

## CSR Report 2018/2019

Statutory report on on corporate social responsibility for the financial year 2018/19 pursuant to section 99 a and b of the Danish Financial Statements Act This report is a supplement to the management's review section of Roblon A/S' annual report for 2018/19

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# About the Roblon Group

## **Mission**

Roblon is a global, innovative company developing and supplying competitive high-performance fibre solutions and technologies to customers who demand the highest quality, durability and safety standards.

## **Vision**

We aim to be the preferred supplier of high-performance fibre solutions and technologies for strategic customers.

## **Strategy**

Our strategy focuses on continually boosting sales efforts, strengthening product development and expanding our product offering in close collaboration with strategic customers. Exercising this strategy, we aspire to a position as total supplier of high-performance fibre solutions to selected strategic customers in the fibre optic cable industry. Roblon also aspires to a position as market-leading supplier of strength element solutions to the offshore oil and gas industry and other industries.

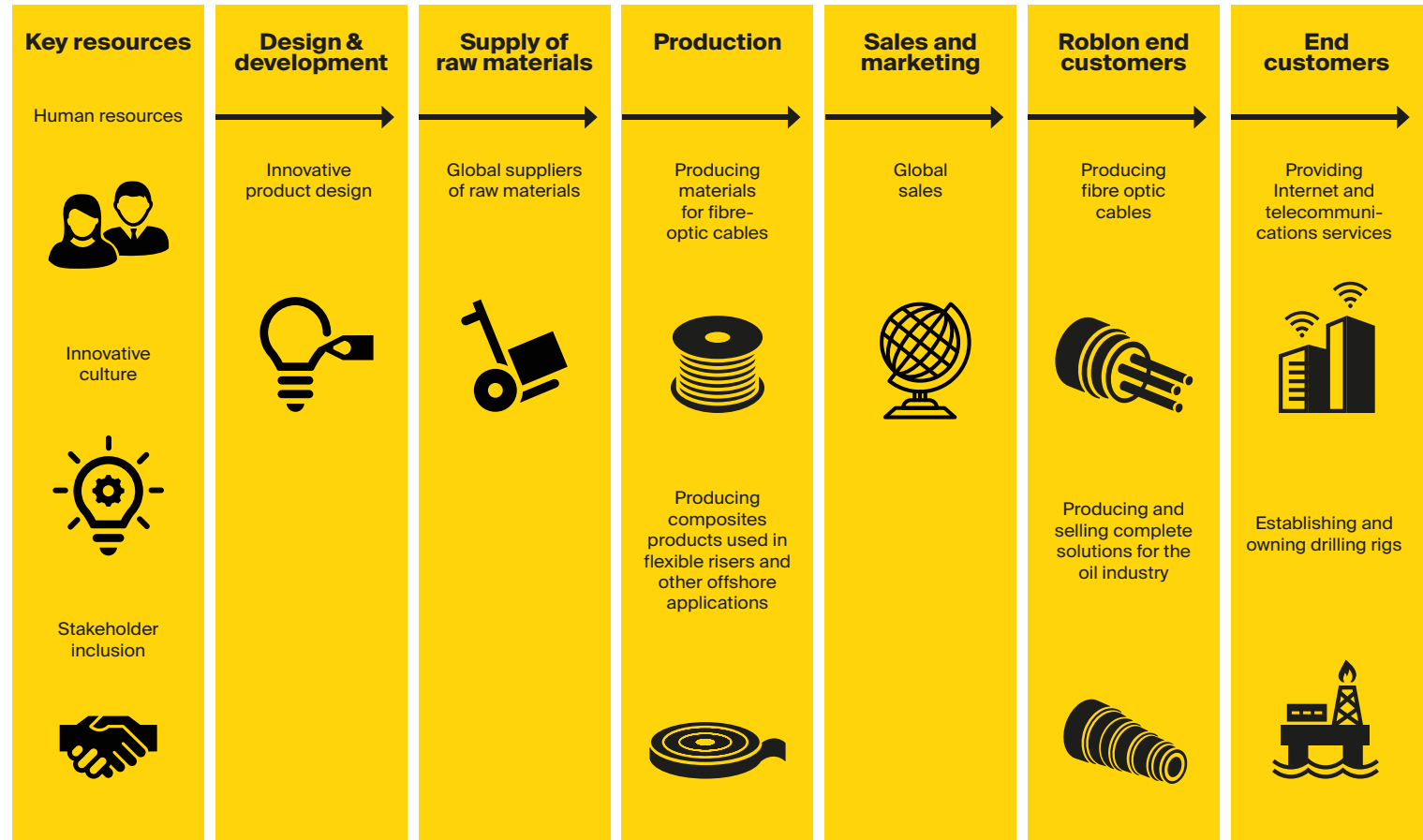


# Business model

We develop and manufacture strength member materials for fibre-optic cables and strength member materials for offshore oil and gas and other industries. The Roblon Group's products are generally embedded in our customers' products. Our products are developed in close collaboration with selected customers. The products that we supply are subject to strict quality, durability and safety requirements.

As regards Roblon's value chain, our suppliers of raw materials (glass, aramid and more) and our customers are primarily large global players. The Group addresses the ongoing demands from both suppliers and customers for us to comply with various CSR requirements.

## Roblon's value chain



The Roblon Group has operating companies and production facilities in Denmark and the USA.

# CSR policy, organisation and strategy

We consider corporate social responsibility (CSR) to be an integral part of the Roblon Group's business, and we acknowledge that we have a responsibility for our employees and the society which we are all part of. Roblon aims to be the preferred supplier to selected strategic customers. We have naturally integrated CSR into the Group's endeavours to execute the 2021 Strategy. We interact with our customers and other stakeholders to maintain a CSR policy and launch measures that contribute to sustainable value creation.

