

FORCE Technology's ESG report 2023



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Business and sustainability go hand in hand

Since 2021, FORCE Technology has published an annual climate report and a variety of ESG data alongside its annual report. However, expectations for companies' sustainability work and reporting have increased—on the part of customers, business partners, and society at large. Since the EU's Corporate Sustainability Reporting Directive will require us to report on ESG in greater detail beginning in 2025, we have expanded our reporting to more broadly cover the environment (E), social responsibility (S) and governance (G).

While ESG reporting is a relatively new field for FORCE Technology, sustainability is not. We have been actively engaging with sustainability for many years, not least on behalf of our customers, and we see it as a prerequisite for success as a workplace, company, and societal actor. After all, it's only natural that business and sustainability go hand in hand.

- This is why our vision is about making the world a safer, more sustainable place.
- This is why we have a sustainability strategy with clear governance, specific actions, and well-defined goals.
- This is why the green transition dominates our strategic market efforts.
- And this is why we report openly, honestly, and transparently about our sustainability work.

However, like most other companies, we have yet to achieve all of our goals, and there is still a long way to go before we can call ourselves carbon-neutral, properly diverse, or completely accident-free. We are dedicated to improving, and we make no effort to hide our shortcomings.

In this report, you will find both positive examples and areas where we are still facing challenges in achieving our ambitions—and what we plan to do about them.

Thank you to the members of our Sustainability Board, who serve as the standard-bearers of our ESG work. Thank you to the roles and departments that have provided data and made the publication of this ESG report possible. And thank you to the employees who are helping us move closer to achieving the goals of our sustainability strategy.



Jens Roedsted
Interim CEO

How we engage with sustainability



FORCE Technology works to create positive technological change and make the world a safer, more sustainable place. Since 1940, we have helped companies through major technological transformations: From rivets to welding. From oil adventures to wind turbines. From analogue to digital. Today, we are continuing to shape the future in terms of technology.

Sustainability is something we have been engaged with for as long as the green transformation has existed. As the concept has expanded to include not only the climate and environment, but also social responsibility, economics, and management, we have kept pace with it.

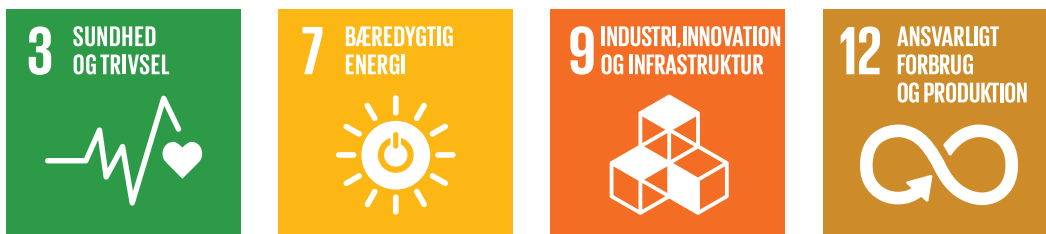
This work culminated in 2022 with FORCE Technology's first sustainability strategy. Our goal with this strategy is to take greater social responsibility and contribute to achieving the UN's sustainable development goals.

We aim for our contributions to be reflected in an economically, socially and environmentally responsible bottom line, made possible by:

- maintaining a green footprint by minimising our impact on the climate and the environment while optimising our resource and energy consumption
- making a green mark through sustainable services and collaborations with customers and partners
- acting in socially responsible ways, focusing on diversity, compliance, safety, and health
- operating a financially sound and responsible business
- engaging in specific efforts and actions

Our sustainability strategy is based on two key concepts in the area of sustainability:

SDGs—the UN's Sustainable Development Goals, as an overarching framework for sustainable development and a tool for prioritising sustainability issues. We have chosen goals 3, 7, 9, and 12.



ESG—Environmental, Social, and Governance, a key tool for measuring and documenting corporate sustainability that serves as the cornerstone of our sustainability plan.

The strategy articulates our ambitions and defines specific objectives for our work with the climate, environment, diversity, health, safety, and good governance.

Our sustainability work is the responsibility of the management team, the board of directors, and a specially appointed sustainability board that drives specific initiatives.

