

**We invest in the  
environment and  
the safety of our  
people.**



**LOGSTOR**

# Corporate Social Responsibility

as a response to the challenges of the modern world

LOGSTOR recognizes the United Nations' (UN) and the International Labour Organization's (ILO) declarations regarding human rights, labour rights, environment and anti-corruption.

LOGSTOR have implemented CSR policies, which all employees, customers and business partners must adhere to. The policies aim to ensure proper business conduct. The policies further outlines requirements for optimal working, health and safety conditions for our employees. Thus creating and maximizing long-term economic, social and environmental values.

The policies are available on [www.logstor.com/about-us/hseq/csr](http://www.logstor.com/about-us/hseq/csr)



## Environment and climate

With a growing population aiming for higher living standards, the world is in demand for more energy. However, the insufficiency and environmental impact of more energy is damaging and must be defeated with energy efficiency and sustainable energy solutions.

We all play an important role in reducing relative energy consumption, and in developing an energy society that counter-fights CO<sub>2</sub> emission and has as little as possible negative impact on our environment. LOGSTOR's strategy to achieve this is to:

- minimize the consumption of resources and waste during production
- prioritize optimization in the production
- prioritize the use of cleaner technology during product development
- observe and comply with the international Business Charter for Sustainable Development (ICC) requirements

We were able to reach our targets for 2020 by reducing our energy and CO<sub>2</sub> production by 5 %, reduce our waste in processes by 20 % and further reduce the consumption of raw materials, hereunder foam components and granulates.

## Safety is a priority at LOGSTOR

A large part of our daily work involves manufacturing. We operate heavy machines, we work with chemicals and we have manual work. All employees strive to ensure that these operations are as safe as possible. Many improvements have already been implemented, such as:

- Training of employees in safe behaviour and LOGSTOR's safety standards;
- Risk and consequence assessment of unsafe behaviour;
- Monthly award for the best work and safety improvement suggestion;
- Replacement of hazardous knives and other sharp tools;
- Safety Strategy Plan for 2019-2021, with a high focus on incident prevention.

Incident prevention is a joint responsibility of the entire organisation, and the ultimate goal is to create an incident and injury free working place.

In 2020, we reported Lost Time Incidents Frequency (LTIF) at 4.1 vs 5.8 in 2019, meaning that there was fewer incidents thanks to our implementations and improvements.

## Human rights

A large part of our daily work LOGSTOR's Code of Conduct contain several zero-tolerance topics, hereunder:

- forced labour
- child labour
- discrimination
- freedom of association
- workplace health
- safety and conditions of employment

We require that suppliers' comply with our CSR-demands in their own supply chain and daily business in general. Since 2015, in close cooperation with our business partners and suppliers, we have been very attentive to concrete suspicions of Code of Conduct breaches, this through obtainment of compliance confirmations from our suppliers and/or by performing independent compliance reviews. External audits of the suppliers, including their sub-suppliers, were carried out in accordance with an audit plan as well. In 2020, 7 suppliers were audited, and we are pleased to inform that no breaches of Code of Conduct has been recorded at any of LOGSTOR's suppliers. We will also going forward, continue these audit initiatives.

## Training of employees

LOGSTOR's employees are trained in several topics such as; Anti-Corruption, Anti-Bribery, Anti-Trust, GDPR and Cyber Risk. In addition to a full-scope course, the courses include annual updates/brush-ups to ensure a continued high level of awareness. To further increase the awareness and acknowledgement of LOGSTOR's ethical standards, a Responsible Business Partner Policy has been implemented. This policy covers not only the supply chain, but also all advisers, distributors, agents, customers and clients. Whenever entering into business with new business partners LOGSTOR strive to have our Responsible Business Partner Policy as a part of the agreement, and if not, we require that our business partners at least have implemented a similar policy.

## Anti-bribery

LOGSTOR has implemented a zero-tolerance policy regarding any kind of bribery. During 2020, LOGSTOR further held a number of e-learning courses, with mandatory attendance for all relevant employees with market-oriented activities. This includes, amongst other, sales, customer service, procurement and accounting. Similar sessions will be conducted in 2021.

## Gender representation

LOGSTOR recognizes the importance of a diverse workforce and wants to encourage diversity and create equal opportunities for all regardless of gender, age, ethnicity, political and religious convictions. In order to promote and facilitate an equal gender representation at LOGSTOR, we pursue the following objectives:

- Target an equal gender representation at management level as vacancies arise, subject to identification of candidates with appropriate skills
- Ensure appropriate level of participants from both genders at LOGSTOR programs intended to develop talent
- Ensure that targets are set for a potential underrepresented gender, to ensure a more equal gender representation in the management of the company

The target is that by the end of year 2022, each gender shall represent at least 20 % of all managers and board members.



