

CSR Report 2019/2020

Statutory report on corporate social responsibility for the financial year 2019/20 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 2019/20.

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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.

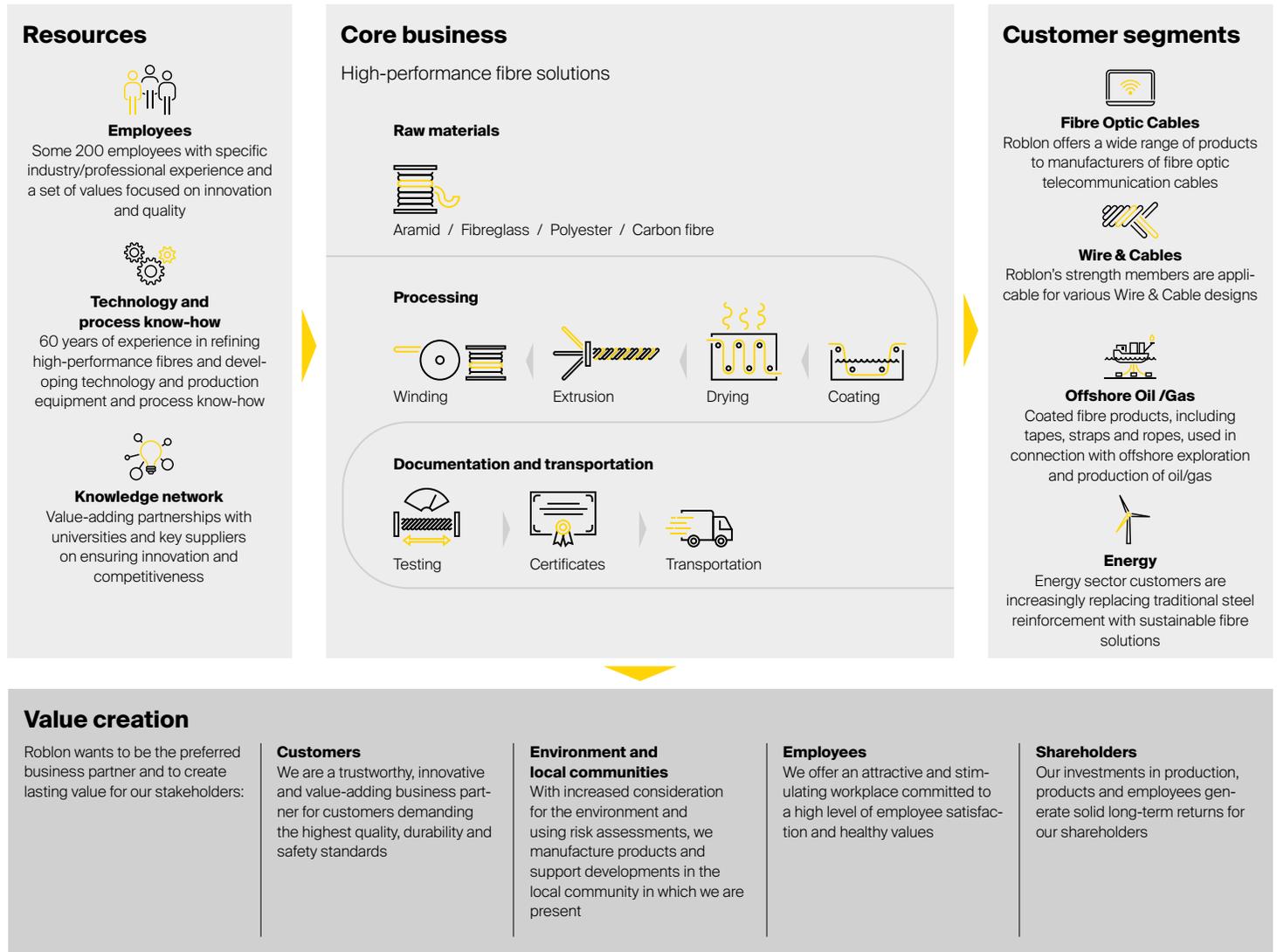
Strategy

Roblon's strategy is focused on developing and selling fibre-based strength members for the fibre optic cable industry and other selected industries. Roblon aims to continually step up sales efforts, strengthen product development and expand our product offering in close collaboration with selected strategic customers.

