



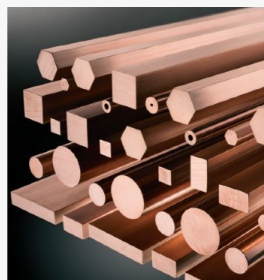
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the metal traders



metalcenter
Group



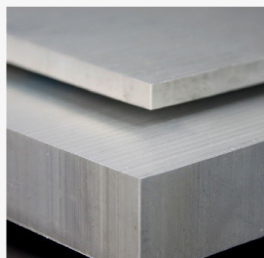
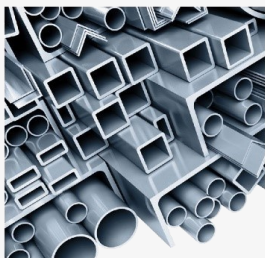
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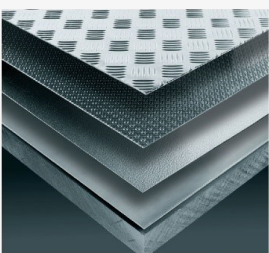
ALUMECO GROUP CSR REPORT

2019/2020

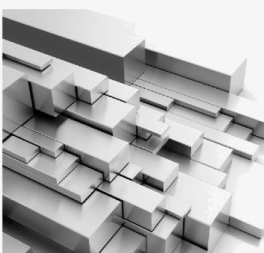
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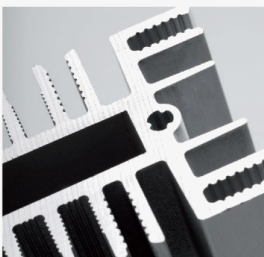
metalcenter
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ALUWIND



aluteam
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alumeco
Group

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*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 sustain our business.*

| PREFACE |

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 2019/2020**, 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. We are, therefore, pleased to present an improvement in the financial year 2019/2020 within several areas, such as **business partners, climate and environment, employees and anti-corruption** - areas constituting an essential part of our CSR objectives.

We have established a Corporate Governance System embracing specific policies and principles to ensure the highest ethical standards within our own corporation and our business partner's. The past year we have once again increased our share of business partners having joined our **Code of Conduct**, leading to full affiliation from all our A-suppliers.

Compliance is increasingly significant - especially in connection with the new General Data Protection Regulation. Consequently, we have intensified our efforts to ensure full compliance with new requirements and policies along with adding extra resources within this area. All of this because we take on responsibility.

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 stake-holders.

I wish you happy reading!

Odense, August 2020



A blue ink handwritten signature of Per Thanning Johansen, consisting of a stylized 'P' and 'J'.

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 • Wholesale business (standard products) • Customized solutions • Building products	• Products in copper, brass, bronze alloys • Wholesale business (standard products) • Customized solutions • Building products	• Components for on- and offshore wind turbines • Components for offshore wind foundations • Customized solutions • Kitting solutions, including 3rd party components

Alumeco

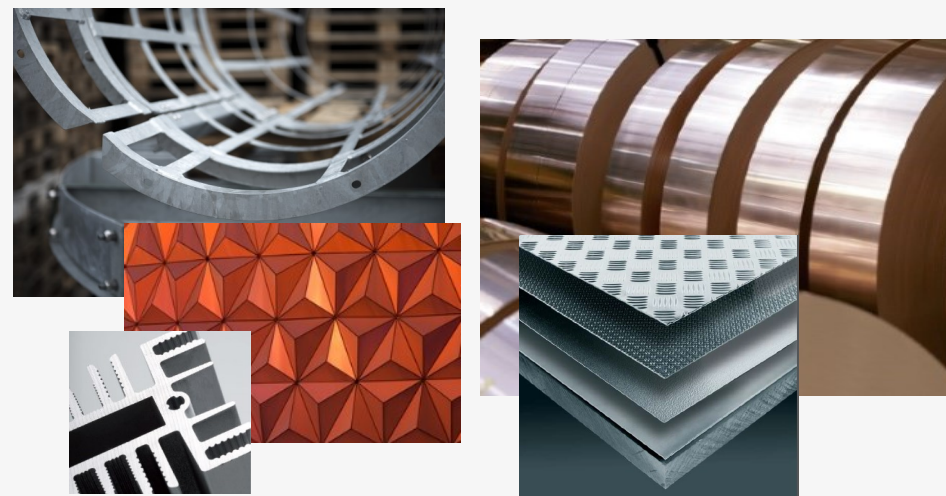
Alumeco A/S was founded as a wholesale business in 1983, Denmark. Since then, Alumeco has developed from a small local Danish company to a large international business group providing aluminium to the metal-consuming industries and consumers around the world. Today headquarters Alumeco A/S in Odense employs around 215 employees and has approx. 40.000 m² of office- and warehouse/production buildings. The warehouse functions as central warehouse for a large part of the 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. 580 employees worldwide divided between 13 subsidiaries in Europe and China. Of these subsidiaries, Sweden, Finland, Poland and Lithuania have warehouse locations.