# We face the challenges of the world.

## ABOUT LOGSTOR

The primary activity of the LOGSTOR Group is to develop, manufacture and sell high quality preinsulated pipe systems for transportation of liquids and gases.

LOGSTOR is the world's leading supplier of pre-insulated pipe systems, not only for District Heating, but also for District Cooling, Oil & Gas and various industrial verticals.

LOGSTOR is an international enterprise with production in Denmark, Sweden, Finland and Poland.

LOGSTOR sells products in more than 50 countries, through our own sales offices, and through distributors and agents.

LOGSTOR employs approx. 1.200 people, and has headquarter in Løgstør, Denmark.

At LOGSTOR, we have a high focus on social conditions, including the external environment and the climate around us. Within LOGSTOR's own production, a large amount of machinery is necessary in order to run our business, just as a large amount of energy is consumed.

LOGSTOR has identified certain areas within the value chain, of significant importance, not only for LOGSTOR, but for the external environment as well. These areas has become important focus points when planning and implementing our business strategies.

## Consolidated targets and achievements of the Group

Risk Area	Main Risks Identified	Targets & KPI's	Actions & Efforts 2020	Results in 2020
<b>Environment and climate</b>	<p>High energy consumption</p> <p>Risk of HDPE pallets pollution</p> <p>Risk of noise</p> <p>Risk of chemical spillage</p> <p>Risk of fire</p>	<p>CO2 reduction by energy savings in facilities by 5%</p> <p>Raw materials consumption reduction (foam components and granulates)</p> <p>Waste in processes reduction ab. 20% vs 2019</p>	<p>Energy saving actions implemented</p> <p>Optimization projects to reduce foam components reduction</p> <p>Optimization projects to reduce HDPE material consumption by lowering of wall thickness</p> <p>Waste reduction projects introduced</p> <p>Special action to eliminate HDPE pallets pollution during deliveries</p>	<p>Energy reduction by 5%</p> <p>Foam components reduction on target</p> <p>Granulates reduction on target</p> <p>Waste in processes reduction of 20%</p>
<b>Social and working conditions</b>	<p>Risk of incidents increase due to new seasonal employees</p> <p>Risk of incidents increase due to different nationalities of employees (PL)</p> <p>Poor leadership resulting in high attrition and loss of key competences; In 2018 LOGSTOR launched an initiative to increase leadership quality in the group. The aim of the initiative is to increase the engagement level of LOGSTOR's employees and the Group performance through a change in leadership behavior</p>	<p>LTIF (Lost Time Incidents Frequency) max 4.8</p> <p>TRIF (Total Recordables Incidents Frequency) max 8.9</p> <p>The leadership index score for 2019 is 65. For 2020 our ambition is to reach a leadership index score of 65</p>	<p>Employee engagement in improving of safety by suggestions system and awards</p> <p>Management involvement by active participation in BBSW (Behavior Based Safety Walks)</p> <p>Improvement of work condition by investments (yard surface, machined modernization)</p> <p>Knives and sharp tools elimination project</p> <p>Safety Topic of the Month - increasing of awareness</p> <p>Improvement in On-boarding training for new employees (including translators for other nationalities) and interactive trainings in PL</p> <p>Initiatives to support this increase in leadership index score are establishing LOGSTOR Leadership Best Practice including training, workshops and follow up on leaderships behavior</p>	<p>LTIF result 4.1</p> <p>TRIF result 6.8</p> <p>Leadership Index Score 68</p>
<b>Human Rights</b>	<p>Risk of long term illnesses due to lack of life balance</p> <p>Risk of suppliers not fulfilling Code of conduct</p>	<p>Health initiatives program in place</p> <p>Audit at min 5 key suppliers with extended questions about Code of conduct rules</p>	<p>Health initiatives have been defined, specific for each country</p> <p>Audits at suppliers procedure change to include questions about Code of conduct</p>	<p>Program started in 2018 with continuation 2019 and 2020</p> <p>Audits performed for 7 suppliers</p>
<b>Anti-bribery</b>	<p>Risk in own business</p> <p>Suppliers located in high risk countries</p> <p>Distributors and Agents</p>	<p>LOGSTOR does not tolerate the acceptance, offering, promising, or paying of bribes of any form.</p> <p>Management has no knowledge of any actual bribery including facility payments or other irregularities</p>	<p>In addition to the Anti-Corruption policy, a Business Partner Policy is implemented, including official sign of on the principles herein from all Distributors and Agents.</p>	<p>Policy in place, with a Compliance Officer appointed to monitor.</p> <p>Throughout 2020 all relevant employees have attended e-learning</p> <p>Supplier audits conducted</p>