Business model

Roblon develops and manufactures fibre-based strength member materials for reinforcement purposes in industries such as telecommunications, energy (oil & gas, wind energy, etc.) and in submarine energy and communications cables. The Group's products generally make up a significant part of our customers' end-products. Our products are developed in close collaboration with key customers and are subject to strict quality, durability and safety requirements.

The model on this page illustrates the Roblon Group's value chain. Our suppliers of raw materials (glass, aramid, etc.) and our customers are primarily large global players. The Group addresses the ongoing demands from customers for us to comply with various CSR requirements.



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 a natural part of the Roblon Group's business principles, 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. Through these partnerships and networks, Roblon gains access to trends, new knowledge and tools that help us meet the requirements and expectations of our stakeholders. Our customers are increasingly concerned about the products they buy being manufactured under sustainable conditions throughout the supply chain. Our customers are not alone in focusing on sustainability. Investors are increasingly committed to investing in sustainable initiatives and companies with a green profile.

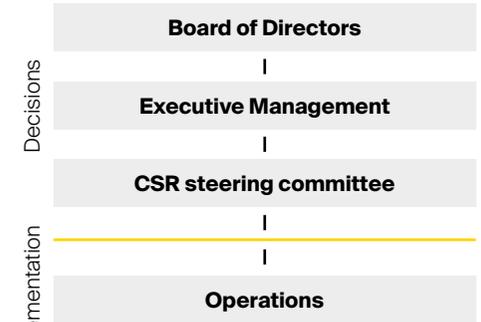
We have a clear CSR ambition which breaks down into four steps, as illustrated below.

The Group is currently assessed to be in the region of step two.

During the 2019/20 financial year, we reviewed and assessed where the Group can contribute the most towards achieving the UN's 17 Sustainable Development Goals. Reference is made to the section on "Responsibility" on page 10 for more information on this assessment.

In the months ahead, Roblon will look into the possibility of joining the UN Global Compact network. We are already applying the ten principles as a guide towards ensuring responsible production of our products.

CSR Governance



Section 99 a of the Danish Financial Statements Act



Environment and climate

Policy

Roblon is 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 in the financial and technical areas to minimise the risk of the Group impacting adversely on the environment.

Our production facilities 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 or the local community.

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

Activities

Roblon A/S employs 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 any irregularities and scope for optimisation in order to minimise our consumption.

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

Our procedures in relation to chemicals, raw materials and finished goods management ensure that we focus on sustainable production that does not have an adverse impact on our 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.

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

We set up a number of working groups in the financial year that have successfully helped reduce waste from several production processes. We intend to step up focus on this area, and reducing production waste will be a natural priority area when we set new targets for our efforts to support the 17 UN Sustainable Development Goals.

With more recipients for waste fractions from the Danish production entity in place, we successfully increased our recycling rate in 2019/20. We intend to launch additional measures to lift the recycling rate even more and to identify additional waste fraction recipients.

COVID-19 has delayed the efforts of Roblon US to secure additional recipients for the production

entity's waste fractions and to explore the possibilities of entering into shared-value partnerships aimed at securing profitable operations for more recipients. This work will be resumed as and when permitted by the COVID-19 situation.

Future efforts to reduce the environmental impact of our electricity consumption will be partially focused on the most energy-intensive production equipment. To support this focus, a number of measurements of selected production equipment will be performed.

The Group's US production entity has launched an optimisation project to reduce the energy consumption of some of the most power-intensive production lines by up to 75%.

The Group's US production entity no longer shares production facilities with one of Roblon's former business partners. This has made it easier to pinpoint the environmental impact of the Group's energy consumption.



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 aim to have a healthy workplace in which our employees find enjoyment in their work and feel satisfied and secure.

Roblon does not tolerate any form of bullying or harassment, including sexism. This policy has been communicated to all staff, investors and other stakeholders. We have clear procedures in place for where and how to report, for example, bullying, harassment or sexism directed at oneself or a colleague. In response to the public debate taking place through the autumn of 2020, sexism will be addressed as a separate topic for consideration by the Company's Joint Consultation and Workplace Environment Committee with a view to raising awareness of the issue and ensuring that the current procedures and guidelines are adequate.

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.

Activities

Roblon has a group-wide 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.

Roblon DK conducts employee satisfaction surveys, 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 falls ill, we seek to make the employee feel secure and find a solution for the employee as early as possible with due consideration for local regulations.

