

A hand is shown holding a dark brown branch of a plant. The branch has several bright green, serrated leaves. The background is a soft-focus mix of light green and blue, suggesting an outdoor setting. The overall image has a clean, professional feel with a blue gradient overlay at the top and bottom.

UN Global Compact

Communication on Progress
Nissens

| 2020



Contents:

Statement of Continued Support	p. 3
Human Rights Principles	pp. 4-5
Labor Rights Principles	pp. 6-7
Environmental Protection Principles	pp. 8-9
Anti-corruption Principles	pp. 10-11
Publication & Contact	p. 12



Statement of Continued Support

June 25, 2020



The Nissens Group develops, manufactures and markets Cooling, Climate and Efficiency & Emissions products for the international automotive aftermarket and customized cooling systems for the renewable energy and special vehicles segments.

Nissens is considered a market-leading brand on thermal solutions for the international automotive aftermarket. In addition, Nissens is a leading global player in the design and manufacturing of customized cooling solutions for on- and offshore wind turbines and a leading niche manufacturer of cooling systems for a variety of industrial on- and off-highway applications. Nissens is recognized for a strong brand, a wide product range, consistently high service levels, good product quality, strong engineering capabilities as well as high-quality customization and innovation.

The Group consists of two business units:

- Nissens Automotive, performing its main interaction with wholesalers and distributors in the automotive aftermarket
- Nissens Cooling Solutions, focusing its activities on two industry segments; the wind energy industry and the industrial segment, targeting respectively global wind turbine manufacturers and global heavy-duty equipment OEMs

Nissens is headquartered in Horsens, Denmark, with production and assembly facilities in Slovakia, Czech Republic, Denmark, China and the US. Servicing a large and versatile portfolio of companies

in various industry segments worldwide is a key ambition, and it is fueled by the pursuit of constantly Delivering the Difference to customers, communities and employees.

For years, Nissens continues to strengthen our focus on corporate social responsibility and sustainability. Through this COP Report 2020, I am pleased, on behalf of Nissens, to reconfirm our formal commitment and official statement of continued support to the ten principles of the UN Global Compact within the areas of Human Rights, Labor Rights, Environmental Protection and Anti-corruption.

Nissens' CSR Policy and Code of Conduct are approved by Nissens' Group Management and Board of Directors.

In this annual Communication on Progress Report for 2020, we are pleased to share our commitments, focused actions and achievements in relation to securing our continued support of the principles of UN Global Compact with the public as well as with our stakeholders, including our customers, employees, suppliers and other partners.

Sincerely yours,


Mikkel Kroglund Andersen
CEO, Nissens

Human Rights Principles

Commitment

Nissens is headquartered in Horsens, Denmark, with in-house production and assembly sites in Slovakia, Czech Republic, Denmark, China and the US. Additionally, within the Group, we have 22 subsidiaries across three continents performing activities within sales, production and distribution. We have local employees in 20 countries.

Nissens offers support and respect for the protection of internationally proclaimed human rights, and we are committed to leading and driving our business in a manner that ensures our company's compliance with the protection of human rights in our internal as well as in our external value chains.

We operate in respect of diversity, and we do not accept discrimination on the basis of race, religion, gender, age, nationality or sexual orientation within the company. For decades, our organization builds on representation of multiple nationalities, and we embrace the value and strength in the diversity of different cultures as an integrated part of our business composition.

Implementation of Actions: 2019/20



We continue to focus on the compliance with the EU General Data Protection Regulation (GDPR), which is designed to harmonize data privacy regulations across Europe. Professional data privacy protection is important to leverage the speed of trust between Nissens and our internal as well as external stakeholders, and we have implemented a number of automated solutions and processes to secure and enhance efficient management on personal data protection.

Awareness of data privacy protection and compliance in our organization is important. To emphasize our focus on the importance of the GDPR implementation in the past year, Nissens maintains the defined data protection KPI in our CSR Policy, which outlines our ambition for management signatures on Nissens' Data Privacy Policy as a testimony of compliance.

Action	KPI	Target	Status 2019/20
Implementation of GDPR, incl. Nissens' Data Privacy Policy	Full compliance on signatures on Data Privacy Policy from Top Tier Three Group of Managers	100%	100%

Performance Evaluation & Outlook

Our ambition on management signatures on our new Data Privacy Policy remains unaltered. With 100% target fulfilment in the fiscal years of 2018/19 and 2019/20, we will continue to strive for maintaining 100% target fulfilment in the coming year.

In general, Nissens has not been subject to any external investigations, nor have we internally received reports or made registrations of any incidents involving human rights violations in the past year, so Nissens reaffirms our commitment to UN Global Compact's principles on Human Rights.

