



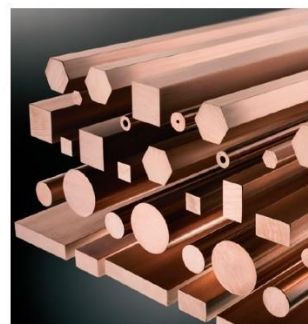
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the metal traders



metalcenter
Group



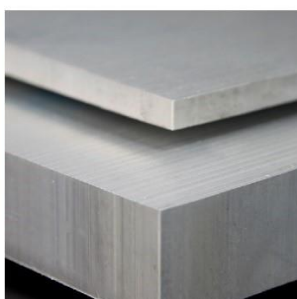
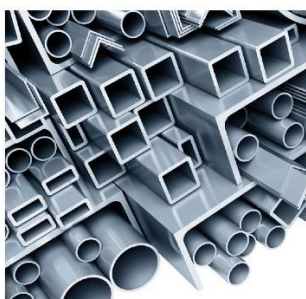
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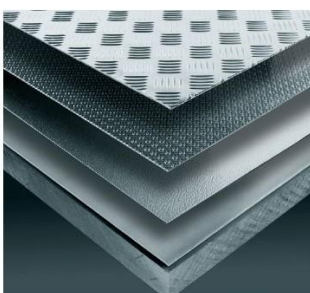
ALUMECO GROUP

CSR REPORT 2018/2019

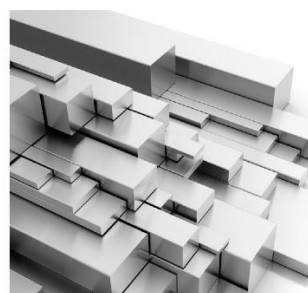
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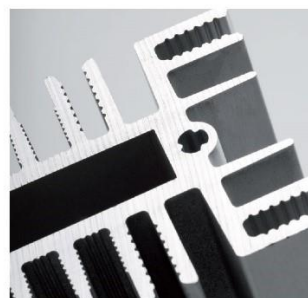
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ALUWIND



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PREFACE

*“For us **CSR** is not just a word. Going forward it is a crucial factor when we want to retain our good customers, our competent and loyal employees and our sustained business”.*

Per Thanning Johansen, Alumeco Group CEO

In the world of business, it is increasingly important to have a clear and goal-oriented CSR policy. For the Alumeco Group this means that we should continuously take on responsibility and make demands on ourselves and our supply chain.

I am, therefore, very happy to be able to present the **Alumeco Group CSR Report 2018/2019**, in which we, for one thing, describe how far we have come with our actions and objectives within the Corporate Social Responsibility area and for another, which initiatives we plan to carry out for the Group in the coming period.

The Alumeco Group is founded on good, solid and healthy fundamental principles. Decency and credibility in our global activities are principles we cherish, and they apply to employee relations, environmental considerations and in relation to our business partners. It is important to us to be able to offer our employees a safe workplace in an environment where they thrive and develop. We strive towards extending our relationship with business partners with the purpose of achieving our supply chain CSR objectives.

Our international position is formed via innovative thinking, comprehensive investments and skilled

employees – all built up around a foundation of good values. This also means that we are very conscious of our social responsibility.

The Alumeco Group’s goal is to earn money in a responsible way. This is possible in our daily business activities because our **CSR strategy** ensures that all we do complies with our values and is beneficial for our stakeholders.

Our CSR objective and actions concern work with **business partners, climate and environment, employees and anti-corruption** and they form a natural part of our daily work and business. They are, furthermore, an important part of our strategy work, where we ensure that these actions create shared value for both the company and society.

I hope that this CSR report will offer an insight into the results we have achieved in the past year and, at the same time, make it clear in which areas we will start up new initiatives to make the greatest possible difference to the environment and our highly valued employees, customers and stakeholders.

I wish you happy reading!



Odense, June 2019

A handwritten signature in black ink, appearing to be 'P. Thanning Johansen'.

Per Thanning Johansen
Alumeco Group CEO

BUSINESS MODEL

THE ALUMECO GROUP

The Alumeco Group consists of Alumeco, Aluwind and Metalcenter and is today operating with three different areas of business.



- Aluminium products
- Wholesaler business (standard products)
- Customized solutions
- Building



- Red metals (copper/brass/bronze)
- Wholesaler business (standard products)
- Customized solutions
- Building
- Roof systems, plumbing systems
- Industrial tubes
- Ingots



- Components for wind turbines
- Offshore industry
- Aluminium/steel
- Design and production
- Tower Internals, Nacelles
- Delivery of complete kits

Alumeco

Alumeco A/S was founded as a wholesaler business in 1983 with headquarters in Odense, Denmark. Since then, Alumeco has developed from a small local Danish company to a large international business group providing aluminium to the metal-consuming industries and consumers around the world. Today Alumeco A/S in Odense has 256 employees and approx. 40.000 m² of office- and warehouse/production buildings. The warehouse buildings function as central warehouse for a large part of the entire Alumeco Group. The other large Alumeco Group central warehouse is located in Coswig, Germany and has a capacity of 17.000 m². Alumeco employs approx. 600 employees worldwide divided among 13 subsidiaries in Europe and China. From these subsidiaries, Finland, Poland and Lithuania have warehouse locations.

Metalcenter

Metalcenter Group A/S was founded as a wholesaler business in 2009 and is completely inte-

grated with Alumeco with joint warehouse, logistics, administration, IT, HR, etc. The Metalcenter Group also consists of Metalcenter Group Oy in Finland, Metalcenter Group GmbH in Germany and KME Nordic A/S in Denmark. The Metalcenter Group has a total of 40 employees and they focus 100% on red metals; copper, brass and bronze.