Metalcenter

Metalcenter Group A/S was founded as a wholesale business in 2009 and is fully integrated with Alumeco with joint warehouse, logistics, administration, etc. The Metalcenter Group consists of headquarters in Denmark, Metalcenter Group Oy in Finland, Metalcenter Group GmbH in Germany and KME Nordic A/S in Denmark. The Metalcenter Group employs 35 employees, and the focus is 100% on copper, brass and bronze - offering a commodity 'red metal' stock program as well as solutions such as customized parts, kits and assemblies.

Aluwind

Aluwind A/S was established 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 approx. 375 employees working dedicatedly with the worlds leading wind turbine manufacturers. Aluwind has its own production and warehouse setup and is in addition to this integrated with Alumeco A/S like Metalcenter Group.





Distribution of Alumeco Group companies, June 2020.

The Alumeco Group has built up our expertise through more than 30 years and thanks to committed and skilled employees, the Group is characterised by competent guidance and extensive in-house knowledge whether it comes to aluminium, red metals or wind turbine components.

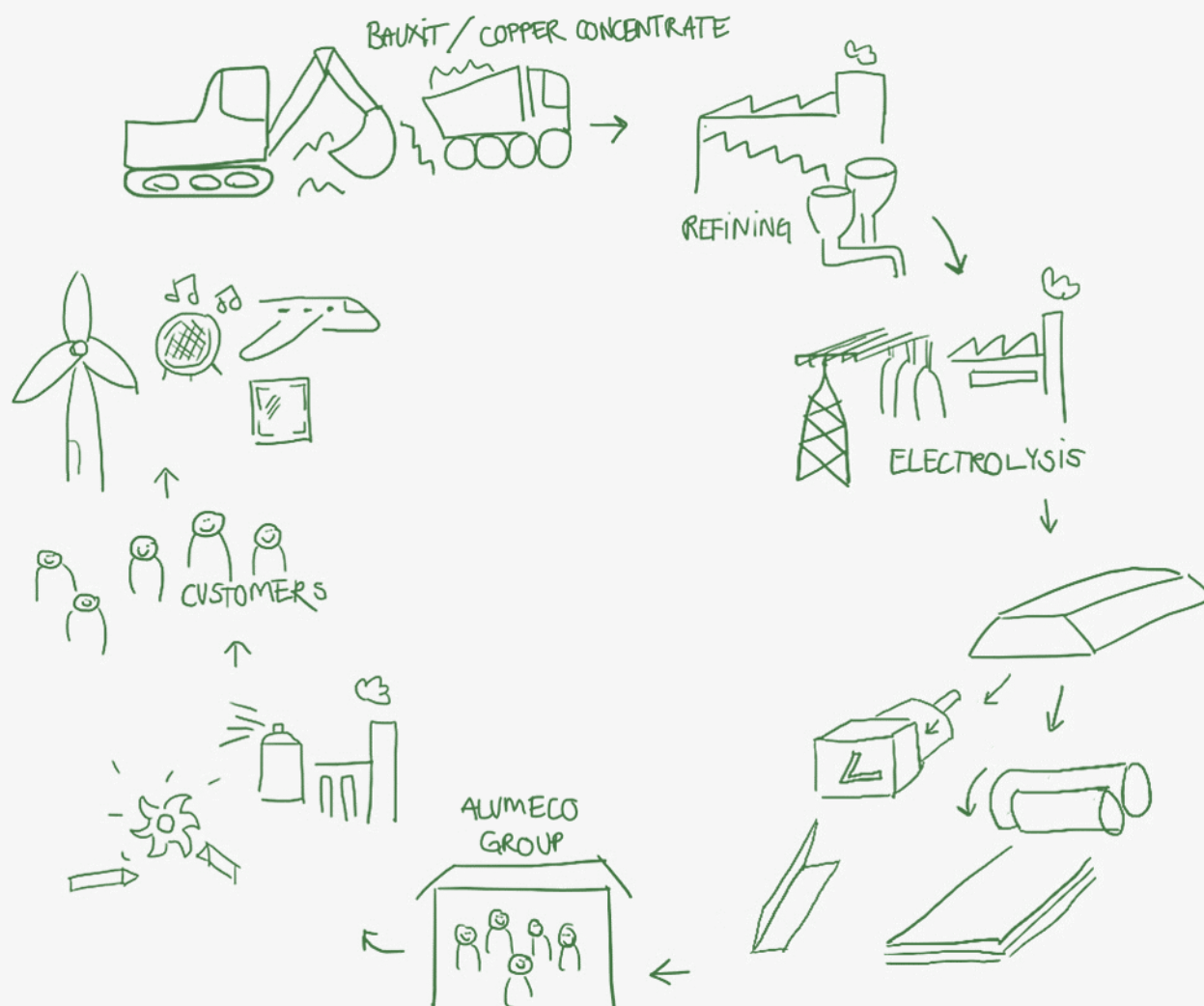
Being a global supplier and business partner and because of the Group's many subsidiaries in Europe, China and North America, the Group has a far-reaching international network.

