

Business model & Nissens' approach to sustainability

Being a global industrial and distribution company, the Nissens Group is committed to offering a contribution to limiting the Group's environmental and climate footprint, just as it is the Group's obligation to consider the health and safety standards applicable for our employees.

Nissens remains a committed member of UN Global Compact, and we maintain our focus on our ESG agenda, our social responsibility and environmental sustainability by exploring and implementing initiatives within the areas of energy, environment, work environment and company governance.

Human rights

Nissens is committed to supporting and respecting the internationally proclaimed human rights.

Area	Risk	Actions in 2021/2022	Results in 2021/2022
Code of Conduct	Adverse human rights, negative environmental impact, and corruption issues in own organizations and external supply chain.	We specify our expectations to our employees across Nissens' global organization and to our suppliers e.g. via our company policies, employee handbooks as well as in our Code of conduct.	All of Nissens' employees are made acquainted with the Code of Conduct, and our suppliers receive our Code of Conduct as an integrated element in the formalization of our business interaction.
Data privacy	Not handling personal and sensitive personal data and information in compliance with legal regulations and internal guidelines.	We have initiated a number of initiatives and procedures to secure ongoing enhancement of our data privacy management in order to secure compliance in the handling of sensitive personal data and information.	Our target for FY2021/2022 aims at securing that all managerial staff at Top Three tier levels as well as employees with assigned duties/responsibilities at Nissens receive and sign our Data Privacy Policy. We have reached the target in FY2021/2022. All other employees have access to Nissens' Data Privacy Policy through official publications.

Within the area of human rights, we will going forward ensure committed management compliance with our human rights-related policies via formalized signatures.

CORPORATE SOCIAL RESPONSIBILITY

Social & Labor Conditions

The experience, competence and well-being of Nissens' employees are vital elements in our ability to develop our business and succeed with our strategic plans and objectives. Across the Nissens Group, there is a commitment to supporting a safe and healthy work environment and focusing on securing risk management in relation to work-related accidents and injuries.

Area	Risk	Actions in 2021/2022	Results in 2021/2022
Employee well-being, development & satisfaction	The safety and well-being of our employees during a global pandemic.	We have introduced a large number of initiatives and measures to prevent Covid-19 virus spread in our administration, production and warehouse facilities.	We have an aim of keeping the company in operation throughout the pandemic and maintain the workplaces of our employees, just as we wished to limit virus spread within our facilities. We have managed to stay in operation and avoid critical absence levels as well as redundancies as effects of the Covid-19 pandemic.
Employee safety, health and well-being	Employees getting injured at work.	Our health and safety focus is supported by regular, ongoing measurement and follow-up on our safety procedures and KPIs. We focus e.g. on the development of injury rates.	In 2021/2022, we have maintained our LTIR (Lost Time Injury Rate) on blue-collar employees in Slovakia and Denmark combined at 2.2, which is an identical level compared to our LTIR performance in FY2020/21.
	Sickness absence impacting negatively on daily operations and planned outputs.	We measure and follow up on our sickness absence on both blue-collar and white-collar employees on a monthly basis and take necessary actions to support our employees during illness and upon return to work. We also focus on limiting and preventing absence due to sickness.	The weighted average for our short-term sickness absence rate for blue-collar and white-collar employees measured across our main sites in Denmark, Slovakia and China in FY2021/2022 is: 3.89%, which is slightly above our defined absence thresholds, but driven only by Covid-19.
Diversity in other managerial positions	Risk of discriminating based on gender, race, religion, ethnicity when hiring new employees.	In our policy on gender and cultural diversity, we have defined a target of a minimum share of female managers on all management levels.	In the Board of Directors of AX V III, there is only male representation among the board members. In FY2021/2022, the female representation in Nissens' Management Team is 28.87%.
Gender distribution at BoD and Management	The board of directors for AX V III currently consists of three members; all male members.		

In future, within the area of social and labor conditions, we will intensify our focus and follow-up on our performance within retention of employees, sickness absence and injury stats on an international level.

