlife when installing and laying cables. We safeguard the seabed during trenching and cable burial, maintain a safe distance from wildlife during offshore operations and have experience from several operations in high-risk marine environments.

15. Life on land
   NKT plans and manages its offshore operations with focus on preserving the environment and minimizing impact on nature and wildlife. We have processes in place to monitor our environmental footprint and mitigate the risks of environmental incidents.

16. Peace, Justice and strong institutions
   NKT is committed to responsible business practices and refrains from all forms of bribery, fraud or corruption. This is described in our Business Code of Conduct, which establishes the fundamental principles and rules of behaviour for all NKT employees. Anti-bribery and principles of fair competition similarly form part of our assessment process for vendors and business partners, and we are an active member of several organizations working to ensure sustainable and fair conditions in the industry. We have a compliance program in place, which also operates a corporate whistle-blower hotline, where both employees and external stakeholders can report any misconduct or concerns anonymously.
Ethics and compliance

A global mindset and responsible business conduct are key to NKT and we are committed to promote ethical behaviour across the company.

NKT operates in an increasingly complex regulatory and global environment in which ensuring compliance is a fundamental challenge. We are continuously improving our approach to compliance, adding GDPR to the areas of responsibility.

We are compliant with applicable laws, regulations and international standards, we strive to meet stakeholder expectations, and we are constantly building a strong compliance mindset throughout our organization.

Business Code of Conduct
The NKT Business Code of Conduct is essential to our compliance approach. It defines the fundamental principles and rules governing the behaviour of all our employees in relation to vendors, business partners and the public. The Business Code of Conduct defines how we do business across our organization and includes policies covering aspects such as business integrity, anti-corruption, environment, energy and climate, fair competition, human and labour rights, information security, product compliance and quality, compliance management, and reporting of misconduct.

Governance
In 2018 a new Ethics & Compliance Committee was established. Headed by the Compliance Officer and with participation from the CEO, CIO, CHRO, General Counsel, a Business Line representative, and Risk Management & Compliance. The committee meets quarterly and is responsible for developing and implementing our Ethics & Compliance strategy planned for 2019.

Data privacy
During the past year we have made significant progress in our efforts to ensure data privacy compliance under the General Data Protection Regulation (GDPR). A strong baseline is in place with a new data privacy policy and procedures, and online e-learning for all employees. All high-risk areas have undergone assessment and action plans have been formulated to address these risks. Several technical and organizational measures have been implemented in the company, including a new IT system in HR and supporting IT processes.

Responsible tax
NKT is a responsible taxpayer and we base our tax reporting on responsibility, openness and transparency in all aspects of tax related reporting and compliance, wherever the company and its subsidiaries operate. We are committed to work with relevant stakeholders to drive transparency and the development of efficient tax systems and aim to follow recommendations of Good Governance on tax affairs in the countries in which the subsidiaries of NKT A/S are located. NKT A/S does not operate in tax havens and any future operations in tax havens will be of purely commercial reasons. Our commitment to responsible tax is particularly supporting SDG target #16.6 focusing on the development of effective, accountable and transparent institutions at all levels.

Goals and actions 2018

<table>
<thead>
<tr>
<th>Goals and actions 2018</th>
<th>Outcome</th>
<th>Status</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop programme to ensure GDPR compliance</td>
<td>Data privacy policy developed and company-wide training completed</td>
<td>√</td>
<td>16.10</td>
</tr>
</tbody>
</table>

Future plans, goals and actions

<table>
<thead>
<tr>
<th>Goals and actions 2019</th>
<th>Target</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen our ethics and compliance approach</td>
<td>Develop and implement Ethics &amp; Compliance strategy</td>
<td>16.6</td>
</tr>
</tbody>
</table>
Anti-corruption, anti-bribery and fair competition

NKT refrains from and opposes all forms of bribery and corruption and abides by the rules of fair competition. We have a clear policy covering these areas which is implemented and communicated company-wide through our Business Code of Conduct.