Through comprehensive investments in the company's physical facilities and modern machinery, the Alumeco Group has one of Northern Europe's largest aluminium stocks, including red metals, with own coil centre and three fully automatic high rack systems at its disposal. On top of this, Aluwind has full-scale production in Poland and China. Our facilities enable us to meet 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:



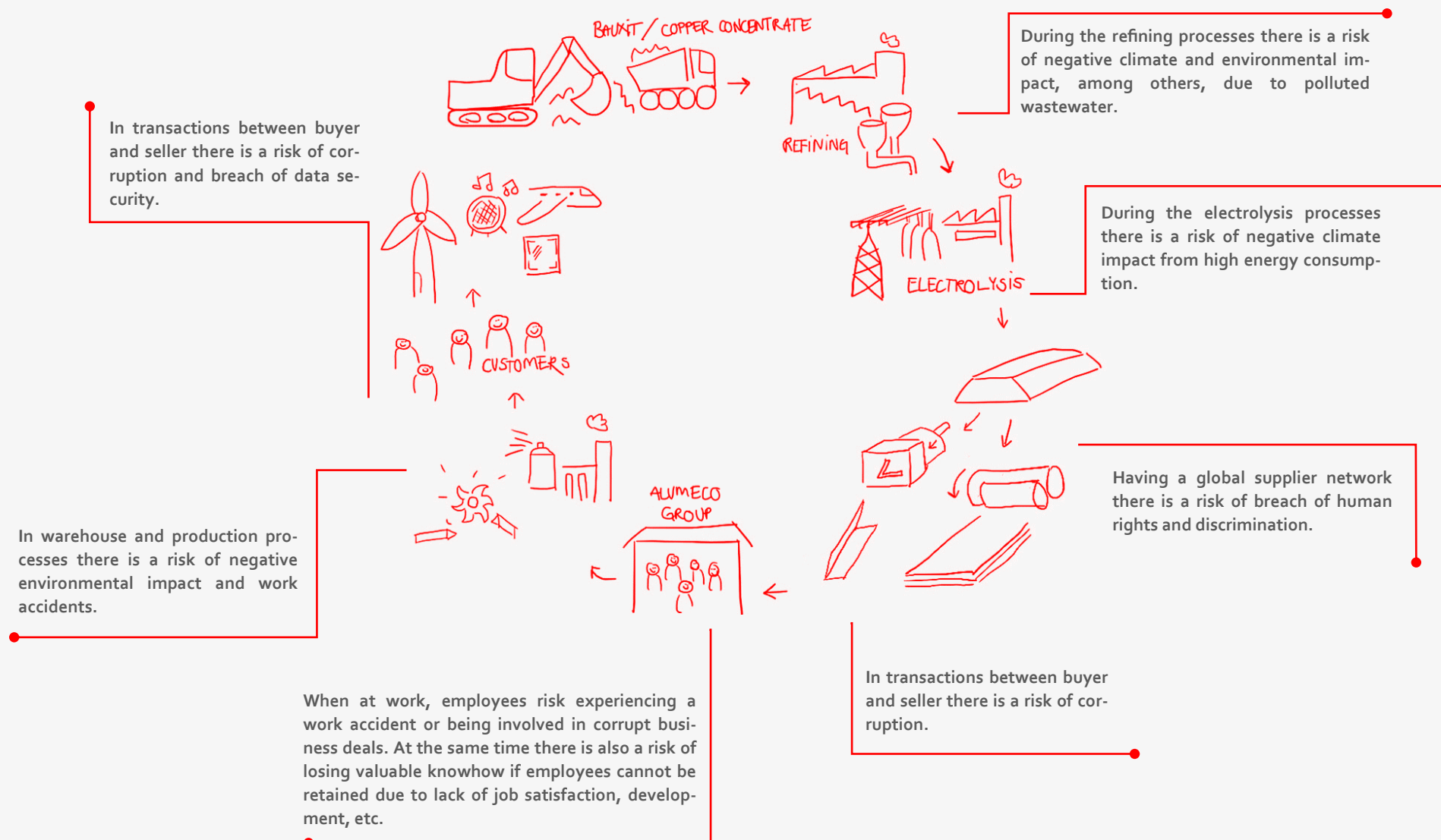
RECYCLING

FACTS ABOUT ALUMINIUM AND COPPER RECYCLING:

- ❶ Aluminium can be recycled infinitely with very little material waste.
- ❷ Recycled aluminium is very energy efficient as it only requires 5% of the energy used for the primary production.
- ❸ Approx. 50% of the EU demand for copper is met through recycling.
- ❹ 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 |

In the Alumeco Group we are continuously working with CSR and in particular within:



Business Partners



Climate & Environment



Employees



Anti-Corruption



Data Security

Within these five main areas, we believe that we have the possibility actively to work with our social responsibility in virtue of our business model and our position in the supply chain.