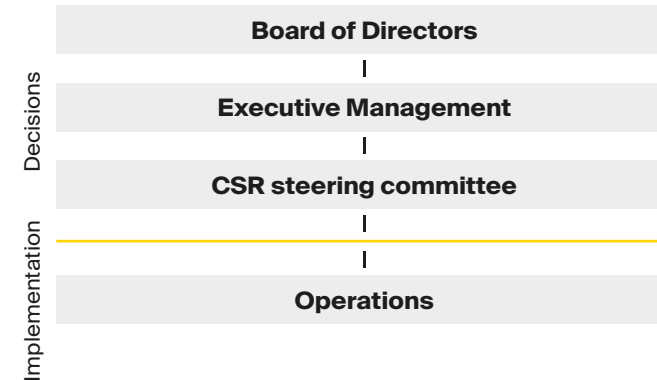
The Roblon Group has established a formal CSR organisation with a steering committee under the responsibility of the Executive Management. The CSR organisation promotes visibility and benchmarking across the Group by implementing common systems, reporting and

best practice principles. We continually seek to establish new shared-value partnerships and other networks that are expected to contribute positively to our sustainable value creation.

We have a clear CSR ambition which breaks down into four steps, as illustrated below.

We assess that the Group is currently somewhere between steps one and two, i.e. between CSR being a reaction to legislation and requirements and CSR minimising risk. During the 2019/20 CSR steering committee

## CSR Governance



**Section 99 a of the Danish Financial Statements Act**



# Environment and climate

## Policy

Roblon seeks to be an environment-conscious company committed to ensuring an environmentally sound development through our operations, with due consideration for natural resources, statutory requirements and other relevant provisions.

## Risks

Our greatest environmental risks are related to resource consumption and wastage as well as damage to the environment.

We have analysed which environmental impacts the Group may be affected by and continually monitor these. We prepare risk analyses and launch action plans, to the extent permitted by our financial and technical capabilities, to minimise the risk of the Group having an adverse impact on the environment.

We have applied risk assessments to various project models.

Our production entities periodically follow up on production emissions to ensure that they comply with environmental approvals and that the production does not have an adverse impact on our neighbours and the local community.

We risk assess our use of chemicals on a regular basis to ensure compliance with the regulations that apply to us.

## Activities

Roblon A/S has an ISO 14001:2015-certified environmental management system.

In collaboration with our partners, we regularly monitor the development of new materials and process technologies that can contribute to preventing and reducing our environmental impact, including the Group's energy consumption.

The Group has analysed its energy consumption and is following up on it on a regular basis to identify irregularities and scope for optimisation in order to minimise our energy consumption.

We pursue sustainability and green transition by focusing on waste minimisation and by stepping up the Group's waste recycling.