We offer our employees health insurance with access to fast treatment and help in case of

illness or problems such as addiction or low job satisfaction.

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 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, which, 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 set out guidelines and ways of seeking help to resolve co-operation issues.

At Roblon, we consider diversity a strength, as having different perspectives represented at 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 better solutions, resourcefulness and creativity. In other words, diversity improves our performance and competitiveness, which has the added advantage of making Roblon a better place to work.

We oppose all forms of discrimination and 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 realise 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 in its current form for the third 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 2019/20, both the average score and the response rate were slightly down. See the section on “Key figures”.

The results reflect, among other things, the COVID-19 restrictions implemented during the past year, which have transformed the day-to-day work of our employees and naturally affected their job satisfaction. Against this background, we are pleased to note that, while slightly down, our average score and response rate still reflect a high and satisfactory level of job satisfaction.

The COVID-19 outbreak has delayed the implementation of the plan for rolling out the employee satisfaction survey in the US. A plan for roll-out to the operating company in the US will be drawn up when the relevant resources are considered to be available.

COVID-19 has given rise to additional focus on employee satisfaction under the exceptional conditions caused by the outbreak. Additional resources were spent throughout the period under review on providing continuous information and communications on measures and

guidelines in the operating companies, the general strategy being to comply with local health authority recommendations.

Against this background, specific measures in the form of distance working, more frequent cleaning, staggered breaks and focus on the health authorities’ general precautions concerning hand hygiene and observing social distancing have been implemented and adjusted as and when required.

In order to alleviate any uncertainty caused by the sudden change of working conditions and general social conditions, we have focused in particular on providing timely information and additional follow-up/support for our employees, with measures including focus on and support for our managers, who have been faced with quite extraordinary challenges. In our assessment, which is based, among other things, on input from follow-up meetings held in the individual departments, our targeted efforts to provide information, follow-up and support to managers and employees have helped maintain a high and satisfactory average level of satisfaction.

Through systematic collection of data on training requirements and wishes, we have established a stronger basis for strategic competence development in Roblon DK.

With a view to providing a better overview and a stronger basis for benchmarking and to ensuring alignment with regulatory reporting forms in the two countries in which the Group has production facilities, we have made our safety figures more transparent.

In the past year, the Group conducted several campaigns based on the preventive system designed to minimise the risk of occupational accidents and strain injuries. The Group expects to see ongoing results of these preventive efforts.

Aiming to strengthen the basis for the preventive system in relation to safety & working environment and employee participation, Roblon DK has developed a digital platform and a mobile app for the collection of safety observations and ideas for improvement.

In the past financial year, Roblon focused on establishing, in collaboration with an external provider, an e-learning programme concerning safety and working environment in the Danish business, the purpose being to enhance individual employee skills.

The new digital platform, the app and the e-learning programme will all be implemented at the beginning of the new year.

For safety figures, see page 11.

Report on Management’s gender composition

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

The Company has revised its targets for the under-represented gender on the Board and in the rest of the management team, respectively, to 50%.

At 31 October 2020, the Board was composed of one woman and three men, equivalent to a share of women of 25%. As at the same date, the rest of the management team consisted of four women and 16 men, equivalent to a share of the under-represented gender of 20%. We may not reach a 50/50% gender composition for a long time yet as an increase in the share of the under-represented gender awaits a need for change or expansion of the Board or the rest of the management team.

Developments in the proportion of the under-represented gender on the Board and in the rest of the management team are shown in the section on “Key figures” in this CSR report.

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. To that end, the Group seeks 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 policies, measures, etc. to mitigate these risks and expect the same of our suppliers and other business partners.

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 were not involved in or experienced any human rights abuse within the Group or among our suppliers in 2019/20.



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, public or private. Roblon also does not receive or accept any form of bribe.

Risks

The obligation to not be a party to corruption or bribery extends to 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, any relevant risk factors in the customer relationship are identified.

Activities

In the autumn of 2019, we established and implemented a whistleblowing scheme enabling employees, former employees, customers, sup-

pliers, business partners, shareholders and other stakeholders to report suspected unlawful or unethical conduct within the Roblon Group, such as suspected financial crime, bribery, corruption, breach of competition law or environmental and climate regulations, discrimination, bullying, threats or sexism.

Results and initiatives

The whistleblowing scheme, which was first mentioned in the 2018/19 annual report, can be accessed via Roblon's website.