As ambitious business partners, we focus on preventing a negative impact on the climate and on the environment, on preventing corruption, enhancing data security and taking care of our employees.

The objective with our CSR work is to create value for our stakeholders – customers, employees, suppliers as well as the surrounding community – and it is a natural match with our vision:

‘TO BE NO. 1 – by creating competitiveness for our partners’

as well as with our strategic core values:

‘Good Business Sense, Customer Focus & Dedication’

For each of the five 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
- Our expectations to improvements for the coming period.

The Alumeco Group’s 2019/2020 CSR report covers, unless otherwise noted, the entire Alumeco Group and constitutes the statutory report about corporate social responsibility in continuation of the annual accounts of the Alumeco Group cf. the Danish Financial Statement Act 99a. The Alumeco Group includes Alumeco A/S and all affiliated companies.

The present report covers the Alumeco financial year running from July 1st 2019 to June 30th 2020.

| 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. We assess that the risk of a business partner's or a previous/later supply chain link's breach of human rights, discrimination and child labour is present, however, we estimate the risk to be limited within the aluminium, red-metal and wind industry. To eliminate a possible risk, we strive towards ensuring that our most important suppliers act according to the Alumeco Group Supplier Code of Conduct.



Policy

- In the Alumeco Group we work on developing long-lasting collaboration with our suppliers characterised by respect and loyalty. Our primary purpose is to ensure security of supply of central products.
- The Alumeco Group's purchasing strategy focuses on supplier performance with the intent to develop our supplier collaboration on an on-going basis.
- The Alumeco Group continuously audits and evaluates the most important suppliers to ensure a continuous positive development of the business relations. This is done by means of 'Supplier Self-Assessment' programs, among others.
- The Alumeco Group aims at having the majority of the Group's purchase covered by suppliers working in accordance with the Alumeco Group Supplier Code of Conduct.
- The Alumeco Group complies with the guidelines stated in the Alumeco Group Supplier Code of Conduct.



Actions & results:

The Alumeco Group has divided all suppliers into A- and B-suppliers.

- A-suppliers either supply considerable volumes and/or strategic products. 70% of the Group's purchase is covered by A-suppliers. The rest is covered by B-suppliers.
- 70% of the Alumeco Group's purchase measured on volume is today subject to the Alumeco Group Supplier Code of Conduct.
- 96% of the A-suppliers are today subject to the Alumeco Group Supplier Code of Conduct.

We audit our A-suppliers continuously with the intent to optimise the collaboration and ensure quality and quantity. The audit is carried out by means of a standardised "Supplier Self-Assessment" program (SSA), among others. The program measures on 35 parameters, including the supplier's management, strategy, code of conduct, quality and logistics.

On basis of the audit result, possible actions to improve the collaboration will be initiated.

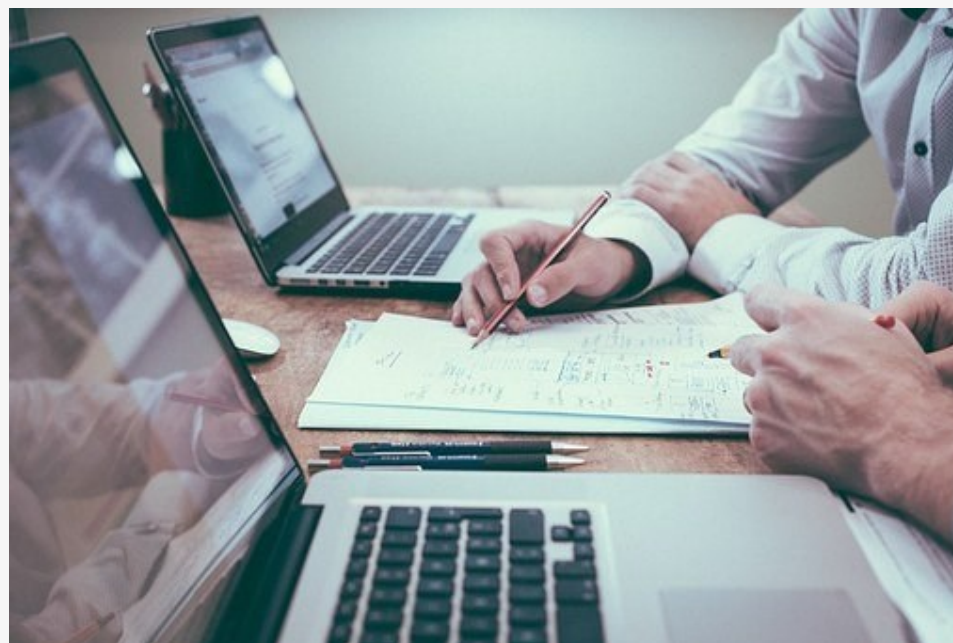
- 68% of Alumeco's A-supplier volume is today covered by SSA.