The Group has various systems in place to ensure compliance with the various statutory requirements and provisions that we are subject to.

Our procedure in relation to chemicals and raw materials and managing finished goods ensures that we maintain focus on sustainable production that does not have an adverse impact on Roblon or our customers' local environment.

## Results and initiatives

Again this year, our analysis of environmental impacts, risk assessment and resulting action plans meant that the Group registered no critical environmental incidents.

As some of our key waste recipients have been saturated, demand for certain recyclable waste fractions from our Danish production unit (Roblon DK) has ceased. This meant that the Company's share of recyclable waste fractions decreased from 80% in 2017/18 to 69% in 2018/19.

In the coming year, we are launching several working groups with the aim of reducing waste from production processes and locating more recipients for the Group's waste fractions. The Group will also explore the possibilities of entering into shared-value partnerships that can increase the opportunity of profitable operations for more recipients. This is particularly relevant in our US subsidiary.

A change in the product mix in the past year meant a rise in the Group's electricity consumption, and consequently our environmental impact.

The energy consumption of the Group's US subsidiary is based on a calculation, not a meter

reading, as the company shares production facilities with another of Roblon's business partners.

In the coming financial year, we will set up working groups tasked with analysing the environmental impact of the Group's energy consumption and formulating targets for mitigating this impact. An obvious example of an area to focus on is to increase the number of secondary consumption meters at all the Group's production sites to achieve improvements and optimisations.

We will introduce a new procedure for reporting of environmental data for the entire Group, which will ensure benchmarking and additional knowledge-sharing between our production sites.



# Social and employee relations

## Policy

As part of the execution of Roblon's ambitious growth strategy, it is imperative for us to be able to continuously attract and retain skilled staff. We therefore have an active employee strategy focused on employee satisfaction, training and skills development.

We continually strive to ensure that our working environment is attractive to current and future employees. We want a healthy workplace in which our employees feel happy, satisfied and secure. Our working environment should be characterised by a spirit of mutual openness, initiative, tolerance and cooperativeness, so that agreements and plans are respected.

## Risks

We conduct regular internal audits to assess risks and identify ways of improving employee conditions and optimising production processes that improve our working environment.

We have applied risk assessments to various project models.

We consider staff turnover rates and absenteeism to be important indicators of the state and development of our general social and employee relations.

## Activities

The Group has a common social and employee relations policy. The policy is implemented in the individual operating companies with local employee handbooks and guidelines adjusted to reflect local conditions and legislation. We seek to develop and promote best practice in all our operating companies.

Two years ago, an employee satisfaction survey was conducted in Roblon DK, and we use the results in our ongoing efforts to enhance work satisfaction among our departments, individual employees and in Roblon DK in general.

By taking methodical and prompt action when an employee is ill, we seek to make the employee feel secure and find a solution for the employee as early as possible.

We offer our employees health insurance with access to fast treatment and help in case of illness or problems such as addiction or unhappiness at work.

We use staff appraisals to focus on up-to-date job descriptions, competence evaluations and employee development.

We provide the necessary training and development, both in-house and through external courses.

Safety is very important to us and is a prioritised and significant part of both training and day-to-day work. We maintain focus on this through our health and safety organisation and stand-up meetings. We have implemented systems for registration of near misses, and these combined with observations and proposed improvements enable us to implement preventive health and safety improvements in order to reduce the risk of accidents. We regularly invest in new equipment to minimise ergonomic strains in selected processes and implement improvements to office workstations.

Through our joint consultation committee and our open door policy, which encourage co-operation between employees and management, we focus on co-operation in the workplace. The local employee handbooks comprise guidelines and ways of seeking help to resolve co-operation problems.

At Roblon, we consider diversity a strength, as having different perspectives represented in the company's various management levels ensures sound decisions on complex issues and continual development of our company for the benefit of owners, employees and the surrounding community. Actively using the diversity of our managers and employees also leads to improved solutions, resourcefulness and creativity. In other words, diversity improves

our performance and competitiveness – which makes Roblon a better place to work.

We oppose all forms of discrimination and we treat all applicants and employees equally, regardless of gender, age, sexual preference, ethnic origin, handicaps, religion, etc.

We expect the same from our employees in their relations with each other.