THE PRINCIPLES OF THE UN GLOBAL COMPACT i) Human Rights

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights;

and

Principle 2:
Make sure that they are not complicit in human rights abuses

Labor Rights Principles

Commitment

Nissens continues to be among the preferred suppliers to the leading players in the international automotive aftermarket, the global wind turbine industry as well as a number of industrial segments. Our ability to attract and retain professional and market-leading customers builds on Nissens' continued success in attracting and retaining competent and dedicated employees in our global organizations.

We wish for all of our employees to go to work and perform their daily tasks in a safe and well-organized working environment. Nissens is committed to offering a good working atmosphere based on open communication and the possibility for personal and professional development within the company.

We respect the freedom of association of our employees as well as their right to collective bargaining, and we secure our dialogue and co-operation with the representatives of our employees through formalized meeting structures and fora.

In our Code of Conduct, we state that Nissens has zero tolerance of forced labor, child labor and discrimination. Our Code of Conduct is made publicly available to all employees at Nissens on our InfoNet and in our local employee handbooks. Managers at top tier levels in the organization are requested to provide their signature on their commitment to respecting Nissens' Code of Conduct. Suppliers to Nissens Automotive and Nissens Cooling Solutions are provided with Nissens' Code of Conduct upon engagement in co-operation with our two business units.

Implementation of Actions: 2019/20

To secure a safe and good working environment, Nissens has e.g. carried out an employee satisfaction survey in Nissens Automotive in 2020. The result of the survey was very positive and testified of a healthy working environment building on trust, interesting job content and ability to influence.

Nissens regularly measures and follows up on prioritized focus areas serving as indicators of the well-being of our employees. We have included our performance on absence due to injuries and sickness absence below:

Actions	KPIs	Baseline		
		2017/18	2018/19	2019/20
Absence Rate due to Injuries in Denmark and Slovakia <i>(Lost Time Injury Rate (LTIR) per 200,000 working hours)</i>	Improved performance in FY2019/20 compared to baseline in FY2017/18	4,1	3,5	4,4
Overall Sickness Absence Rate (across DK, SK, CN Tianjin)	Maintained or improved sickness absence rates in FY2019/20 compared to baseline in FY2017/18 and last year's result	2.90%	3.4%	3.4%

THE PRINCIPLES OF THE UN GLOBAL COMPACT ii) Labor Rights

Principle 3:
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4:
The elimination of all forms of forced and compulsory labor

Principle 5:
The effective abolition of child labor

Principle 6:
The elimination of discrimination in respect of employment and occupation



Performance Evaluation & Outlook

We will maintain our ambitions for improving our LTIR and sickness absence rates in the coming year. After a positive development in the LTIR performance in FY2018/19, we have not managed to maintain a positive LTIR development trend in FY2019/20. The LTIR performance in the past year is negatively impacted by considerable transformation in our production footprints including creation of additional production capacity and introduction of new production technologies. In the coming year, we expect for new factory layouts, enhanced safety initiatives as well as increased focus on follow-up on LTIR developments to contribute to improving our LTIR performance.

Our sickness absence levels remain slightly higher in the past two years compared to our baseline in FY2017/18, but we continue to maintain a performance on sickness absence across

our main local organizations, measured in terms of number of headcounts, which is in general in line with national benchmark levels on sickness absence per country. We continue to follow up on developments in our sickness absence rates per country on a weekly and monthly basis, and we put in place activities, which serve the purposes of supporting the individual employee affected by illness and securing the availability of required resources for Nissens' execution of daily operations.

In the past year, Nissens has not been subject to any external investigations, nor have we internally received reports or made registrations of any incidents involving labor rights violations in the past year, and, in the year to come, we will pursue our focus on Nissens' continued compliance with UN Global Compact's principles on labor rights.

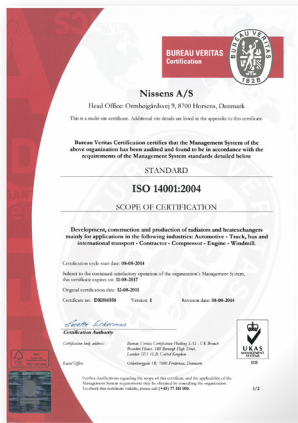
LABOR RIGHTS PRINCIPLES

NISSENS' CODE OF CONDUCT

We have developed seven codes that serve as guidelines for our ethical behavior:

- | | |
|--|--|
| <p>1 Responsible business principles
Legal Compliance</p> | <p>2 Responsible business principles
Prohibition of Corruption</p> |
| <p>3 Responsible business principles
Accounting & Reporting Standards</p> | <p>4 Responsible business principles
Conflicts of Interest</p> |
| <p>5 Fundamental company ethics
Non-Discrimination</p> | <p>6 Fundamental company ethics
Environmental Protection & Work Environment</p> |
| <p>7 Fundamental company ethics
Forced Labor & Child Labor</p> | |

Environment Protection Principles



Commitment

Nissens is committed to act as an environmentally responsible company. We are certified according to the ISO 14001 environmental standard across our production sites in Denmark, Slovakia and China. Our environmental initiatives in the business include activities on e.g. reduction of energy consumption, emissions and waste.