The strategy will run through the end of 2024 and will be updated next year.

The EU's CSRD means that beginning in 2025, companies of FORCE Technology's size must report on their sustainability efforts. This ESG report should be seen as a step in preparation for full, statutory ESG reporting in 2025.

There is a very wide range of parameters that can be reported. We have chosen our parameters based on alignment with our quality manual and ISO certifications, as well as data availability. Next year, we expect to be able to report on more parameters.

All data in this report covers our Danish, Norwegian, and Swedish locations unless otherwise stated.

Environment



Climate change is one of the biggest challenges facing society today. That is why we work actively to reduce our negative impact on the world around us, including by reducing our CO₂ emissions and minimising our resource consumption.

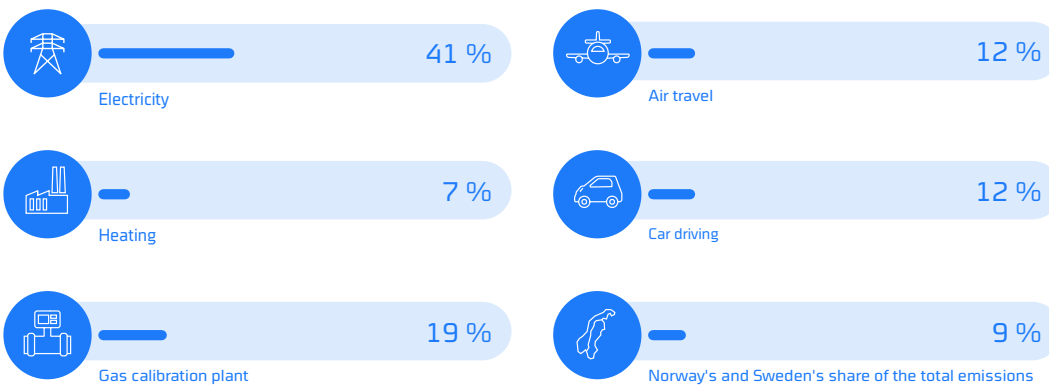
Climate

Each year, FORCE Technology prepares a climate statement, so that we have specific data to use in setting ambitious targets for reducing our emissions.

FORCE Technology's climate statement has been prepared with 2019 as a reference year, including a total CO₂ equivalent contribution of 8,774 tonnes. Based on this, we have set a specific target to reduce our carbon footprint: We want to reduce our carbon emissions by 25 percent from 2019-2024, relative to the development in turnover.

In 2023, emissions totalled 7,830 tonnes of CO₂ equivalents, which corresponds to an 11percent reduction compared to the base year and after adjusting turnover for inflation. In 2023, our locations in Norway and Sweden have been included in the climate statement for the first time.

Distribution of CO₂ emissions in 2023:



Waste management

Proper waste management and increased recycling are among the tools we have to make our mark on the world less negative. FORCE Technology has been working for a number of years to sort waste more appropriately. For example, we use a number of hazardous chemicals that must be handled correctly so as not to pose a danger to employees and the environment. We also consume large amounts of various materials that need to be sorted correctly in order to maximise the portion that can be recycled.

Status as of 31 December 2023:

WASTE DATA

Recycling percent of total quantity:

	2019	2020	2021	2022	2023
Total (kg) DK + N	273563	225954	236462	357295	335796
Recycling (kg) DK + N	79824	105293	115876	232081	214528
Recycling %	29	47	49	65	64

Our goal is to recycle at least 70 percent of our waste by the end of 2024. Our recycling volume stagnated between 2022 and 2023. However, given the excellent development over the entire period—from 29 percent in 2019 to 64 percent in 2023—we are confident that we will reach our goal. In recent years, we have expanded our waste sorting stations, and all FORCE Technology locations can now sort their waste into nine fractions. We also continue to work closely with our supplier to further increase our recycling rate.

In 2022, FORCE Technology in Denmark achieved ISO 14001 certification, enabling us to document our professional approach to environmental management. Our Norwegian subsidiary has been certified since 2020, while our Swedish subsidiary is not yet ISO 14001-certified due to its limited size.