## We pride ourselves in having high ethical standards and a strong culture:

- Roblon's culture must help individual employees exploit their potential and value human diversity.
- We strive to support our employees and help them exploit their individual capabilities as much as possible, in consideration of the company's possibilities and needs.

## Results and initiatives

Roblon DK is conducting the employee satisfaction survey for the second year running. Through the financial year, we make 24 pulse surveys, to which the employees respond on a scale of 1 to 5 (the higher the score, the greater the satisfaction). In 2018/19, the average score was 4.21 (4.08) and the response rate was 69% (74%). This indicates a positive development

overall, and the response rate is considered to be at a high and satisfactory level, despite the drop.

With inputs from the organisation, we are planning an update of themes and questions for the coming year to ensure that the survey remains relevant and indicates in what areas we need to work on employee satisfaction.

Our ambition in the coming year is to plan how the employee satisfaction survey can be extended to cover all operating companies.

In the coming year, we will work on securing uniform data on employee turnover rates and absenteeism from the operating companies.

Next year's goal is to implement more systematic capturing of data on training requirements and wishes and thus to strengthen the basis for strategic competence development. Initially, this new procedure will be implemented at Roblon DK.

In 2018/19, for the first time the Roblon Group is reporting safety figures for all Group sites, and this will be the baseline for reporting in the coming years.

In the past financial year, the Group has registered six reportable incidents, seven non-reportable incidents, six near misses and 500 safety observations.

In the coming year, we will step up our focus on preventive measures. This will include campaigns to minimise the risk of occupational accidents.

### **Report on Management's gender composition**

Roblon believes that a diverse and varied staff composition, including gender composition, contributes to creating an innovative organisation and a positive working environment, which in turn helps improve competitiveness and profitability.

The Company's target for the under-represented gender on the Board is 25%. Presently, the Board is composed of one woman and three men, and the target is thus met.

To ensure diversity on other management levels, we have formulated a policy to increase the proportion of the under-represented gender in the rest of Management. Other management positions comprise the Executive Management, Roblon's management team and other executive officers.

In 2017, we revised our target for the under-represented gender in the rest of Management to 40% by the end of financial year 2020/21.

We will seek to increase the proportion of the under-represented gender in the rest of Management through the following initiatives:

- a goal of at least one candidate of each gender among the final three candidates in the recruitment process
- in connection with in-house promotions to management positions, the goal is to put forward at least one female candidate

In other management positions, we have increased the proportion of the under-represented gender from 15% in 2017/18 to 17% in 2018/19.



# Human rights

## Policy

We support and respect the protection of international human rights. In countries in which there is a risk of infringement of human rights, we will strive to prevent any human rights abuse, and if Roblon should become involved in such abuse we will take corrective action.

We want to help protect human rights in the countries in which we operate. The Group therefore aims to promote initiatives that have a positive human rights impact, but also to mitigate any negative human rights impacts in Roblon's value chain, including at our sub-contractors.

We condemn all forms of slavery, forced labour and child labour.

We respect our employees' freedom of association and right to collective bargaining.

## Risks

We are alert to any existing and potential human rights risks that the Roblon Group's production, operations and business partners may give rise to.

Risks include the right to be heard, issues related to GDPR (processing of personal data) and the risk of discrimination. The Group has introduced a number of policies and measures, etc. to mitigate these risks.

## Activities

We obtain assurances from our suppliers that they recognise human and labour rights, do not use child labour, etc., afford their employees freedom of association, right to collective bargaining and that they unequivocally condemn the use of corruption and bribery.

The Group processes our employees', our customers' and other business associates' personal data in accordance with the statutory requirements on the protection of privacy and personal data. For this purpose, we have implemented security measures that protect data against

misuse, leaks or destruction of personal data. In accordance with current legislation, we have drafted a privacy policy and implemented the necessary activities to meet the requirements of the new General Data Protection Regulation (GDPR).

## Results and initiatives

To the best of Management's knowledge, we have not been involved in corruption or bribery within the Group or among our suppliers in 2018/19.

At the time of writing, 81% of those approached have endorsed the Group's code of conduct declaration. We are following up on those who have yet to respond. The aim is for all suppliers approached to endorse the declaration or otherwise attest to their recognition of human and labour rights. If a supplier fails to endorse the declaration – without providing a relevant explanation – we will discontinue our collaboration with that supplier.