Aluwind

Aluwind A/S was founded as an independent make-to-order business in 2009 and after this, Aluwind Inc. in USA, Aluwind Guangdong Windpower in China and Aluwind Sp. z.o.o. in Poland followed in 2010, 2011 and 2016, respectively. Today Aluwind has a total of 380 employees as well as own warehouse locations with production and logistics setup. Just like the Metalcenter Group, Aluwind profits from the shared services such as IT, finance, HR, etc. supplied by Alumeco.



Distribution of the Alumeco Group companies, 2019.

In the Alumeco Group, we have built up our expertise through more than 30 years, and with our committed and skilled employees we are proud to be characterised by our competent guidance and extensive inhouse knowledge regardless of whether it concerns aluminium, red metals or the wind industry.

As a global supplier and business partner and because of the Group's many subsidiaries in Europe, China and North America, we have a far-reaching international contact network.

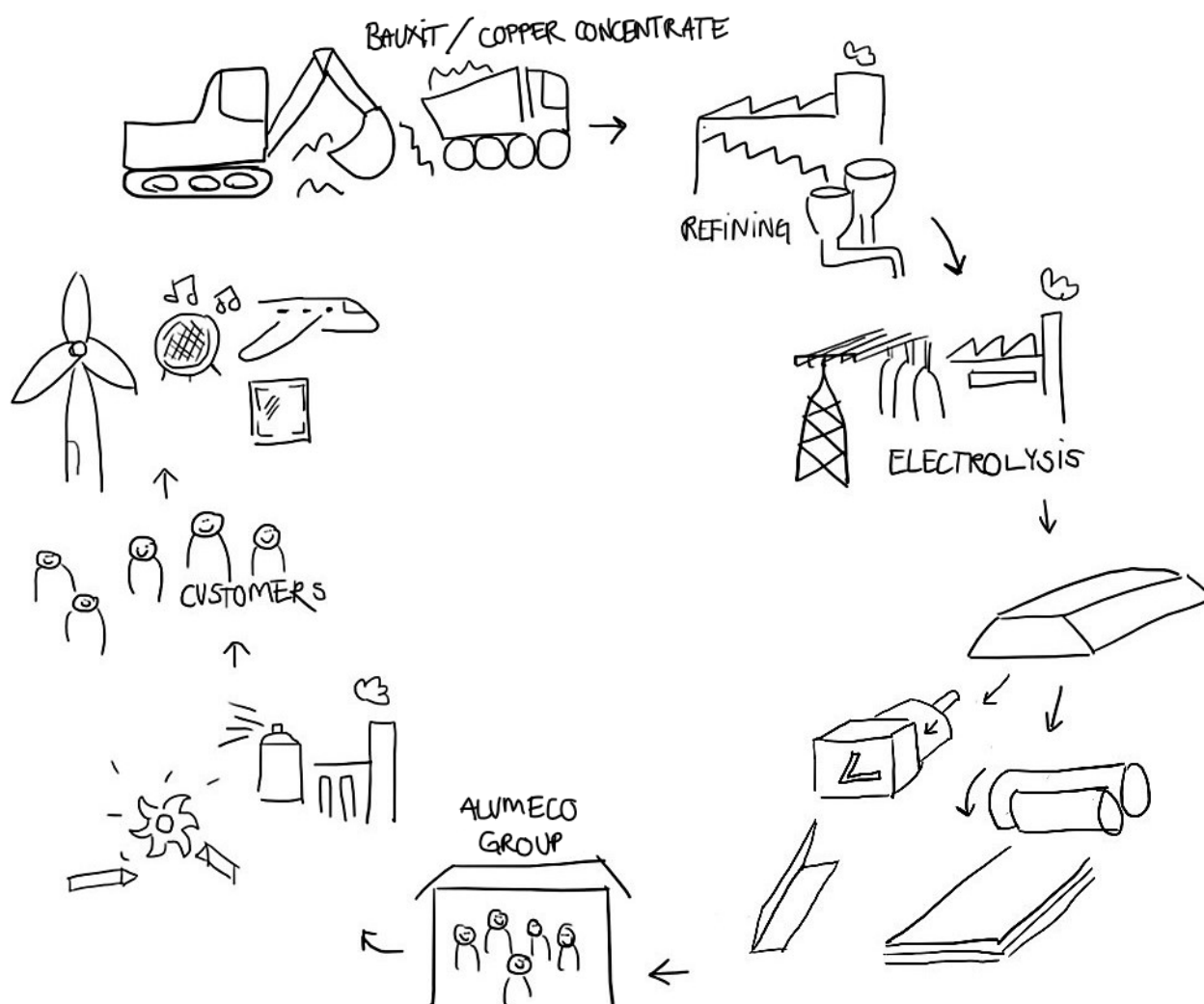
Through comprehensive investments in the company's physical settings and modern machinery, the Alumeco Group has one of Northern Europe's largest aluminium stocks, including red

metals, with own coil centre and two fully automatic high rack systems at its disposal. On top of this, Aluwind has full-scale production in Poland and China. These facilities enable us to satisfy the needs of our customers as well as the ongoing market development.