Future improvements:

The Alumeco Group's intention is to develop the business relationship with our most important suppliers on an on-going basis, e.g. by spreading the Alumeco Group Supplier Code of Conduct and our "Supplier Self-Assessment" program.

Our objective for 2020/2021 is the following:

- 75% of the Alumeco Group's purchase volume is subject to the Alumeco Group Supplier Code of Conduct.



- 100% of the Alumeco Group's A-suppliers are subject to the Alumeco Group Supplier Code of Conduct.
- 25% of the Alumeco Group's B-suppliers are subject to the Alumeco Group Supplier Code of Conduct.
- 80% of the Alumeco Group's A-suppliers are covered by SSA.



| CLIMATE & ENVIRONMENT |

CLIMATE & ENVIRONMENTAL IMPACT

Essential risks

The Alumeco Group keeps a continuous focus on our surroundings, the climate and the environment. Therefore, we prioritise correct handling of scrap and reduction of energy consumption to prevent unnecessary negative impact on the climate and environment.

Policy

The Alumeco Group establishes and optimises processes and procedures with regards to energy consumption, waste management, scrapping and chemical management as well as prevention of pollution.

Where relevant, waste is sorted to ensure correct recycling and to minimise the impact on the environment.

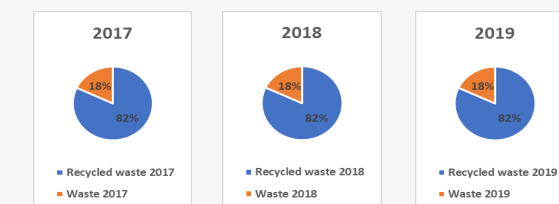
Both aluminium and copper are recyclable an indefinite number of times, and, therefore, metal residuals, turnings and scrap are handled with recycling in mind.

To support circular economy we place climate and environmental demands on sub suppliers, suppliers and other business partners through our Supplier Code of Conduct.

Actions & results

In the past financial year, the Alumeco Group has initiated a number of actions to reduce a negative climate and environmental impact.

- Use of online video platforms rather than travel activity when and where relevant.
- Ensuring a high and stable level of recycling of metals as a result of appropriate scrap and waste handling.



- The Metalcenter Group facilitates collection of scrap for recycling with customers.
- Focus on packaging, including registration with the German *Central Agency Packaging Register*.
- Recycling of work wear.

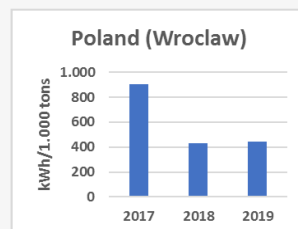
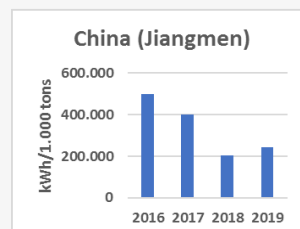
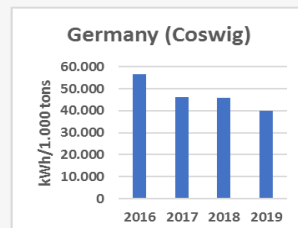
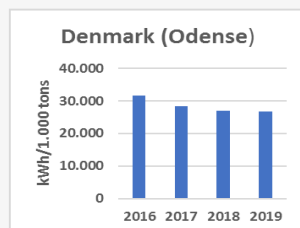


- Encouragement to bike to work.

The campaign in spring 2020 was cancelled due to COVID-19.

'We bike to work' campaign, Odense		
Year	No. of participants	No. of km biked
Spring 2019	33	4.311
Autumn 2019	33	3.091

- Change to more energy-friendly lighting to achieve a lower energy consumption for production activities.



The increase in energy consumption in China and Poland in 2019 is due to an increase in production activities.

Future improvements

To ensure correct collection of waste oil and thereby minimise the risk of undesirable pollution of the ground water, we plan to place containers and draw up instructions for work implying risk of oil spill.

The Alumeco Group is preparing certification according to ISO 14001 for further Group companies.

We are working on continuous improvement of the waste sorting in the office areas and are examining the possibilities for heating the warehouse buildings with a less detrimental impact on the environment.



Environmentally friendly aluminium solutions

Due to the increasing interest in environmentally friendly aluminium solutions from the market and our customers, Alumeco has initiated a brand new project on **Certified Green Aluminium**.

The overall purpose of the project is to establish a range of green, low-carbon footprint certified products within some of our key product areas, mainly for the building and transport industry.

We aim at:

- developing a greener alternative product line compared to market standards along with key Alumeco suppliers.
- creating an overview of available products and possibilities for our partners.
- providing documentation with measurable and comparable data according to standards for greener alternatives to satisfy customers needs.



| EMPLOYEES |

WORKING ENVIRONMENT & SAFETY

The Alumeco Group wishes to offer existing and future employees an attractive and safe workplace.

Essential risks

Especially work in warehouse and production implies a risk of work-related injuries and work-related accidents which may potentially result in absence, liability to pay damages as well as a negative impact on the working environment. The Alumeco Group continuously focuses on ensuring a good working environment and preventing work-related injuries and accidents as far as possible.