# Anti-corruption and bribery

## Policy

At Roblon, we expect all external relations to maintain a high level of integrity and responsibility, and the Group does not participate in corruption or bribery. The Group does not offer, promise or give any form of bribe for the purpose of exerting undue influence on external relations, both public and private. Roblon also does not receive or accept any form of bribe.

## Risks

The obligation to not be a party to corruption or bribery covers the Group's agents or others acting on Roblon's behalf.

Elements of Roblon's code of conduct aim to ensure that Roblon does not participate, directly or indirectly, in corruption or bribery.

When new customers are set up in our system, relevant risk factors in the customer relationship are identified.

## Activities

In the autumn of 2019, we have established and implemented a whistleblowing scheme in the Group, under which employees, former employees, customers, suppliers, business partners, shareholders and other stakeholders can report suspected unlawful or unethical conduct within

the Roblon Group. Examples of such conduct include suspected financial crime, bribery, corruption, breach of competition law or environmental and climate regulation, discrimination or sexual harassment.

## Results and initiatives

To the best of Management's knowledge, we have not been involved in corruption or bribery within the Group or among our suppliers in 2018/19.

In 2019/20, a working group will update the Roblon Group's code of conduct procedures to make them more in keeping with today's standards and more detailed. The new procedure will then be communicated to all our suppliers and agents as well as to other business partners. We will require all our business partners to endorse the Group's code of conduct.

In the coming year, we will inform all our stakeholders about our whistleblowing scheme.

# Responsibility Other issues

We acknowledge the Roblon Group's share in the global responsibility for making the world more sustainable. We want to clarify this shared responsibility by publishing our contribution towards the UN's 17 Sustainable Development Goals. During 2019/20, Roblon will launch a process to determine which of these goals we are contributing to and to prepare an action plan for our activities on the selected goals for the coming year.

## Case description

Roblon Flex straps contribute to removing plastics from the World's oceans. For more information, click on the link below:

[www.roblon.com/news/the-ocean-cleanup-project](http://www.roblon.com/news/the-ocean-cleanup-project)



# Key figures

	Unit	Target	2018/19	2017/18	2016/17	2015/16	2014/15
<b>Environmental data</b>							
<u>Roblon A/S</u>							
Critical environmental incidents	#	0	0	0	-	-	-
Waste fractions – Recycling	%	≥80	69	80	74	74	61
Electricity consumption	kwh	-	2,236,052	1,762,442	2,223,379	2,274,141	2,043,140
Electricity consumption/produced materials	kwh/kg	-1%	0.87	0.76	0.82	0.80	0.69
<b>Social data</b>							
<u>Roblon Group</u>							
Average no. of full-time employees	#	N/A	171	96	87	80	81
<u>Roblon A/S</u>							
Average no. of full-time employees	#	N/A	104	94	87	80	81
Employee satisfaction	Score	-	4.2	4.1	-	-	-
Reportable incidents	#	0	5	2	4	2	-
Non-reportable incidents	#	0	6	7	14	6	-
Near misses	#	0	3	3	0	1	-
Observations (preventive)	#	200	218	102	85	-	-
<u>Roblon US Inc.</u>							
Average no. of full-time employees	#	N/A	67	2	-	-	-
Employee satisfaction	Score	-	-	-	-	-	-
Reportable incidents	#	0	1	-	-	-	-
Non-reportable incidents	#	0	1	-	-	-	-
Near misses	#	0	3	-	-	-	-
Observations (preventive)	#	144	282	-	-	-	-
<b>Governance data</b>							
<u>Roblon Group</u>							
Gender diversity, Board of Directors	%	25	25	25	25	-	-
Gender diversity, other management levels	%	40 (2020/21)	17	15	10	-	-

## Key figures

The Roblon Group has production units in Denmark and the USA. Roblon established its US operations through an acquisition in April 2017. In connection with the acquisition, Roblon entered into a number of service agreements with the seller of the US company, including on administrative and operational areas. Consequently, for the US business, data is not available in all areas for calculation and inclusion in the CSR report for 2018/19. The basis for this will be in place in 2019/20.

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WITH EVERY FIBER