In the Business Code of Conduct we clearly state that when doing business, no employee may directly or indirectly offer, give or take money or anything else of value to obtain an improper advantage. Furthermore, we explicitly distance ourselves from participation in unfair trading or illegal anti-trust activities.

Key risks
Our principal exposure in regard to corruption and bribery relates to interaction with external vendors, suppliers and business partners in connection with tenders and business agreements. We strive to minimize this exposure both internally and externally.

Anti-corruption is an integral part of our Business Code of Conduct training provided to employees. It also forms part of our business contracts and our Business Code of Conduct for External Vendors & Business Partners, with which we expect full compliance from the parties involved.

As part of our Business Code of Conduct, NKT operates a whistle-blower hotline that can be used by both employees and external stakeholders to report unethical behaviour. In 2018, all such reports received were acted upon in accordance with established procedures.

Appeal filed against fine for anti-trust behaviour
In July 2018 the European Court of Justice confirmed the imposition of a fine of EUR 4m on NKT following the investigation conducted by the European Commission into alleged price-fixing on high-voltage power cable projects. Regardless of the outcome of the appeal filed, reinforcing our commitment to fair competition by updating and implementing specific guidelines on anti-trust behaviour will be a strategic priority for NKT in 2019². Throughout 2018, we have prepared the reinforcement of our anti-trust guidelines and are ready to launch and implement in 2019.

Goals and actions

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<tr>
<th>Goals and actions 2018</th>
<th>Outcome</th>
<th>Status</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop and implement an extended anti-corruption programme targeting high-risk business areas/employees</td>
<td>Anti-corruption programmes for vendors and business partners developed and implemented</td>
<td>✓</td>
<td>16.5</td>
</tr>
<tr>
<td>Update and implement specific guidelines on anti-trust behaviour</td>
<td>Target is deferred to 2019</td>
<td>+</td>
<td>16.5</td>
</tr>
</tbody>
</table>

Future goals and actions

<table>
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<tr>
<th>Goals and actions</th>
<th>Targets</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update and implement specific guidelines on anti-trust behaviour</td>
<td>Ensure relevant employees are adequately trained</td>
<td>16.5</td>
</tr>
<tr>
<td></td>
<td>Update, implement and internally communicate specific guidelines on anti-trust behaviour</td>
<td>16.5</td>
</tr>
</tbody>
</table>

² Find more information about the case in Note 8.4 in the Annual Report 2018.
As a key player in the global transition towards renewable energy NKT is committed to minimizing its environmental impact through sustainable business practices and operations.

NKT is committed to developing a long-term sustainable business by continuously reducing its environmental footprint. Our products are designed, manufactured and installed with careful consideration for the environment, utilization of natural resources and energy consumption. We expect all employees to comply with the principles in our Quality, Health, Safety and Environment (QHSE) Policy and to act with respect for the environment as stated in our Business Code of Conduct.

Key risks

Our principal environmental exposure relates to the handling and use of chemicals, consumption of energy arising from manufacture of cables and accessories, and consumption of fuel for cable installations and transport of goods.

To mitigate this exposure, we have established a clear-cut QHSE policy as well as processes for ensuring compliance with internal guidelines and external regulations. In 2018 we initiated the implementation of a company-wide incident reporting system, TIA, covering incidents within health, safety and environment. The TIA system will strengthen our reporting process, ensure the necessary transparency for efficient action, strengthen decision-making and provide improved documentation for future mitigation and prevention. We expect the system to be fully implemented in 2019.

To continuously track and minimize our environmental footprint we operate with a clear KPI framework that includes monthly follow-up procedures for analysis of data.

During 2018, our activities were impacted by several occurrences of extreme weather conditions that influenced our ability to transport goods and execute orders for our customers. In Germany, we were significantly impacted by exceptionally low water levels in the Rhein, which for a time made it impossible to ship goods from our manufacturing site in Cologne. In Sweden, our operations were affected by a very cold winter with a lot of snow followed by the extremely hot summer driving a higher need of cooling in our manufacturing processes and premises. The hot and dry weather also prevented and restricted the possibilities of power cable installation in Sweden preventing us from executing orders.