Social responsibility



FORCE Technology's employees are our most important resource, and being among the most attractive workplaces for engineers, technicians, and other specialists is crucial for us to achieve our goals. We endeavour to offer good, safe, and equal working conditions for all employees, regardless of age, origin, culture, language and gender. We see diversity as a clear strength.

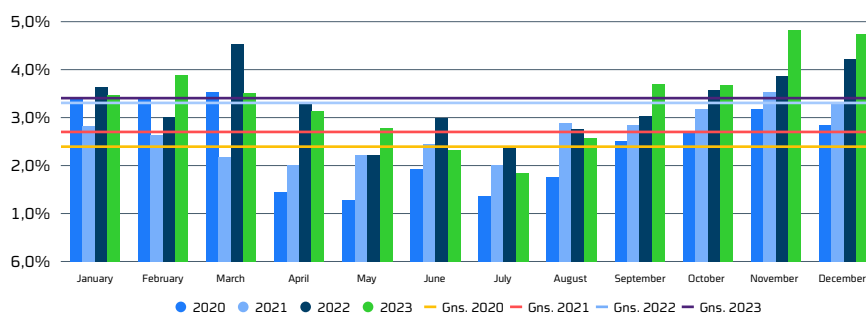
Sick leave

Low sick leave is important to ensure continuity and quality in FORCE Technology's services. To that end, we focus on creating a healthy and safe workplace with high job satisfaction, which reduces sick leave.

Our sick leave has increased in recent years despite these efforts. However, there is important context for this development: sick leave in Denmark was generally low during the coronavirus pandemic (especially 2020-2021), because many employees were at home and did not record instances of illness in as much detail as usual. Consequently, many companies have seen an increase in sick leave after employees returned to a more normal workday, and the same is true of FORCE Technology.

Our sick leave was at 2.4 percent in 2020, 2.7 percent in 2021, 3.3 percent in 2022 and 3.4 percent in 2023. According to Statistics Denmark, the average for private companies was 3.6 percent in 2022 (figures for 2023 have not yet been published). In view of this, we are not concerned about our sick leave rate. We will continue monitoring and other efforts to create a safe and attractive workplace with low sick leave.

SHORT- AND LONG-TERM SICK LEAVE (OWN ILLNESS)



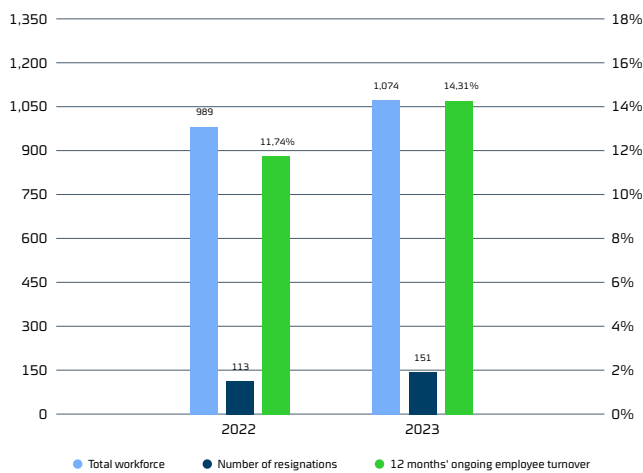
It was not possible to calculate figures for years before 2020.

Employee turnover rate

At a knowledge-intensive company like FORCE Technology, employees and their knowledge and experience are a crucial prerequisite for success. The cost of replacing employees can be very high, which is why we work to keep employee turnover low. Unfortunately, this trend went the wrong way in 2023, when the turnover rate for permanent* employees increased from 11.7 percent to 14.3 percent. The proportion of voluntary resignations also increased slightly. It was not possible to calculate these figures with sufficient precision for years before 2022.

Improving employee retention will be an important focus area for us in 2024.