For additional information about the Alumeco Group, our products and services, please visit:

www.alumeco.com
www.metalcentergroup.com
www.aluwind.com
www.alcobra.de
www.metalcenter.de

ALUMINIUM AND COPPER SUPPLY CHAIN – ALUMECO GROUP:

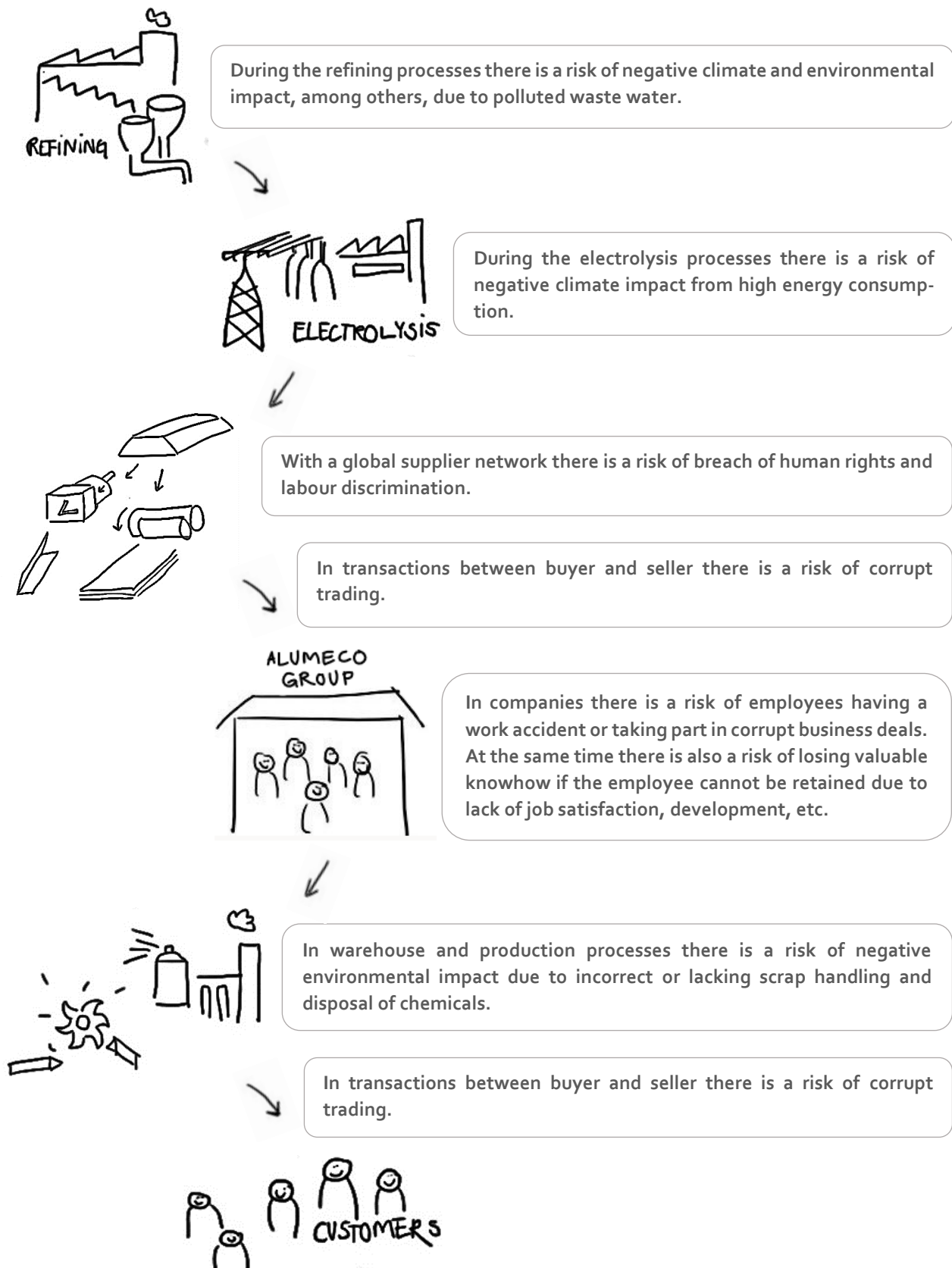


FACTS ABOUT ALUMINIUM AND COPPER RECYCLING:

- Aluminium can be infinitely recycled with very little material waste.
- Recycled aluminium is very energy efficient as it only uses 5% of the energy used for the primary production.
- Approx. 50% of the EU demand for copper is met through recycling.
- Recycling copper uses up to 85% less energy than the primary production.

Source: www.alumeco.dk, www.european-aluminium.eu and www.copperalliance.eu

CSR RISK OVERVIEW IN THE SUPPLY CHAIN



CSR IN THE ALUMECO GROUP

At the Alumeco Group we are continuously working with CSR within four main areas;

Business Partners



Climate & Environment



Employees



Anti-Corruption



These four main areas have a great significance to the Alumeco Group, and they, therefore, also form a natural part of our everyday life in the Group. We assess that it is within these four areas that we in our industry, with our type of business and our position in the supply chain have the possibility to actively work with our social responsibility.

Our customers and partners expect from us that we are good business partners, that we do not pollute or negatively affect the climate and environment, that corruption does not exist in our business and that we take good care of our employees.

The objective with our CSR efforts is to create value for all our stakeholders – customers, employees, suppliers and the surrounding community – and at the same time also identify and establish procedures to prevent a potential negative social impact.

Our vision 'TO BE NO. 1 – by creating competitiveness for our partners' is a part of the Alumeco Group's DNA and, therefore, also the main objective for all strategy projects and initiatives across companies, departments and teams.