CORPORATE SOCIAL RESPONSIBILITY

Climate

Nissens strives to minimize the risk of having an unnecessary detrimental impact on the climate through the optimization of our energy consumption and a reduction of the Group's CO₂ emissions. The Group's ambition and approach are outlined in our policies on energy and environment, which apply to all of Nissens' locations and define the guidelines and ambitions within environment and climate in Nissens' global sites.

Area	Risk	Actions in 2021/2022	Results in 2021/2022
Energy consumption	Limitation of energy consumption impact.	In FY2021/2022, we focus on exploring and identifying new potential initiatives and improvement areas in our company. The focus is driven by the need to reassess and reevaluate ambitions and objectives following the company split carried out in the Nissens Group with the divestment of one of Nissens' two business units.	During FY2021/2022, we have defined possible focus areas, which we plan to integrate into our long-term ESG strategy. The new energy situation in Europe driven by the consequences of Russia's invasion in Ukraine has additionally called for new considerations to be taken.
CO ₂ emissions – scope 1 and scope 2	Limitation of climate impact through business focus and optimizations.	In FY2021/2022, we have continued our focus on sustainability with the aim of creating clarity on our main scope 1 and scope 2 emission drivers.	In co-operation with an external consultancy firm, we have prepared a full CO ₂ baseline of our emission structure across Nissens. For FY2022/23, milestone targets for securing of long-term sustainability development are defined for roll-out.
CO ₂ emissions – scope 3	Management of climate impact through business model structure and climate initiatives.	In FY2021/2022, we explore new sustainability trends and developments within raw materials, transportation and energy.	Based on our main emission drivers, we have defined targets for climate optimization initiatives in FY21/22. The stepwise implementation and monitoring of progress will be initiated in FY2022/23.

CORPORATE SOCIAL RESPONSIBILITY

Environment

Nissens strives to minimize the environmental footprint of our production through a continuous focus on resource optimization throughout the Group's production facilities. The environmental management system is certified according to ISO14001 standards, and the Group is working in a structured manner with our environmental awareness and sustainability for years.

Area	Risk	Actions in 2021/2022	Results in 2021/2022
Chemical Management	Non-compliance with chemical management guidelines.	We continuously work with enhancing the management of chemicals.	In FY2021/2022, we have carried out a detailed mapping of our chemicals and secured new guidelines as well as updated documentation on when and how to secure optimal chemical management.
Emissions	Detrimental effects of emissions from our inhouse production activities.	Focus on installations of measures contributing to reducing our emissions from our production activities in Slovakia.	We have installed filter systems on our brazing furnaces, paint flux machinery and fin machinery in Slovakia, which has contributed to a limitation of oil and alu residues as well as turnings in the surface water.

Next year, within the areas of environment and climate, we are going to introduce a long-term ambition for enhancing our CO₂ footprint based on an elaborate CO₂ baseline covering our emissions within Scope 1, Scope 2 and Scope 3.

Anti-corruption

The Nissens Group is committed to upholding a high degree of business ethics in all the markets in which the Group operates, and Nissens works against corruption in all of its forms. The Group's expectations regarding anti-corruption are specified in Nissens' Code of Conduct, which all employees and suppliers must comply with, and a whistleblowing scheme is implemented to secure easy access to incident reporting.

Area	Risk	Actions in 2021/2022	Results 2021/2022
Corruption	Employees engaging in activities of corruption	Our Code of Conduct is distributed to our employees during their onboarding in the company, just as our suppliers receive the Code of Conduct upon formalization of co-operation.	We have not identified any non-compliance or breaches with our Code of Conduct in the reporting year.
Whistleblowing	Serious breaches or non-compliances with internal procedures, ethics and legislation not being conveyed or made transparent.	Whistleblower access is available for named or anonymous reporting of breaches of laws and regulations as well as non-compliances with Nissens' policies.	No reports on incidents nor confirmed incidents are registered in our whistleblower system in the past year.

We will pursue our aim for limiting any kind of corruption and bribery via our established whistleblower scheme and supported by internal control measures.