

## Genan CSR Policy

### - applicable to Genan Holding A/S and subsidiaries

In a Danish context, Corporate Social Responsibility (CSR) is defined in section 99a of the Danish Financial Statements Act, according to which large companies are required to provide a non-financial statement accounting for environmental considerations, including the company's efforts to reduce the climate impact of company activities, social responsibility, working conditions as well as considerations in relation to the respect for human rights and the prevention of bribery and corruption.

### Principles behind Genan's CSR Policy

Genan has based its CSR Policy on – and supports – all 17 Sustainable Development Goals of the UN to transform the world. Genan's core business concept is mainly focused on the endeavours to reach goal no. 12 (to ensure sustainable consumption and sustainable production patterns) as well as goal no. 13 (to take urgent action to combat climate change and its impacts).

The UN Global Compact lists 10 general principles for business entities to work with the 17 SDGs and corporate social responsibility. The Ten Principles of the UN Global Compact are:

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Businesses should make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should support the elimination of all forms of forced and compulsory labour.
5. Businesses should uphold the effective abolition of child labour.
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms – including extortion and bribery.

Genan complies with the above 10 principles in the operation of all group enterprises.

### Basic business model

Genan's basic business concept is to process a waste stream – end-of-life tyres – into new, valuable raw materials (secondary raw materials), the quality of which is so high that they can substitute virgin rubber and steel.

When end-of-life tyres are processed into new rubber and steel by means of Genan technology, environmental and climate problems, which would otherwise arise, if tyres were deposited in landfills or incinerated, are avoided.

The whole raison d'être of Genan is thus completely and deeply rooted in the principles of sustainability and circular economy. When Genan produces secondary raw material in the form of rubber and steel, production of new rubber and steel at rubber plantations and through iron ore mining is avoided.

For many years, the deforestation of jungle and rain forest areas to make room for new rubber plantations, primarily in Asia, has been considered a big problem in relation to both loss of biodiversity and the reduction of CO<sub>2</sub> absorption from the atmosphere. Similarly, iron ore mining results in environmental problems with waste water, slag as well as consumption of the limited resources of the planet. By reusing the raw materials from end-of-life tyres to substitute new rubber and steel, Genan thus contributes to the promotion of environmental responsibility and the furthering of environmentally and climate friendly technologies.

Genan is global leader within this environmental niche. Operating six factories in Europe and the USA, Genan not only produces very large volumes of reusable rubber and steel – but also serves as a source of inspiration for the solution to a vast, global waste problem relating to the disposal of end-of-life tyres. In its day-to-day operations, Genan is, thanks to its market position and technological knowhow, in contact with many companies and public authorities all over the world, which request knowledge on technical solutions as well as product applications.

Finally, Genan has for the last 15 years lead the way when it comes to contributing to the preparation and financing of research in the environmental and climate-related aspects of tyre recycling. Several LCA (Life Cycle Assessment) studies have been published – compiled by well-reputed and independent institutes such as FORCE (Denmark), IFEU (Germany) and Franklin Associates (USA); and all these studies have subsequently been peer-reviewed by independent researchers. Genan only works with the highest standards within climate and environmental research – thus dissociating itself from easy solutions, the purpose of which is merely to support marketing and promotion purposes.

## **Human rights and business ethics**

### **Genan's policy**

Genan supports and respects the protection of internationally proclaimed human rights – and in its daily operations, Genan ensures not to contribute to the violation of these rights.

### **Implementation**

Respect for human rights is part of Genan's corporate culture – and is continuously discussed among management and employees. Through its choice of suppliers, Genan ensures only to work with cooperating partners who share the company's values in this respect. There have been no examples of criticisable circumstances in ongoing operations.

## **Staff and working conditions**

### **Genan's policy**

Unlimited freedom of association is upheld at all Genan's factories, and each employee is free to choose his/her own affiliation.

Genan management recognises the right to collective bargaining with employees.

Genan has zero tolerance in relation to both forced labour and child labour – at Genan’s own workplaces as well as at the workplaces of suppliers. Zero tolerance is furthermore shown in respect of discrimination on the basis of race, gender, religion or sexual orientation.

For both management and staff, workplace safety and the prevention of occupational injury have first priority. Genan’s overall target is zero work-related accidents at all the workplaces of the company.

Genan emanates from a process industry, where men traditionally are overrepresented. An initial target figure of minimum 20% of the underrepresented gender has thus been set for both board and management representation. At Genan, women are the underrepresented gender. This target figure is lower than what has been defined as equal gender distribution by the Danish Business Authority – yet, for Genan, it is still an ambitious, preliminary target, which may be enhanced over time.

### **Implementation**

Enforcement of policies about employee rights and discrimination is part of Genan’s ongoing management development. Genan has furthermore set up a whistleblower scheme, through which confidential reporting can be made to an external law firm with expertise in whistleblower schemes. Reports can be submitted anonymously, should a whistleblower wish to do so. Not only employees but anyone associated with Genan can use the scheme – e.g. suppliers, customers and business associates. No violations of Genan’s policies have been noted in relation to staff and working conditions – neither in daily operations nor through the whistleblower scheme.

Workplace safety is monitored through an extensive reporting system – at each individual workplace as well as at overall management level, where work-related accidents categorised as TF1 and TF2 (no. of accidents per 1 million hours worked) are registered in the same way as are monthly, financial results.

## **Environmental and climate-related considerations**

### **Genan’s policy**

Genan shall continuously take initiative to the greatest responsibility possible in respect of climate and environment – and take a precautionary approach in these matters. Taking its own business interests in account, Genan bears a global responsibility to disseminate technological expertise and knowhow about the optimum, environmental recycling of end-of-life tyres – thus furthering global, circular economy. Genan is committed to continuously assessing its climate-related and environmental footprint, using the most renowned research as well as independent peer review of results. Genan is 100% transparent in relation to environmental and climate-related matters, dissociating itself from any type of greenwash communication in this respect. As Genan processes a waste stream (end-of-life tyres), Genan has furthermore committed itself not to export waste in the form of unprocessed tyres – but only process high-quality secondary raw materials.

### **Implementation**

Genan is in continuous and transparent dialogue with authorities, NGOs and business partners concerning environmental and climate-related issues. Genan initiates quality research – and in 2020, Genan published a comprehensive and peer reviewed LCA study. In this study, the climate and environmental footprint of the company was analysed in relation to 16 different impact categories – including global warming, where a conservative approach has ascertained that for

each tonne of tyres recycled instead of incinerated, the climate is spared the emission of minimum 700 kg of CO<sub>2</sub> equivalents. The six Genan plants thus have the capacity to reduce annual CO<sub>2</sub> emission to the atmosphere by minimum 280,000 tonnes of CO<sub>2</sub>.

## **Anti-corruption**

### **Genan's policy**

Genan has zero tolerance in relation to any kind of corruption, extortion or bribery. This applies both ways in relation to both authorities, customers and suppliers.

### **Implementation**

The policy of zero tolerance in relation to corrupt conduct has been communicated at all levels of the organisation. Violation of the company policy shall have consequences for the employment of the violator in question. No violations have been noted in relation to the zero tolerance policy in relation to corruption – neither in daily operations nor through the whistleblower scheme.

Viborg, 11 January 2021

A handwritten signature in blue ink, appearing to read "Poul Steen Rasmussen".

Poul Steen Rasmussen

*Group CEO*