Our three core values 'Good business sense, Customer focus & Dedication' follow our vision and are in line with our objectives for and focus on collaboration with our business partners, our focus on anti-corruption as well as our dedication to support our employees in the best possible way and protect the environment and climate in our working procedures to the greatest extent possible.

For each of the four main areas in this report we describe:

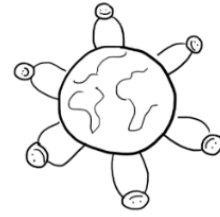
- Essential risks connected with the area
- The Alumeco Group policy to counteract and handle these risks
- Actions and results from working with these policies
- KPI's – where relevant
- And in closing our expectations to improvements for the coming period.

The Alumeco Group's 2018/2019 CSR report covers, unless otherwise noted, the entire Alumeco Group and constitutes the statutory report about corporate social responsibility.

The report will be published once a year in connection with the annual accounts of Alumeco. The present report covers the Alumeco financial year running from July 1st, 2018, to June 30th, 2019.

BUSINESS PARTNERS

SUPPLIER EVALUATION & CODE OF CONDUCT



Essential risks

As an international metal supplier, the Alumeco Group has a global network of business partners. Our suppliers are primarily based in Europe and Asia, and we are aware that specific risks may occur among our business partners as for human rights, labour discrimination, child labour and others.

It is, however, our perception that these risks do not often occur within the aluminium, red metal or wind industries. Even so, we naturally still strive towards making sure that our most important suppliers act in accordance with the Alumeco Group Code of Conduct in order to eliminate these risks.

Policy

- The Alumeco Group is dependent on good business partners to guarantee security of supply for the right products.
- In the Alumeco Group we work on developing long-lasting collaboration with our suppliers.
- In the Alumeco Group's purchasing strategy we work intensively with supplier performance. Through this it is the intent to develop our supplier collaboration on an on-going basis.
- In the Alumeco Group we continuously audit and evaluate our most important suppliers to ensure a continuous positive development of the business relationship. This is done via 'Supplier Self-Assessment' programs, among others.
- The Alumeco Group aspires to have the majority of the Group's tonnage covered by suppliers working in accordance with the Alumeco Group Code of Conduct.
- The Alumeco Group strives towards having a Group code of conduct that at any time encompasses all relevant aspects within human rights, anti-corruption, bribery, environment and employment rights, and at the same time we strive towards ensuring that the Alumeco Group and our suppliers comply with the Alumeco Group Code of Conduct.
- The Alumeco Group and our suppliers do not engage in or support discrimination based on race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, disability or other distinguishing characteristics.
- All employment related decisions in the Alumeco Group such as hirings, remunerations, benefits, training, advancement, discipline, contract termination and retirement are based only on relevant and objective criteria.

Actions & results

At the Alumeco Group we have divided our suppliers into A-suppliers and B-suppliers.

- A-suppliers are essential suppliers for Alumeco due to significant volumes and/or strategic products.
- A-suppliers cover 70% of the Group's volume today.

We have furthermore worked on getting the majority of the Group's volume covered by suppliers who have accepted our code of conduct.

- 65% of the Alumeco Group's volume is covered by our code of conduct today.

- 91% of our A-suppliers are covered by our code of conduct today.

We have audited our A-suppliers on an ongoing basis in order to improve our collaboration and guarantee the right quality. This is done via a standardized 'Supplier Self-Assessment' (SSA) assessing, among others, the management, the strategy, the code of conduct, the quality and the logistics of the supplier.

In the SSA the supplier receives a score based on 35 topics. From this score we have initiated projects along with the supplier in order to make improvements.

- 63% of the volume from our A-suppliers is covered by the SSA today.

KPI's

2018/2019	Volume	Code of Conduct	Supplier Self-Assessment
A-suppliers	70%	now 91% (target: 100% 2020)	now 63% (target: 80% 2020)
B-suppliers	30%	now 5% (target: 25% 2020)	
Total	100%	now 65% (target: 75% 2020)	

Future improvements

It is the Alumeco Group's intent to continuously develop the business relationship with our most essential suppliers, among others via our 'Supplier Self-Assessment' program.



We have the following targets for 2020:

- 75% of the Alumeco Group's volume must be covered by our code of conduct.
- 100% of our A-suppliers must be covered by our code of conduct.
- 80% of the volume from our A-suppliers must be covered by our 'Supplier Self-Assessment' program.

CLIMATE & ENVIRONMENT



CLIMATE & ENVIRONMENTAL IMPACT

Essential risks

At the Alumeco Group we want to keep focus on our surroundings, the climate and the environment. It is, therefore, essential for us to be extra attentive to our handling of scrap and energy consumption. Within both areas there is a potential risk of negative climate and environmental impact if the right awareness is not present. It is, furthermore, essential for us to maintain this focus to be able to meet the growing expectations from customers and business partners about reduction of our climate and environmental impact.

Policy

We focus on climate and environment, and in our daily life we scrutinize our procedures and processes with regards to energy consumption, waste management, scrapping, chemical management and prevention of pollution. It is, furthermore, important to us that all residual production, scrap and metal turnings are collected and sorted with the goal of recycling as both aluminium and copper can be recycled indefinitely.

In the Alumeco Group Code of Conduct we state the following guidelines about climate and environment to be complied with by the Alumeco Group itself and also our business partners:

- The Alumeco Group and our suppliers shall maintain awareness of current environmental legislation and ensure legal compliance through training, awareness, operational control and monitoring.
- The Alumeco Group and our suppliers shall work systematically to prevent adverse environmental impact from its activities, products and services by means of a proactive approach and responsible management.