Environmental Management Systems

All NKT manufacturing sites operate under an ISO14001-certified environmental management system. In 2018, system certification was renewed after a third-party audit confirmed continued compliance. To abide by local laws and regulations, our manufacturing sites also passed annual third-party audits that complement our internal monitoring of regulatory changes locally.

Energy efficiency

2018 saw an increase in energy efficiency measured in kWh/tonne cables produced. This was due to increased cable output, implementation of various initiatives including upgraded lighting and improved manufacturing processes as well as implemented actions based on improved reporting and measurements. The new energy efficiency indicators for our high-voltage cable production sites referred to in last year’s report have still to be established.
In the course of 2018 we completed a series of initiatives designed to enhance energy efficiency across the company. These included new lighting, optimized manufacturing processes and improved material recycling.

Compared to last year, we have seen our water consumption in 2018 increase. This was due to the integration of the manufacturing sites included in the acquisition of ABB HV Cables in 2017 and the exceptionally hot European summer which necessitated extra usage for cooling. The water consumption profile is under evaluation with a view to future reduction.

As stated in the Introduction to this report, the results for 2018 include data for the sites being part of the acquisition of ABB HV Cables. This makes it difficult to compare energy and water usage with previous years. As expected, our total energy consumption increased due to the integration of two new manufacturing sites and the operations of our cable-laying vessel NKT Victoria. Despite being the most energy-efficient ship of its type in the market, NKT Victoria naturally has an impact in fuel terms. With the impact of the integration of the acquired activities, we see 2018 as a baseline year for our energy and water consumption.

In 2019, our primarily focus is to reinforce and align our corporate reporting processes for environmental incidents and to streamline our reporting and measurement processes company-wide. The purpose is to strengthen transparency and deliver the documentation needed to drive further actions to reduce environmental impact. In 2018, we have established an Environmental Council to strengthen knowledge sharing and ensure that we leverage best practices across the organization to stimluate further energy efficiency and minimize environmental footprint.

**CO₂ emissions**

In 2018, the direct CO₂ emissions from our fuel usage, including operation of the cable laying vessel NKT Victoria, and gas usage amounted to 14,344 tonnes. The indirect CO₂ emissions from usage of purchased electricity and district heating, corporate travel and outsourced transport of goods amounted to 66,352 tonnes making the total amount 80,696 tonnes. The calculations are made using the 2010–2016 emission factors from the International Energy Agency.

NKT operates one of the only facilities in the world specialized in the recycling of scrap from the power cable industry. Each year, this plant processes large quantities of cable scrap originating both from our own production sites and from customers. The quantities are steadily increasing, reflecting society’s growing focus on the re-use of scarce resources. Located in Stenlille, Denmark, the NKT Recycling Centre plays a key part in our ambition to limit environmental footprint.
Human and labour rights

A healthy, safe, secure and diverse working environment is fundamental to the continued growth of NKT, and we consider our people key to successful company relations.

As stated in our Business Code of Conduct, NKT is committed to delivering a working environment based on respect, employee engagement and safety. To honour this policy, appropriate systems and processes have been introduced with specific targets in the above key areas, including leadership development.

Safety at the heart of our corporate culture

With the implementation of our company-wide TIA system, we are strengthening our reporting, analysis and data collection on a global scale, ensuring increased transparency. The system is designed for reporting accidents, incidents and risk observations within health, safety and environment. The implementation will enable us to better design and focus our improvements and mitigations. To improve our processes, monitor our progress and build a strong corporate safety culture, with the overall ambition of eliminating accidents, we also operate in accordance with OHSAS 18001, a management system standard for occupational health and safety. However, we are currently working on a global implementation of the new Health & Safety Management standard ISO 45001 and expect the upgrade to be finalized and certified companywide during 2021.

In 2018, we have seen positive results from the focus on strengthening our safety culture. Over the year more than 1,620 unsafe situations were recorded and eliminated, and our Lost Time Severity Rate\(^4\) decreased by 9\% on 2017. We also registered a 30\% reduction in our Lost Time Accident Rate\(^5\).

