



Sustainable Development and Ethical Standards

Sustainable development and ethical standards are important elements at Nowocoat Industrial A/S and an integral part of our management system. Therefore, we also work with the United Nations' 17 Sustainable Development Goals (SDGs) as part of our daily operations. The areas we focus on include:

SDG 3 - Good Health and Well-being, targets 3.9

SDG 8 - Decent Work and Economic Growth, targets 8.3, 8.7, and 8.8

SDG 12 - Responsible Consumption and Production, targets 12.4, 12.5, and 12.6

Our environmental objective is to reduce the impact on the surrounding community and environment through efficient use of energy and materials. It is important to us that our consumption of renewable resources per unit produced is reduced, but also that it happens under proper and decent conditions, ensuring no unnecessary harm to employees or the environment.

The entire mindset - ensuring proper conditions from start to finish, regarding people, products, health, and the environment - is important to us. Therefore, it is natural for us to work with the three SDGs, 3-8-12, and the corresponding targets that align with the values we greatly emphasize. Combined with good dialogue and collaboration in the supply chain, this helps ensure development and sustainable solutions for the benefit of people and the environment.

Our environmental policy includes:

- Complying with legislation related to safety, health, and the environment.
- Minimizing resource consumption to reduce pollution and waste.
- Preventing pollution.
- Optimizing electricity, heating, and water usage in daily work.
- Limiting unnecessary noise in daily operations.
- Documenting the procurement of energy-saving equipment.
- Using only approved subcontractors.

Our goals for 2023 include:

- DGNB sustainability certification for roof coatings.
- Ecolabel certification for roof coatings.
- Life Cycle Assessment (LCA) for paints used in new construction.
- Reduction in electricity/heat consumption through baseline monitoring.
- Location and batch traceability for selected products.
- Product reuse initiatives.

We aim to ensure outward communication through consistent email signatures that incorporate the SDGs, as they are an integral part of our value process. We have focused on Certificates of Analysis (CoA) in



procurement to ensure acceptance criteria and usage dates. In the sales process, the SDGs are incorporated into our communication, currently at the product level, where roof coatings serve as a good example. The

product extends the lifespan of roofs and is inherently sustainable. Ecolabel and DGNB certifications are currently in progress. Another example is Polyaspartic, a moisture-curing polyurethane used in the metal industry. Its sustainability impact can be directly observed in the customer's production process, resulting in reduced CO2 emissions. A third example is "better carbon," an unintended effect of a customer's request. Initially aiming for a 5% reduction, we have already achieved 15%. As a result, we are pre-approved for upcoming requirements.

Internally, Nowocoat Industrial A/S has invested in monitoring selected consumption points in terms of electricity, heating, and thus CO2 emissions. The measuring units can be moved around to assess the ongoing effectiveness.

Code of Conduct

Nowocoat Industrial A/S has a set of rules (Code of Conduct) in which the main essence is that our suppliers adhere to a set of ethical standards and have a management system that reflects responsibility and sustainable development. Traceability in our products and development is important, but we also emphasize that our business partners demonstrate a responsible approach at all levels.

- Risk mitigation is crucial. Our suppliers must be able to document systematic work on improvements and self-assessment as the basis for complying with the Code of Conduct.
- We expect our business partners to comply with applicable rules and laws regarding wage and employment conditions in their respective countries, ensuring a fair balance between work and leisure time for employees. Child labor (children under 15 years) is not permitted.
- We do not tolerate any form of discrimination.
- A signed employment contract must be accessible to all employees in a format and language that is understandable to them.
- Trust, respect, integrity, and honesty are crucial values at Nowocoat.
- Any form of corruption contradicts our goal of conducting good business.
- We have a zero-tolerance policy towards corruption in any form.

For Nowocoat Industrial A/S, maintaining open dialogue and fostering collaboration in the supply chain are essential for ensuring development and sustainable solutions.

Kolding, 18th April 2023



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