Our ISO 14001 certification is an acknowledgement of our responsibility towards environmental protection.

We wish to put emphasis on sustainability by minimizing the impact of the company's physical surroundings through targeted environmental measures and by integrating an environmental focus into our business decisions.

This is reflected in Nissens' focus on supplies for the renewable energy segment, considerations for environmental enhancement through product development and optimizations of operational processes providing environmental benefits.

To secure our organization's awareness and competence in relation to Nissens' consideration for the environment, we apply a Train-the-Trainer Concept for all of our blue-collar employees, which includes training in guidelines on recommended environmental behavior and energy consumption.

Implementation of Actions: FY2019/20

In the past year, we have implemented initiatives, which have contributed to continuing our reduction of Nissens' energy consumption.

We have had our main focus on two selected initiatives in the past year:

- In one of our core production processes, we use flux for coating of our coolers. To secure an improved working environment, we have changed the flux method, and we have subsequently managed to secure a better utilization of the flux just as we have managed to reduce the release of flux aerosols. This initiative does not have an impact

on our CO₂ emission, but it is an important contribution to improving the environment in general.

- In our factories, we have continued the focus on applying sustainable and cost-efficient lighting and energy sources as a measure to reduce our energy consumption by e.g. conversion to LED lighting and replacement of diesel-driven machinery by electric machinery.

The KPI defined for follow-up on our CO₂ emission reduction builds on our brazing process, which is a key element in our manufacturing of aluminum radiators and coolers.

Action	KPI	2018/19	2019/20
Measurement of CO₂ emission	Global CO ₂ emission per kg brazed aluminum in FY2019/20 compared to FY2018/19	Index 100	Index 100

Evaluation of Performance & Outlook

We will continue to focus on improving our environmental footprint through initiatives to limit our energy consumption, emissions and waste through planned initiatives in our global factories.

In the past year, Nissens has not been subject to any external investigations, legal cases or incidents involving violations of the environmental protection principles defined by UN Global Compact.

THE PRINCIPLES OF THE UN GLOBAL COMPACT
iii) Environment

Principle 7:
Businesses should support a precautionary approach to environmental challenges

Principle 8:
Undertake initiatives to promote environmental responsibility

Principle 9:
Encourage the development and diffusion of environmentally friendly technologies



Anti-corruption Principles

Commitment

Nissens has zero tolerance on the application of corruption and bribery as an acknowledgement of corruption and bribery being barriers to the development of free and fair trade between companies and countries.

In Nissens' Code of Conduct, it is outlined that our employees must refrain from offering rewards and means of corruption when exercising their duties and acting as representatives of the company. Additionally, our employee handbooks contain guidelines on maximum values for appreciations made

by external partners to employees at Nissens in order to keep the professional impartiality and personal integrity of Nissens' staff.

Nissens has a whistleblower policy and information channel, which serve the purpose of providing access to named or anonymous, formalized reporting of alleged breaches of laws, regulations, Nissens' Code of Conduct or other valid policies and processes.

Implementation of Actions: FY2019/20



Action	KPI	Target	Status 2019/20
Measurement of whistleblower incidents	Zero confirmed incidents in whistleblower scheme	0 incidents	0 incidents

Evaluation of Performance & Outlook

We continue to strive for optimal business ethics within Nissens and maintain a KPI of zero confirmed whistleblower incidents in the coming year.

In the past year, no investigations or legal incidents on anti-corruption

violations have been reported to Nissens or registered by Nissens, and we will continue to focus on full compliance with the principles of anti-corruption defined by UN Global Compact.

THE PRINCIPLES OF THE UN GLOBAL COMPACT iv) Anti-corruption

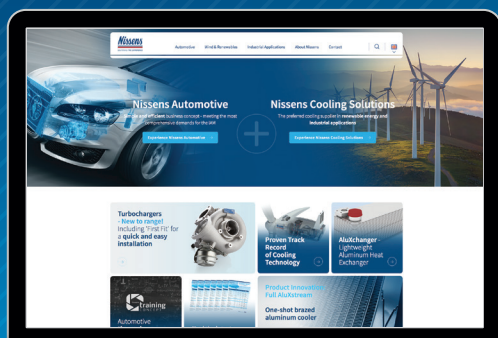
Principle 10:
Businesses should work against corruption in all its forms, including extortion and bribery

Nissens' Communication on Progress Reporting is available on:

UN Global Compact's website
Nissens' website:
www.nissens.com

For more information about Nissens' CSR profile and activities, contact the CSR officer at Nissens:

Rikke Kroer Høberg
Vice President,
Global HR & Group Services
Email: rkh@nissens.com



WE SUPPORT



Nissens[®]
DELIVERING THE DIFFERENCE