Policy

In addition to following the existing laws and guidelines in force, the Alumeco Group has specified focus points all with the purpose to support a good working environment and to minimise work-related injuries and accidents:

- to have an efficient working environment organisation, including to have HSE-responsible employees in relevant companies.
- to minimise work-related accidents through cause analysis and implement relevant preventive actions to avoid similar accidents.
- to spread the use of an app developed for registration of near-miss and work-related accidents to facilitate the analysis of work-related accidents.

- to have a healthy and safe working environment.
- to meet internal guidelines, including to make instructions on use of protective equipment easily available.
- to have a safety policy for external visitors.
- to offer health examinations and relevant safety courses, including first aid courses.
- to undertake regular workplace assessments.
- to maintain ISO 18002 and 45001 in selected companies.



Actions & results

During the past financial year, we have worked with the following:

Work-life balance & health

To promote a good work-life balance and to minimise the risk of stress, we have introduced flexible working hours, offered yearly flu vaccination, offered scanning of the spine as well as offered assessment of the workplace by an occupational therapist.

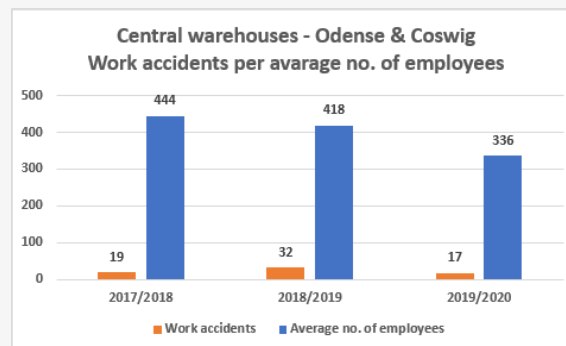


Work accidents

In comparison with last year, we have recorded a minor reduction of the number of work-related accidents. This is a result of an improved introduction and training of new employees internally in the company. The continued positive development will be ensured by emphasising correct training of new employees as well as further training of existing employees.

As a consequence of the preventive work with safety and working environment all employees are more aware of

reporting even minor injuries. It is important to us to collect all relevant data to improve the working environment and with that the safety.



Implementation of visitor registration

In parts of the Group we have implemented requirements for visitor registration, that all visitors visibly wear a visitor pass, and that the visitors wear a red helmet when walking in the production. Making visitors visible is a precaution both for the sake of the visitors and of the safety of the Alumeco Group.

Installation of a new automated high rack

During the process of installing a new automated high rack, safety and ergonomics have been part of the preparations of the new work areas. It has been of highest priority to involve all relevant employees in the process of planning the areas to make sure that work can be carried out correctly as for ergonomics, with the use of cranes as much as possible and at the same time minimising the

need for manual handling of materials. In connection with the installation of the new automated high rack, the walking areas in the work areas have been changed and marked visibly. The purpose has been to minimise the risk of work-related accidents and to improve the area near by for unloading of trucks.

Future improvements

The Alumeco Group intends to implement safety certifications for employees working in warehouse and production areas in all relevant Group companies. As a minimum, safety certifications and audits will be carried out once a year.

The work with and the registration of near-miss accidents must be improved and adapted to optimise the use of data for future reduction of the number of work-related injuries and accidents.

In some Group companies we are working on reducing the noise level in the office areas.

The process of workplace assessments will be adjusted to improve the results for the benefit of the employees and the Alumeco Group.



EMPLOYEE INTEGRATION

Essential risks

The Alumeco Group's employees are an important resource and crucial for our market position. Without the necessary integration, the Alumeco Group risks not being able to attract, retain and develop competent employees.

Policy

Our collaboration founds on mutual confidence, understanding and respect. The working conditions are organised to increase the level of safety, satisfaction and efficiency in the daily work.

The Alumeco Group respects and complies with human rights and does not tolerate any kind of breach of human rights.

The Alumeco Group promotes a fair and equal integration of employees and does not accept any kind of harassment or discrimination regardless of sex, race, skin colour, religion, political or sexual orientation, social or ethnic background, age or disability.

Actions & results

The onboarding program for new employees are continuously updated to ensure a relevant and sufficient introduction to the Alumeco Group, the function of the new employees as well as to the relation to colleagues.

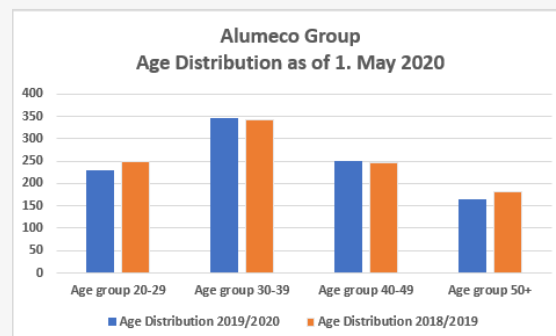
When relevant, a mentor is appointed among the experienced employees to support good integration of new employees, both as for social and for professional issues.