EMPLOYEE TURNOVER OF PERMANENT EMPLOYEES IN FT

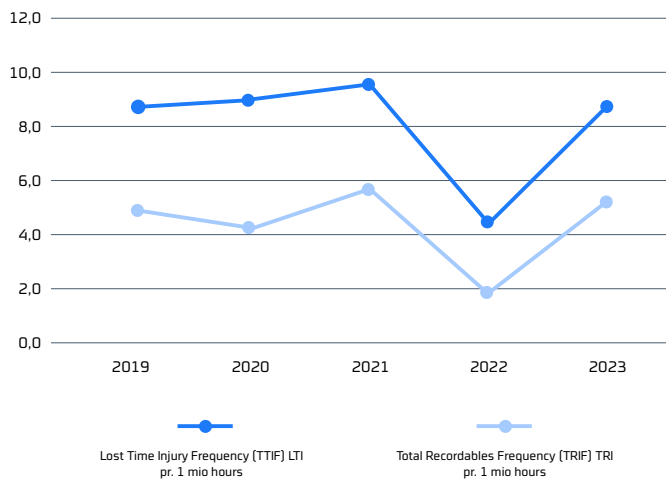


*Permanent employees exclude students, panellists, trainees, Apprentice employees, PhD students, consultants, independent contractors, and temporary staff

Workplace accidents

Safety is one of the core values at FORCE Technology. As a technological consulting and service company, we have a large proportion of employees who perform work of a technical nature, handle hazardous chemicals, operate machinery, use tools, or run large testing and demonstration facilities. This entails a particular risk of workplace accidents, and for this reason, we are working hard to minimise the number of accidents. This resulted in a significant drop in the accident rate in 2022, but unfortunately, we saw an increase again in 2023.

ACCIDENT FREQUENCY FOR FORCE TECHNOLOGY



Due to the rising accident rate, we have decided to redouble our safety efforts in 2024, focusing in particular on safe processes and methods that are established and known to be correct. We will continue with monthly safety meetings and follow up on all incidents and observations, paying special attention to the business areas with the most incidents. We additionally expect the appointment of new site managers for all our locations to contribute to an improved safety culture. We will also work towards health and safety certification in the long term.

Parental leave policy

Following two years of negotiations, in mid 2023, management and union representatives concluded the Clear Framework agreement. The aim was to simplify and create equal conditions for equal work, and we succeeded in negotiating 13 local agreements down to two agreements for working time remuneration, plus a number of joint agreements—including on modernised, improved conditions for parental leave and senior employees.

As of 1 July 2023, FORCE Technology was able to announce that it is among the Danish companies that put couples who have children on an equal footing, giving both parents 24 weeks of paid parental leave.

Senior programme

At FORCE Technology, knowledge is our lifeblood. For that reason, it is absolutely critical for us to create conditions that motivate our most experienced employees to stay with us longer and share their knowledge with newer, less experienced employees. In view of this, as part of the Clear Framework, we also negotiated a new senior policy and gave employees who are close to retirement age the opportunity to work reduced hours and take senior days off.

Management



Our success should be measured not only by performance and finances, but also by our overall behaviour. Because we help others become frontrunners, we must also be frontrunners ourselves when it comes to responsibility and leadership. Otherwise, we lose our legitimacy.

Against this backdrop, FORCE Technology achieved ISO 9001 certification in 2022, enabling us to document our professional approach to quality management.

Ethical behaviour

In 2022, FORCE Technology also developed a new and updated Code of Conduct that guides us to make good decisions, serves as the foundation of our corporate culture, and sets high standards for how we do business.

It describes how we act ethically and responsibly in a number of specific areas, such as sustainability, quality, diversity, anti-corruption, international trade, and data security. It helps us remember to act ethically and responsibly in our day-to-day work. It is also an assurance to our customers and other external stakeholders that they can feel safe doing business and collaborating with us.

It is therefore important to us that all our employees know our Code of Conduct, and we have organised a digital learning programme for this purpose. As of the end of 2023, 91.2 percent of all employees have completed training on our Code of Conduct.

In order to maintain this high completion rate as employees come and go, all new employees now complete the digital learning programme as a fixed part of their on-boarding, and we continuously follow up with them to ensure this training is completed.