To initiate and drive employee engagement, develop risk awareness and build a safety-focused mindset we expect to be approved for the global Safety Culture Ladder programme in 2019. This will provide a framework to create safer working conditions and encourage safety awareness with the overall goal to reduce the number of unsafe situations and safety incidents.

Diversity and equality

NKT is committed to promote more equal gender representation in the workplace. In 2018, we updated our policy on diversity and equality to underline our commitment to providing equal opportunity to all employees and our refusal to tolerate discrimination or harassment of any kind.

We strive to promote diversity, and we firmly believe that a diverse organization provides the best foundation for developing the competencies needed to deliver the targeted financial performance. Included in our diversity policy are specific actions that support our work to ensure a more balanced gender composition at senior leadership level. We have amongst other things included diversity and inclusion in our leadership training and made sure that all internal and external recruiters include a diverse set of candidates when recruiting.

The senior leadership level at NKT is defined as the Extended Leadership Team, including members of the executive Group Leadership Team, and consists\(^6\) of a total of 58 persons comprising eight nationalities.

The age distribution is fairly even with the majority in the 40–55 age group. In the Extended Leadership Team 17\% of leaders are female which is an improvement from last year. In the Group Leadership Team female members count for 29\%.

\(^4\) Lost Time Severity Rate describes the average number of lost work days experienced on the Lost Time Accidents that occurred during 2018.

\(^5\) Lost Time Accident Rate is a standardized way to measure and compare accident frequency in organizations.

\(^6\) As of 31 December 2018.
**Engaged, committed employees**

NKT considers a diverse culture driven by engaged employees to be a key enabler, and employee engagement is a central part of our strategy, EXCELLENCE 2020.

Each year, an employee engagement survey is conducted to track progress towards our strategic target of an Employee Engagement Index above 80. In 2018, we observed a slight decrease in the index compared to 2017 and leaders at all levels are to establish actions to address and turn this development.

We believe that strong employee engagement is closely linked to high-quality leadership. In 2019, focus will be on anchoring our investments in leadership development and on continued training of all new leaders.

**Goals and actions 2018**

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<td>61</td>
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<td>8.5</td>
</tr>
<tr>
<td>All relevant leaders in the target group to complete the Leadership Pipeline programme</td>
<td>The expected leaders have completed the programme</td>
<td>√</td>
<td>8.5</td>
</tr>
<tr>
<td>Start a Leadership Programme dedicated to front-end leaders at all manufacturing sites</td>
<td>Programme launched</td>
<td>√</td>
<td>8.5</td>
</tr>
<tr>
<td>Create leadership programmes for leaders of decentralized teams</td>
<td>Programme launched</td>
<td>√</td>
<td>8.5</td>
</tr>
<tr>
<td>Ensure full use of the People Performance Management system</td>
<td>Implemented company-wide</td>
<td>√</td>
<td>8.5</td>
</tr>
<tr>
<td>Reduce the number of unsafe situations and behaviours &gt;5,200</td>
<td>1,620</td>
<td>+</td>
<td>8.8</td>
</tr>
<tr>
<td>Reduce the Lost Time Accident Rate compared with 2017 (0.76)</td>
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<td>√</td>
<td>8.8</td>
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<tr>
<td>Reduce the Lost Time Accident Severity Rate compared with 2017 (22)</td>
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<tr>
<td>Strengthen safety reporting with updated framework</td>
<td>Redefine the reporting of safety related incidents and create new baselines for implementation in 2020</td>
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</tr>
<tr>
<td>Improve reporting process for HSE incidents and risks</td>
<td>Full implementation of integrated reporting system</td>
<td>8.8</td>
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<tr>
<td>Strengthen focus on social accountability</td>
<td>Complete two SA 8000 audits</td>
<td>8.5</td>
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**Vendors and business partners**

At NKT, we expect and require our major business partners to fully comply with all applicable laws, regulations and international requirements, as well as our Global Policy for Third Party Compliance and our Business Code of Conduct for Vendors & Business Partners.