Actions & results

This year we have continued our focus on recycling of pallets and correct disposal of waste and chemicals from the industrial cleaning. Again this year we have in both central warehouses sorted all our iron, cardboard, plastic and wood waste for recycling at external business partners.

Apart from this, customers at the Metalcenter Group are, furthermore, offered collection of scrap which is then recycled and delivered as new material.

The central warehouse in Coswig is, additionally, working in compliance with the recently changed German law "Verpackungsgesetz 2019 (VerpackG)" in terms of correct packaging.

At the warehouse in Odense we have worked actively to reduce clothes waste. In this connection all work clothes are handed in at termination and sorted. All clothes fit for use are then reused for temporary workers or new employees.

Again this year, we have as far as possible held transport consumption – and thereby also the CO2 emission – down by arranging as many meetings as possible via Skype.

The Alumeco Group companies in Odense supported the local 'We bike to work'-campaign again this year. With great backing from the employees we competed with other companies for the highest number of biked kilometres to and from work in order to put exercise and well-being on the agenda and at the same time help to ensure a cleaner environment via reduction of pollution. Similar local as well as national initiatives, such as clothes fundraising campaigns, etc. with focus on environmental and climate improvements are also carried out in the non-Danish companies in the Group.

During the past year we have completed an extensive replacement of lighting in all established warehouse and office buildings in Odense and Coswig to energy saving LED lighting.

This has, among others, been a contributing factor to the reduction of energy consumption per 1.000 tons that both central warehouses have experienced over the past three years.

KPI's

Energy consumption per ton – Central warehouse Odense			
Year	Total energy consumption [kWh]	Total tons [tons]	Energy consumption per 1.000 tons dispatched from the stock [kWh/1.000 tons]
2016	1.690.528	53.405	31.654
2017	1.736.787	61.407	28.283
2018	1.637.941	60.632	27.014

Energy consumption per ton – Central warehouse Coswig			
Year	Total energy consumption [kWh]	Total tons [tons]	Energy consumption per 1.000 tons dispatched from the stock [kWh/1.000 tons]
2016	831.953	14.689	56.638
2017	760.620	16.520	46.042
2018	858.405	18.727	45.838

'We bike to work'-campaign – Odense		
Year	No. of participants	No. of biked kilometres
Autumn 2018	36	3.360
Spring 2019	33	4.311

Future improvements

Prospectively, we will keep focus on reduction of energy consumption in both central warehouses. Especially when changing used machinery and equipment, our objective is to replace them with more energy-efficient equipment.

Additionally, possible initiatives to help ensure reduction of energy consumption in the form of reduced power, heat or water consumption will be considered on an ongoing basis.

At the central warehouse in Coswig we will continue the extensive replacement of lighting to more energy-friendly LED lighting in newly installed warehouse buildings.



EMPLOYEES

WORKING ENVIRONMENT & SAFETY

The present chapter about working environment and safety includes the central warehouses of the Alumeco Group in Odense and Coswig and also the logistics hub of Aluwind A/S in Ringe. The other warehouse locations in the Group naturally still comply with national laws and standards.

Besides, Aluwind in Poland and China are also certified according to ISO 14001 and 18002.

In Denmark as well as in other countries, the working environment is regularly audited by the authorities, and possible findings are corrected and re-audited.

Essential risks

The Alumeco Group is aware that warehouse and production work can be physically hard and at times characterised by repetitious work. Each day we handle a lot of material by hand or by means of forklifts and cranes. Situations in which an employee may get a minor injury or in the worst case experience a work accident can therefore occur.

Work accidents can cause the employee to suffer physical problems and absence from work for a short or long period and result in payment of compensation to the employee. Therefore, it is essential to the Alumeco Group to prevent any kind of work injuries and accidents.

Furthermore, work accidents can lead to a bad reputation and even cause our organisation to be considered a less attractive workplace and business partner resulting in financial consequences.



Policy

The Alumeco Group is determined to maintain a healthy and safe working environment for all employees. We do this by acting in compliance with relevant legislation within the area as well as Alumeco's internal working environment guidelines. All new employees are introduced to safety policies in our warehouses with the objective to have zero work accidents.

The Alumeco Group has policies for employees and visitors concerning the use of personal protective equipment.

We have a policy for external truck drivers and their activities on Alumeco's sites, emphasising that all truck drivers must wear a safety helmet and a yellow reflector waistcoat when outside of the truck. To keep the drivers safe at any time, it is not allowed to leave the truck when it is being loaded or un-loaded.

Via working environment committees, we are continuously improving working environment, safety, job satisfaction and development. The committees are constituted locally by elected employee and management representatives, and meetings are held regularly.

In Odense and in Coswig, we certify each employee to ensure that he/she is familiar with and respect all safety guidelines.

We have drawn up policies for conducting workplace risk assessments, including assessment of the psychological working environment every second year.

In addition to this all employees on the night shift in Odense are offered a health examination every second year.

All team coordinators and all working environment representatives in Ringe and Odense must complete a first aid course. Additionally, a selection of employees in Denmark must complete a heart defibrillator course, as we have heart defibrillators installed inside and outside office and warehouse buildings in both Odense and Ringe.

Actions & results

The Alumeco Group's target is to reduce accidents and near misses to zero. Following this ambition as well as the increased focus on work-place safety, team coordinators in cooperation with the working committee representatives as well as the safety specialist in Denmark are responsible for:

- Identification of dangerous processes in all warehouse and production areas
- Registration of near miss accidents, work accidents and evaluation of preventive actions
- Conducting ongoing 'Failure Mode and Effects Analysis' on warehouse and production areas
- Performing safety audits
- Carrying out safety certification for all new and existing employees.