Gender diversity

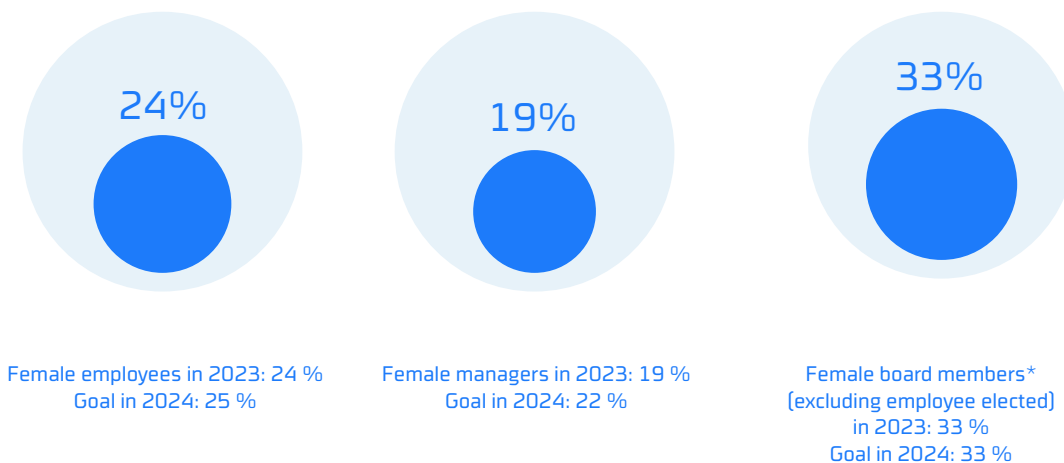
As part of our social sustainability work, we are actively engaged in promoting gender diversity. We have many disciplines and business activities under our roof, and so we need corresponding diversity among our employees. All talent is put into play, and new perspectives are given space. In light of this, we wish to attract and develop the capabilities represented by different genders. We also wish to be an attractive place to work for existing and future employees alike—regardless of their gender.

We signed the DI Gender Diversity Pledge in 2021, and in 2022, we set specific targets for gender diversity in the company.

In terms of the number of women on the board, in 2023, we reached our target of 33 percent, and with 24 percent female employees, we also came very close to reaching our target of 25 percent in that area. On the other hand, the proportion of female managers fell slightly to 19 percent in 2023. This is not because the raw number of female managers actually fell, but rather because the acquisition of Kiwa Inspecta A/S brought more male managers into the company. It was not possible to calculate figures for years before 2021.

One of the tools we have for achieving these goals is the gender equality plan we created in 2022. Improved internal processes, such as salary adjustment, PR, recruitment criteria, and behavioural interviewing will support our ambition to be a great place to work for everyone. In 2023-2024, there will be a special focus on behaviour and leadership through dedicated training programmes with all managers.

EMPLOYEE COMPOSITION (GENDER)



*The proportion of female board members incl. employee-elected members is 56 percent.

Executive and board compensation

To ensure transparency, and in accordance with the Danish Financial Statements Act, we publish the total compensation of our executives and our board of directors. In 2023, this figure came to 5.6 million DKK, compared to 5.3 million DKK in 2022. Compensation for the parent company's executives and directors totalled 5.5 million DKK in 2023 and 5.1 million DKK in 2022. Bonuses were issued to 15 board members and one executive.

FORCE Technology's future sustainability work



Sustainability will continue to be one of the pillars of FORCE Technology's strategic work in the years to come. We will continue to contribute to the green transformation of our society and help other companies become green frontrunners. Meanwhile, we will work internally to reduce our own negative impact on the climate and environment, demonstrate social responsibility towards employees and customers, and maintain high ethical standards for our finances, management, and general behaviour. Based on the data in this ESG report, we will focus particularly on reducing workplace accidents and CO₂ emissions.

The need to prepare a double materiality assessment to evaluate which sustainability areas are relevant for our company to work with and report on, based on our business model and value chains, will also be significant in 2024. This requirement comes from the CSRD.

We expect this assessment to uncover a number of new areas within sustainability that we will need to engage with and report on more systematically. As a result, we will also spend 2024 developing procedures and methods for collecting this new data. Those procedures and methods will be launched in 2025 and reported on in 2026.

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