As we are constantly seeking to improve transparency in our vendor network, we have concluded the implementation of a cloud-based procurement system with global reach that covers all our suppliers and vendors. The system will strengthen transparency in the vendor value chain, enabling us to monitor compliance with sustainability and legal requirements in areas such as human rights and anti-corruption. Furthermore, it will ensure overall compliance with the Global Policy and the Business Code of Conduct in the vendor value chain. This global facility significantly reduces the risk of interaction with vendors not complying with established policies, rules and regulations. Furthermore, we have embarked on a process of identifying high risk vendors and suppliers and conducting due diligence on the parties concerned.

**Vendor qualification**

As part of our procurement process, we now operate vendor registration and qualification procedures to ensure that business partners are assessed against expectations set out in our Global Policy for Third Party Compliance and our Business Code of Conduct. The requirements of the qualification procedure cover areas that include health and safety, financial health, legal compliance and acceptance of the above Global Policy and Business Code of Conduct.

In 2019, we expect all existing suppliers, vendors and business partners with an annual spend above EUR 100,000 to complete the registration procedure as they account for approx. 95% of the annual spend of NKT.

**Related SDGs**

<table>
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<td>Goals and actions 2018</td>
<td>Outcome</td>
<td>Status</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Maintain focus on improvement of transparency and vendor compliance</td>
<td>Full implementation of new cloud-based procurement system</td>
<td>✓</td>
</tr>
<tr>
<td>Minimize the risk of direct or indirect participation in corruption</td>
<td>Review and update our third-party compliance processes in relation to anti-corruption</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Future plans, goals and actions</strong></td>
<td><strong>Targets</strong></td>
<td></td>
</tr>
<tr>
<td>Strengthen transparency and vendor compliance</td>
<td>Complete registration procedure for all existing vendors with an annual spend of &gt; EUR 100,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Register all new vendors according to the procedure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Complete qualification procedure for all vendors in the following categories:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Production, Materials and Accessories</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Components</td>
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**Ethics and compliance**
- Develop programme to ensure GDPR compliance
- Data privacy policy developed and company-wide training completed

**Anti-corruption, anti-bribery and fair competition**
- Develop and implement an extended anti-corruption programme targeting high-risk business areas
- Anti-corruption programme for vendors and business partners developed and implemented
- Update and implement specific guidelines on anti-trust behaviour
- Target is deferred to 2019

**Environment, energy and climate**
- Improve energy efficiency in kWh/tonne by 2% compared with 2017 (target 581 kWh/tonne)
- 512 kWh/tonne
- Reduce water consumption by 2% compared with 2017 (target 86,334 m³)
- 106,428 m³
- Increase material utilization by 0.2%-points compared with 2017 (target 97.2%)
- 96.9%

**Human and labour rights**
- Increase Employee Engagement Index for 2018 (> 63)
- 61
- All relevant leaders in the targeted group to complete the Leadership Pipeline programme
- The expected leaders have completed the programme
- Start a Leadership Programme dedicated to front-end leaders at our manufacturing sites
- Programme launched
- Create leadership programme for leaders of decentralized teams
- Programme launched
- Ensure full use of the People Performance Management system
- Implemented company-wide
- Reduce the number of unsafe situations and behaviours >3,200
- 1,620
- Reduce the Lost Time Accident Rate compared with 2017 (0.76)
- 0.53
- Reduce the Lost Time Accident Severity Rate compared with 2017 (22)
- 20

**Vendors and business partners**
- Maintain focus on improvement of transparency and vendor compliance
- Full implementation of new cloud-based procurement system
- All new vendors to undergo registration procedure
- Minimize the risk of direct or indirect participation in corruption
- Review and update our third-party compliance processes in relation to anti-corruption

**Targets SDGs**
- 16.10
- 16.5
- 16.5
- 7.3
- 6.4
- 12.5
- 8.5
- 8.5
- 8.5
- 8.5
- 8.8
- 8.8
- 8.8
- 16.6
- 16.5