This year all production and warehouse employees in Odense and in Coswig have been safety certified, and the introduction to safety guidelines form part of the introduction plan for all new employees.

In the same connection, mappings of all warehouse and production areas have been made, and the working environment representatives and their work are visible and transparent.

The safety specialist has, furthermore, arranged fall protection courses for warehouse workers and team coordinators.

Our policy for external truck drivers and their activities on Alumeco's site – emphasising that they are to wear a safety helmet and a yellow reflector waistcoat when outside of the truck – has proven a good effect, and no accidents or near-misses have been registered since the introduction of this policy.

In Odense, we have carried out preventive actions about work accidents through mappings of all risks in the warehouse and production areas. On basis of this, short- and long-term action plans have been made. Risks with short-term action plans have, as far as possible, been resolved immediately after the mapping.

At Aluwind, we have also taken preventive actions for work accidents and relevant actions have been carried out. The increased focus on lifting and carrying techniques in order to avoid wear and tear as well as on work accidents among the employees proves to have been successful as there is no knowledge of any accidents.

In autumn 2018 we completed a new workplace risk assessment for both office and warehouse/production employees in Odense.

In Alumeco Service in Coswig, we have arranged corporate health management and health days for all employees.



On top of this we continue to focus on protection of our visitors in the best possible way, and we have therefore arranged that visitors receive a guest safety helmet and safety instructions if they are to go outside the marked pathways in the warehouse and production areas. In Ringe, all visitors must be registered and read the available safety instructions.

All marked access paths in the warehouse in Odense are protected by safety poles painted in warning colours to avoid goods from falling or trucks driving in walking zones.

In the warehouse in Coswig, all blue-collar workers have completed courses for lifting operations by crane.

At Aluwind, the process for the integration of our ISO 9001 certification with ISO 14001 and 18002 to one joint system, taking health, working environment and environment into account, has now been completed in all Aluwind companies. In this connection, the working environment organisation has been integrated with the environment committee thus only having one organisation in each plant working with quality, working environment and environment.

In order to support and help employees on long term absence as well as employees absent due to stress, we have defined guidelines for dialogues with the employee in question to clarify the need for adapting the tasks, working hours, etc. temporarily or permanently.

Work accidents are registered and defined as incidents leading to absence or doctor/medical assistance. Smaller incidents that do not require medical treatment and near miss incidents are registered by the working environment organisation who estimates if further action for accident prevention should be made.

KPI's

For the last two financial years the below mentioned number of working accidents per average number of employees have been registered in the two plants.

Work accidents / Avg. No. of employees Odense & Coswig	
2017/2018	2018/2019
35 / 444	33 / 418

In the Alumeco Group we have great focus on safety and we, therefore, work continuously with registration and reduction of work accidents. In the two periods the development has been unchanged, which is explained by an increasing focus on registration of work accidents.

Absence due to sickness (12 month's average) DK-companies	
2017/2018	2018/2019
5,34%	3,51%

The chart shows absence due to sickness during a 12-month period and demonstrates a significant decrease in absence in the period. In addition to our ongoing focus on reduction of absence due to sickness, the improvement is also a result of an increased degree of data reliability in 2018/2019.

Future improvements

The Alumeco Group wants to retain our employees and to provide the best possible working conditions throughout the organisations. We are, therefore, continuously working with safety and working environment, which have resulted in greater focus on near miss accidents, among others. This focus will continue in the future. The Alumeco Group has focus on the registration and troubleshooting of more near miss accidents in order to reduce the number of work accidents in this way.

In connection with a planned capacity expansion in the warehouse and production areas in Odense, focus will be on safety at work in the affected areas as well as during the construction work.

The workplace risk assessment in 2018 focused on the physical working environment, and on basis of the results we are still working to improve the indoor climate as well as to reduce the experience of draught, noise and temperature challenges.

In addition to this, Aluwind will continue the integration of ISO. Sharepoint has been prepared to establish the platform for Aluwind's HSE

(Health, Safety and Environment) work. This will ease the work for the organisation and create transparency for all employees.

Alumeco A/S received a “yellow smiley” from the Danish Working Environment Authorities due to a problem with our lifting equipment. This was solved immediately, and we expect the smiley to turn green again in near future.

Aluwind A/S has since 2016 maintained green smileys demonstrating that we have no unresolved issues with the authorities on the working environment area, and that we have our working environment under control. The objective is naturally to sustain these green smileys through the daily efforts on the working environment area.



EMPLOYEE INTEGRATION

Essential risks

The market position and future development of the Alumeco Group would be at risk if we do not care for our employees to the widest extent possible. The market demands are constantly increasing, developing and setting new standards, and we must, therefore, be able to attract, retain, and develop competent employees and optimize their motivation, well-being, and working conditions.

Policy

The Alumeco Group works according to defined core values described in the Group’s mission and vision.

Cooperation within the Alumeco Group is founded on mutual confidence, understanding and respect. A high information level concerning technical, structural, financial, working environmental and environmental issues encourage security and involvement. The working conditions are organised to ensure safety, satisfaction and efficiency in the daily work. The employees’ well-being is promoted by involving the employees to the greatest extent possible in the definition and arrangement of the working conditions.

The human rights are respected and met in any situation, and we act if we observe any breach of these rights.

We are conscious of a fair and equal integration of employees and do not tolerate any kind of harassment or discrimination of employees regardless of sex, race, skin colour, religion, political view or sexual orientation, social or ethnic background, age or handicap.