The onboarding program is evaluated regularly by the new employees, and based on the past 12 months the evaluations received show a satisfaction rate of 90,5% with the onboarding program.

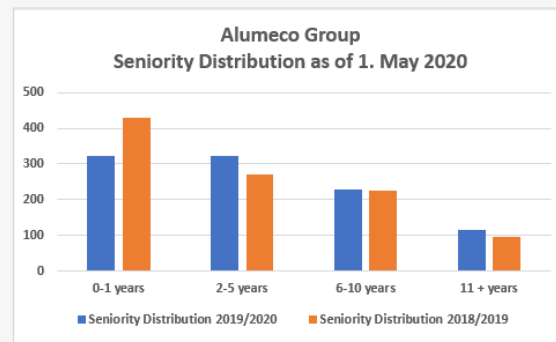
Future improvements

The onboarding program is developed and adjusted continuously according to the evaluations received and to the requirements of the Alumeco Group. The intention is to expand the mentoring arrangement.

Employee Demographics - Alumeco Group



♦ The age distribution is stable and indicates that the Alumeco Group's initiatives concerning working environment and personal development meet the employees regardless of age.



♦ The development of the seniority distribution shows an increasing degree of retainment of competences and experience - indicating that the Alumeco Group succeeds in integrating new employees and in offering relevant and adequate personal development.



EDUCATION & PERSONAL DEVELOPMENT

Essential risks

Employees possessing the required knowledge and relevant competences are a decisive factor for the Alumeco Group. Without the necessary knowledge and relevant competences, the Alumeco Group risks to lose competitiveness and market shares.

Policy

The Alumeco Group offers and encourages employees to develop and update their knowledge and competences continuously. At the yearly feedback dialogues, the individual employee's performance, ambitions and need for development of competences are discussed and evaluated.

The Alumeco Group offers both internal and external education such as single courses and long-term education.

Being a global Group, we have the possibility to offer stationing and redeployment on basis of individual evaluation.

Actions & results

The Alumeco Group has established a platform for internal digital knowledge sharing for employees on all levels.

During the past year, employees in the Danish-based companies have attended courses for a total of 135 work days during the past year, and 5 employees have attended multi-annual education paid by the Alumeco Group. In

addition, many employees have attended webinars of short and long length.

Future improvements

The Alumeco Group continuously updates the annual feedback dialogue and intends to map the employees' competences in detail.

The Alumeco Group will initiate spreading and improvement of the evaluation of employee development activities.

SOCIAL RESPONSIBILITY

Essential risks

Being a socially responsible Group, we see a risk of both personal and financial character when a person due to reduced ability to work, unemployment or lack of work experience faces challenges in entering or re-entering the labour market.

Apart from implying a risk for the challenged person, we also see a risk for the surrounding society and consequently also for the Alumeco Group to lose or waste knowhow and loyal employees.

Policy

Employees who have reduced ability to work due to illness, injuries or age are offered, to the widest extent possible, temporary or permanent measures to retain the employees in question.

As far as possible, the Alumeco Group offers internships to citizens who have been outside the labour market.



The Alumeco Group cooperates with educational institutions and offers both trainee periods and apprenticeships.

Actions & results

In addition to the on-going contact with local job centres and educational institutions, the Alumeco Group participated in an educational fair arranged by UCL University College, Odense in March 2020.

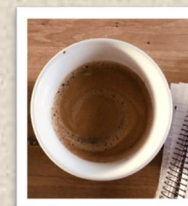
Future improvements

The Alumeco Group intends to continue and develop the cooperation with job centres and educational institutions, also to take on social responsibility.

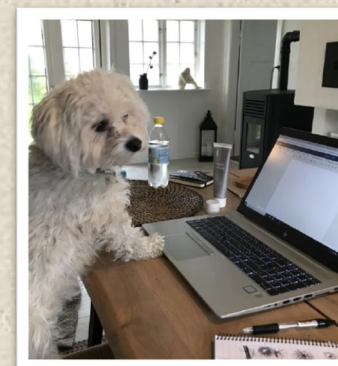
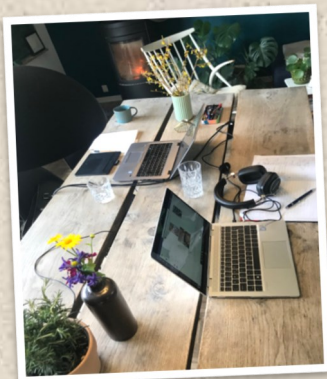
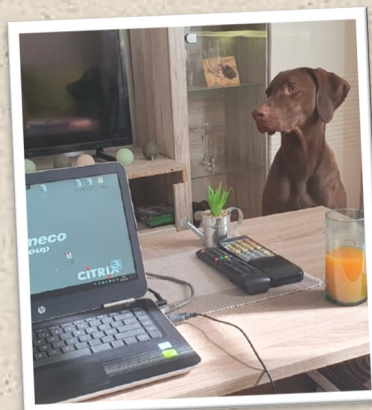
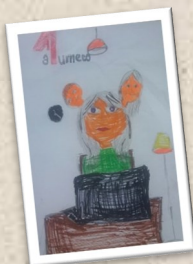
Our ambition is to implement more indicators of social responsibility in operations to initiate more relevant actions according to the needs of the individual Group companies.