To the best of Management's knowledge, we were not involved in corruption or bribery within the Group or among our suppliers in 2019/20.

Updated in financial year 2019/20, the Group's code of conduct procedures are now more in keeping with today's standards, more detailed and more considerate of the requirements of Roblon's customers and other stakeholders. The updated code of conduct has been communicated to all employees, suppliers and other business partners, who are all required to endorse it.

Responsibility

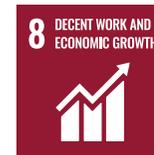
We acknowledge the Roblon Group's share in the global responsibility for making the world more sustainable.

Roblon is aware of all the 17 UN Sustainable Development Goals, and as part of our activities in 2019/20 we have identified the areas where we believe we can make the greatest difference. In 2020/21, we will set targets, launch targeted initiatives and follow up on a regular basis on our contribution towards achieving SDGs 6, 7, 8, 12 and 17.

In order for us to realise our targets, each individual employee must contribute. The Group has launched an in-house information campaign and a training programme for all employees.

Several of Roblon's suppliers are already reporting on their progress towards achieving the 17 UN Sustainable Development Goals. By way of our updated code of conduct, we have made it very clear to all our suppliers that we expect them to embark on their own sustainability journey.

Sustainable Development Goals



Key figures

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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 in 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 2019/20. The basis for this will be in place in 2020/21.

	Unit	Target	2019/20	2018/19	2017/18	2016/17	2015/16
Environmental data							
Roblon A/S							
Extraordinary environmental incidents	#	0	0	0	0	0	-
Very critical environmental incidents	#	0	0	0	0	0	-
Critical environmental incidents	#	0	0	0	0	0	-
Waste fractions – Recycling	%	≥80	77	67	80	74	74
Electricity consumption	kWh	-	2,147,435	2,236,052	1,762,442	2,223,379	2,274,141
Electricity consumption/produced materials	kWh/kg	-1%	0.9	0.87	0.76	0.82	0.8
Natural gas consumption	m3	-	75,312	81,245	105,740	103,704	87,354
Natural gas consumption/produced materials	m3/kg	-1%	0.032	0.032	0.046	0.038	0.031
Water consumption	m3	-	833	858	575	771	793
Roblon US Inc.							
Extraordinary environmental incidents	#	0	0	-	-	-	-
Very critical environmental incidents	#	0	0	-	-	-	-
Critical environmental incidents	#	0	0	-	-	-	-
Waste fractions – Recycling	%	-	-	-	-	-	-
Electricity consumption	kWh	-	5,016,960	-	-	-	-
Electricity consumption/produced materials	kWh/kg	-	1.85	-	-	-	-
Natural gas consumption	m3	-	371,703	-	-	-	-
Natural gas consumption/produced materials	m3/kg	-	0.14	-	-	-	-
Water consumption	m3	-	1,159	-	-	-	-

	Unit	Target	2019/20	2018/19	2017/18	2016/17	2015/16
Social data							
Roblon Group							
Average number of full-time employees	#	195	193	171	96	87	80
Roblon A/S							
Average number of full-time employees	#	108	106	104	94	87	80
Employee satisfaction	Score	3.8	4.2	4.2	4.1	-	-
Response rate - employee satisfaction	%	70	66	69	74	-	-
Fatal accidents	#	0	0	0	0	0	0
Serious accidents (unfit for work for at least 21 days)	#	0	1	0	1	1	1
Less serious accidents (unfit for work for 1-20 days)	#	0	1	5	2	4	3
Minor/strain injuries (no absence)	#	0	8	1	2	1	1
Near misses	#	0	1	3	3	0	0
Observations (preventive)	#	250	260	218	102	85	-
Roblon US Inc.							
Average number of full-time employees	#	87	87	67	2	-	-
Fatal accidents	#	0	0	0	-	-	-
Serious accidents (unfit for work for at least 21 days)	#	0	0	0	-	-	-
Less serious accidents (unfit for work for 1-20 days)	#	0	0	0	-	-	-
Minor/strain injuries (no absence)	#	0	1	2	-	-	-
Near misses	#	0	3	3	-	-	-
Observations (preventive)	#	168	185	282	-	-	-
Governance data							
Roblon Group							
Gender diversity, Board of Directors	%	50	25	25	25	25	-
Gender diversity, other management levels	%	50	20	17	15	10	-



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