In general, we are determined to meet the existing labour law at any time. As for the Danish companies, we have joined the Confederation of Danish Industry and respect the collective agreements.

Actions & results

The introduction and training program for new employees are continuously updated and improved to ensure new employees covering information on the company, his/her function, responsibilities and tasks as well as relation to colleagues. In some companies, new employees will have a mentor appointed, who will support the integration, also when it comes to social issues. This initiative has proven to have a positive effect.

The effectiveness of the introduction program is followed-up by an onboarding interview after 30 and 90 days. This is to offer possible supplementary introduction and training as well as to discuss possible challenges/problems.

KPI's

The survey after 30 and 90 days of employment shows a general positive development of satisfaction with the onboarding from 80% in 2017/2018 to 90% in 2018/2019.

Future improvements

We would like to improve the onboarding program further to secure that best practices are implemented on Group level covering corporate and local training as well as on-the-job training.

It is also the intention to implement the mentor program for new employees to all Group companies.



EDUCATION & PERSONAL DEVELOPMENT

Essential risks

One of the major risks of not focusing on the employee development, training and education may be reduced opportunities for staff retention, loss of competencies and know-how and thereby a negative impact on the employee turnover.

Policy

All employee groups are offered continuous updating and development of their competencies, as the everyday life is characterised by constant dynamic changes and adjustments according to the changing demands in the market. Consequently, the working tasks will often change and will typically involve cross organisational and Group cooperation.

We conduct annual employee feedback dialogues to evaluate performance, but also to identify ambitions and need for developing the competencies. The employee feedback dialogue is implemented in all Group companies.

It is important that the employees possess the right competencies at any time and that they have a clear understanding of their own impact on the success of the Group.

Training and education are crucial also to ensure correct and safe performance of tasks, to comply with statutory demands, and to optimize employee satisfaction. Apart from the continuous education within own function, Alumeco offers support to relevant continuous professional education and post-graduate courses.

Being a global Group, we have good possibilities to offer employees expatriation within the Group and to offer positions in other departments to further develop competencies, experience and knowledge. Furthermore, we evaluate the need for leadership development on basis of the employee dialogues and on basis of the result of satisfaction surveys.

Actions & results

The annual employee feedback dialogue follows a fixed template that is initiated from Group HR and is implemented in all Group companies. Overall input and development plans are visible for HR.

Today the process is handled by each department manager who completes a specific template based on input from employee and manager. All feedback dialogues are then saved in the specific employee folder.

In 2018/2019, we asked for input on one item in the dialogue form that should indicate areas of improvement for the company (What feedback do you have for the company that can help us improve and become a more attractive workplace?). The feedback is being handled locally or on corporate level, depending on subject matter.

During the year, we have identified and supported development and training in groups and on individual level. We are changing focus from fixed concepts and will focus more on training based on actual or future needs for a team, department or functional group.



The Alumeco Group focuses on continuous professional training, and we established a new platform to secure digital knowledge sharing and facilitating training of employees on all levels. This education and training are based on a combination of requested needs in specific subjects for an individual or for a dedicated group as well as based on a yearly registration of competencies and planning of required competencies, also with respect to the overall business strategy.

KPI's

Courses & education - DK-companies 2018/2019	
Type of course/education	Participants
Internal language course	18
Postgraduate education	8
Technical or professional qualifying education (certification)	5
Adult vocational training	9
Trainee/apprentice/internship/ student worker	9

To evaluate the results and possible needs for actions, we must still implement HR-KPI's to all Group companies that target education and training activities.

Future improvements

We will work with continuous improvement of the employee feedback dialogue in combination with competency mapping to ensure that the employees possess the right skills according to the strategy and to enable flexibility within the company or a specific department. The format and process will continuously be evaluated to meet requirements of the organisation.

In 2019, we will change the concept of feedback dialogues being held simultaneously for all employees (in Q4) to a flexible model based on date of employment ongoing during the year. This should secure a less stressful period for some departments.

We have, furthermore, started a strategy project with the headline "The Attractive Workplace". This will among other subjects include development and training of employees. It is our expectation that the outcome will lead to a plan for local and corporate training as well as leadership development.

SOCIAL RESPONSIBILITY

Essential risks

There is a risk of losing valuable know-how, competencies and loyal employees if we do not take care of employees who may be affected by work-related illness either physically or mentally, despite of all measures taken to avoid such a situation.

We also see a risk of a narrow and reduced job market when looking for new employees if we do not contribute to help unemployed as well as newly qualified people either re-enter or enter the job market.

Policy

The environmental, health and safety issues have a high priority, and all companies in the Group meet international as well as national legislation and procedures.

We have a strong focus on avoiding any kind of work-related sufferings, both physical and mental.

During our onboarding program, new employees are introduced to safety instructions, and we ensure a focused follow-up with each employee on a regular basis.

In case of long-term sickness, work-related accident or high seniority, we offer employees adjustment of their position, tasks, working hours, etc. to meet as far as possible the need for such an adjustment either for a period or permanently.

In the Danish companies, we are in regular contact with the public job centres to offer jobseekers that have been unemployed for a period a short-term internship to qualify for a full-time position. We offer trainee periods to citizens affected by unemployment and looking for support to re-enter the job market.



We encourage a close cooperation with educational institutions to integrate students and graduates. The number of trainees and apprentices to be educated by the Alumeco Group will be determined according to the size of the local Group company.

Actions & results

We are regularly in contact with the local job centres to facilitate internships for citizens that have been unemployed or found it difficult to enter the job market. In some cases, we have offered a temporary or permanent position.