During the COVID-19 pandemic all employees in the Alumeco Group did their utmost to adjust to a completely new working situation in order to help reduce the spread of infection, protect ourselves and at the same time service our customers. Home-offices were installed and work was carried out along with home-schooling of children. The new guidelines for safety and protective equipment in warehouse and production areas were well-received and quickly implemented.



To keep the spirits high, children of employees were encouraged to send in Easter drawings and compete to win a small Easter treat.



| ANTI-CORRUPTION |

The Alumeco Group complies with legislation and refrains from all forms of use of corruption, bribery and other forms of misuse of power. It is important for us to be a reliable company with high integrity and to live up to expectations from our stakeholders, the society and our business partners.

Essential risks

As an international Group, our interaction with our business partners implies a risk of corrupt arrangements and bribery.

Policy

To prevent any form of corruption and bribery, all employees interacting with our business partners are



obliged to act according to our anti-corruption policy. The policy lays down clear guidelines as for what is acceptable and unacceptable behaviour.

Alumeco Group Anti-Corruption Policy - Focus points:

- ✓ Any demand or offer of bribery must be rejected.
- ✓ Nepotism and conflicts of interest must be prevented.
- ✓ Violation of the policy and rules in force will be sanctioned.
- ✓ All incidents and attempts of corruption must be reported.

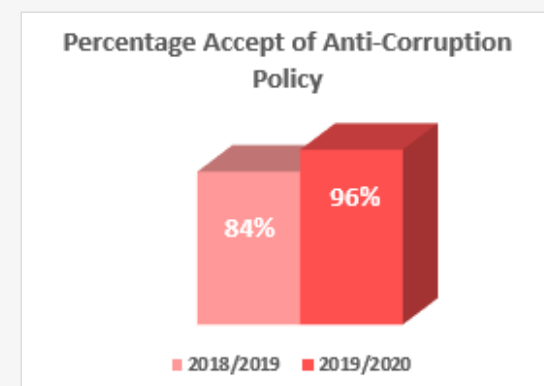
Actions & results

The anti-corruption policy is continuously updated to the current risk assessment.

Once a year all employees whose function implies interaction with business partners are asked to read and accept the anti-corruption policy.

In 2019/2020 zero incidents of corruption was reported in the Alumeco Group - just as in 2018/2019.

In 2019/2020, 96% of the employees, who have interaction with business partners, have confirmed to have read and accepted the Alumeco Group's Anti-Corruption Policy.



Percentage of white-collar employees who have accepted the Alumeco Group Anti-Corruption Policy.

Future improvements

To support the general policy, the Alumeco Group's subsidiaries will prepare company specific and/or country specific guidelines as a supplement to emphasise the line between acceptable and unacceptable behaviour.



| DATA SECURITY |

Essential risks

Concurrently with the increased use of digital media, both in private and business context, an increase of digital crime, such as phishing attacks and other forms of 'social engineering' occurs.

The purpose of these attacks is to get access to different types of confidential data or to block access to data. The attacks are typically aimed at a single user or a group of users. We see that a breach of security in a company is often caused by negligence by one or more users.

Policy

All companies within the Alumeco Group are dependent on well-functioning IT-systems and infrastructure ensuring available data, just as integrity and confidentiality are essential for the service of our customers.

Consequently, our first priority is always to have secure and stable IT-systems that withstand possible security breaches as well as to ensure high awareness of data security and an appropriate digital behaviour from our employees.

Actions & results

To prevent security breaches, we have started a collaboration with external IT security experts to outline on an on-going basis the current threat assessment and to establish prioritised actions to minimise risks.

The actions focus on:

- securing the IT-systems against cyber attacks.
- increasing the awareness of cyber security and information security with our users.



The work with security has, among other things, included a thorough review of our systems and routines, which has resulted in a report listing prioritised security actions with the purpose of reducing the vulnerability towards cyber attacks.

The prioritised security actions have been implemented, and at the beginning of 2020 we introduced the Group's employees to a mandatory and focused cyber awareness training as part of our security and awareness campaign. A focus that will continue and be developed continuously.

Future improvements

As we expect the risk of cyber attacks to increase in future, it is essential continuously to work with the security of our systems and with our employees' cyber awareness.

The awareness training applies especially to new employees, but is definitely also essential in terms of upholding the security awareness with existing employees.



METALCENTER GROUP

mail@metalcentergroup.com

www.metalcentergroup.com

ALUMECO

mail@alumeco.dk

www.alumeco.com

ALUWIND

info@aluwind.com

www.aluwind.com