We have furthermore been in regular contact with local educational institutions to offer internships, trainee positions and student relevant jobs as well as to support with know-how about the industry and company information used for educational purpose.

KPI's

To evaluate the results and possible needs for actions, we must still implement HR-KPI's to all Group companies that target absence due to sickness, work-related accidents as well as ensure an overview on the demographic development among the employees.

It is important that we act if there is a risk of many employees reaching the retirement age within a short period causing a sudden loss of knowledge

and experience, if we do not have sufficient gain of the younger generation, if we do not have sufficient experience in the various functions, etc.

Demographics – Alumeco Group 2018/2019		
Employee distribution		
Total No. of employees	1.020	
Blue collars	46%	
White collars	54%	
Age distribution		
Age 20-29	250	25%
Age 30-39	342	33%
Age 40-49	246	24%
Age 50+	182	18%
Seniority distribution		
0-1 years	429	42%
2-5 years	272	26%
6-10 years	224	22%
11+ years	95	10%

The employee turnover over a period of 12 months (1st June, 2019) was 23% and is mainly affected by the closing of the Danish production

facility of Aluwind in the autumn 2018 and organisational adjustments in the USA and China.

Future improvements

At the Alumeco Group we are very aware that none of the mentioned policies, actions and objectives in this CSR report can be complied with and accomplished without our employees. Their committed and dedicated effort is crucial if the Alumeco Group should continue to be an attractive workplace and strive 'TO BE NO. 1 – by creating competitiveness for our partners'.

We will, therefore, continuously work to attract and retain employees and to maintain good collaboration with local job centres and local educational institutions. Regardless of being able to offer a job or not, it is important to us to help and take responsibility to develop the individual.

In the coming year we will, furthermore, continue to work on the implementation of HR-KPI's to all Group companies in order to be able to initiate relevant actions.

ANTI-CORRUPTION



The Alumeco Group complies with legislation and refrains from all forms of use of corruption, bribery and other misuse of power. It is important to the Alumeco Group to be a reliable company with high integrity.

This is the first time that we report specifically on anti-corruption in our CSR report, and we have, therefore, carried out an evaluation of materiality in order to be able to deal with the most essential risks in connection with corruption and bribery. We have chosen three areas in our evaluation of materiality; countries, cultures and employees.

Essential risks

In our evaluation of materiality, we found that it is an essential risk that:

- the Alumeco Group has a wide geographical distribution of subsidiaries, and within the Group there are, therefore, different degrees of risk situations which can involve corruption.
- the Alumeco Group's position in the supply chain as a wholesaler entails that there are both purchasing and sales processes which can give rise to situations with a risk of corruption.
- bribery and corruption are sanctioned on individual and corporate level.

We also assessed that it is an essential risk if:

- we do not live up to the expectations from our own stakeholders, the society and our business partners.
- the Group's employees are not well enough equipped to judge when/if corruption or bribery occurs in a given situation.

Policy

In order to counteract these risks, we have formulated an Alumeco Group anti-corruption policy. The purpose with the anti-corruption policy is to clarify our policy towards anti-corruption – and in that connection equip the employees well enough to be able to handle and use their common sense if they find themselves in a situation in which corruption, bribery, etc. occurs.

The policy has the following focus points:

- Any demand or offer of bribery is rejected
- Nepotism is not accepted
- Violations against criminal law and other legislation are not accepted and will be reported to the police
- All employees are expected to use their common sense and involve their immediate manager in case of doubt
- Customer care that is common in the business relationship is accepted.

Actions & results

To identify the overall risk exposure for the Alumeco Group in terms of corruption, we determined all subsidiary locations in proportion to *Transparency International's 'Corruption Perceptions Index 2018'*¹. The result of this showed a wide distribution on the index. This was checked against our products, our position in the supply chain as well as the uncovered associated internal and external expectations and resulted in the Alumeco Group Anti-Corruption Policy.

¹ www.transparen-cy.org/cpi2018

To guarantee a relevant knowledge level we chose to target the anti-corruption policy towards all white-collar employees in the Group. White-collar employees in the Group hold positions within the purchasing and sales processes that we assessed to be in the highest risk of corruption exposure.



The policy was sent out in such a way that it was visible how many employees had read and understood the policy. In order to emphasise the importance of the anti-corruption policy it was specified that non-compliance with the policy can have consequences for the terms of employment.

In the course of a few months in 2018 many employees read and accepted the policy and with absent employees, such as employees on leave of absence, maternity/paternity leave or sick leave, taken into account we reached a satisfactory result for the first year of the anti-corruption policy.

KPI's

Corruption incidents 2018/2019	
Reported incidents	0

Anti-corruption policy 2018/2019		
No. of white-collar employees	No. of employees who accepted the policy	Percentage accept cf. to No. of employees
550	465	84 %

This year the anti-corruption policy was distributed via our relatively new communications media that requires active and individual sign-up from all employees. This can in part explain the lacking 16% in acceptance of the policy. In this we must, however, also include the absent employees on leave of absence or sick leave.

Future improvements

Prospectively, we will at least once a year generate attention to the policy to ensure knowledge about and compliance with the Alumeco Group Anti-Corruption Policy, and we will, furthermore, once a year distribute the anti-corruption policy to all white-collar employees for acceptance of the policy.

The coming year we will put more focus on how to communicate about the policy to gain a greater awareness level about it among the employees in the Alumeco Group than this year. Our target is to achieve an acceptance percentage of 95% as a minimum.

Alumeco Group

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