



UN Global Compact, October 2017
**Communication on
Progress**



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Statement of continued support in 2018 by the Chief Executive Officer

Two years a member, I am pleased to confirm that WindowMaster reaffirms its support of the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption. We see the UN Global Compact goals as an opportunity to engage with government, communities and relevant stakeholders to ensure a better tomorrow for the world. We furthermore want to use the platform to encourage that green technology and natural ventilation is given priority so we can meet the goal to 'promote greater environmental responsibility' and 'encourage the development and diffusion of environmentally friendly technologies'.

In WindowMaster, we are 135 people united around a common cause: Creating healthy indoor climates with fresh air that are good for the people and for the environment. Our key contribution is to develop innovative natural ventilation solutions and make them accessible to the building industry worldwide. We are committed to being a responsible business leader and how we act upon this responsibility is defined by societal needs as well as business priorities.

With this report, we express our intent to advance the ten principles within our sphere of influence and to further strengthen our engagement in activities that are aligned with our core focus areas. The UN Global Compact principles are fully consistent with WindowMaster's values and management approach; hence our continued commitment constitutes a solid platform for demonstrating our focus on responsible business practices.

As for previous years, WindowMaster continues to anchor our primary effort in one overarching category (Environment) including the underlying principles. This is currently the area where we are most influential. Nevertheless, we will keep abiding by all ten principles and continuously work towards aligning our general business with these.

In this annual Communication on Progress, we will share our progress on the goals we set out as we joined the UN Global Compact. We will describe the specific actions we have taken to improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We have laid the strategic and operational foundations for the challenges that lie ahead and we are committed to amplify our corporate citizenship efforts moving forward to foster sustained impact in communities on a local as well as global level.

Sincerely,

Erik Boyter
Chief Executive Officer





About WindowMaster

Reducing energy consumption in buildings makes a difference

Buildings account for 40% of the world's energy consumption. Natural ventilation is one way we can help to change this scenario. When we consume less energy, we conserve our planet's vulnerable resources and help to improve the environment.

We create the perfect indoor climate with help from Mother Nature

All over the world, large amounts of resources in the form of money, energy and effort are spent on keeping everyone safe and satisfied indoors when working in office buildings, shops, and factories, studying at schools and university or working out in the gym. But everyone is different. What is cold for you, might be too hot for your colleague or classmate. And a good solution for one building can be entirely useless next door.

In WindowMaster, we address these types of challenges every day. Our solutions for indoor climate management, smoke ventilation, and facade and roof automation meet people's need for fresh air and boost quality of life indoors.

We make technical, intelligent, and discrete solutions with one single purpose: To ensure fresh air for everyone to breathe. We create the perfect indoor climate with help from Mother Nature.

WindowMaster in brief

WindowMaster employs around 135 highly experienced cleantech specialists in Denmark, Norway, Germany, the United Kingdom, Switzerland, and the United States. In addition, we work with a vast network of certified partners. With our extensive expertise built up since 1990, WindowMaster is ready to help the construction industry meet its green obligations and achieve their architectural and technical ambitions.



Part 1

WindowMaster policies for corporate responsibility and alignment with the UN Global Compact principles

Human Rights

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

Policy: We consider this a natural part of our operations.

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

Policy: We consider this a natural part of our operations.

Labor

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

Policy: We permit workers' councils, and acknowledge and respect the freedom of association.

Principle 4: the elimination of all forms of forced and compulsory labor;

Policy: We examine and monitor our suppliers closely.

Principle 5: the effective abolition of child labor; and

Policy: We examine and monitor our suppliers closely.

Principle 6: the elimination of discrimination in respect of employment and occupation.

Policy: We do not discriminate in respect of employment and occupation.

Environment

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

Policy: We continuously evaluate how we can reduce our total carbon footprint.

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Policy: We continuously evaluate how we can reduce our total carbon footprint.

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Policy: We invest up to 10% of our revenue in R&D to develop environmentally friendly technologies.

Anti-corruption

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

Policy: We do not tolerate corruption, and neither do our suppliers, customers, or other stakeholders.



Human rights

Assessment, Policy and Goals

In WindowMaster, it is a prerequisite to respect the Universal Declaration of Human rights and environmental protection. Accordingly, we have a code of conduct, which is shared to all employees and business partners. We further acknowledge that personal data protection is a right that all employees as well as customers are entitled to.

As we solely operate in Europe and North America, we consider the matters pertaining to Human Rights to be a natural part of our operations. We strive to maintain a zero-abuse level and ask employees as well as supply chain partners to support and join the UN Global Compact.

Implementation

WindowMaster has made our Code of Conduct available to employees in our handbook and to external partners through our website. As we source components from suppliers in the Far East, where business standards could differ, we do a thorough assessment to ensure they live up to human rights and provide them copy of our Code of Conduct.

To uphold our promise relating to personal data protection and to abide by the General Data Protection Regulation (GDPT), we have instigated a concrete strategy to lift our current procedures. In a bifold program, we will streamline procedures across Human Resources and IT respectively. The program is based on documented data derived from work processes in WindowMaster.

Measurement of outcomes

WindowMaster will audit and evaluate all partners and suppliers against a set of defined principles, policies and guidelines. Any contravention of human rights that comes to our attention will not be tolerated and the responsible party will be given a timeframe to address and resolve the issue.

We will carry out a self-evaluation on compliance with GDPT on a continuous basis.

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.

HR

- Change employment process regarding handling of CVs
- Delete hardcopy versions of HR data
- Continue role out of Orkidé (GDPR compliant HR management system) in all markets – will be the only place where personal data is stored



IT

- Update and get reconfirmation from employees of IT policy (internet + e-mail policy)
- Review CRM compliance with GDPR
- Gather compliance reports from main suppliers (dealing with data from WindowMaster)



Labour

Assessment, Policy and Goals

WindowMaster permits workers' councils and acknowledges and respects the freedom of association. Our company handbook covers policies concerning our employee rights, compensation and responsibilities. We assess labor related risks as well as all forms of forced and compulsory labor, both for our internal workforce and for that of our suppliers.

Non-discrimination and equal opportunities are the foundation for our approach to promoting diversity both in terms of gender, nationality and cultural background.

Implementation

The principles are global, but the implementation tends to be more local due to local labour laws. In the time of writing, we have a worker's council in Germany representing the employees. In Denmark, a representation of employees meets quarterly to discuss safety at the workplace, both in the office and one the building site, and the council informs management when things ought to be changed to improve safety. Lastly, the CEO of WindowMaster has on several occasions asked the employees to address him or the local management teams, if workings conditions could be improved.

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 labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Measurement of outcomes

We have 100% compliance on approved working contracts.

Environment

Assessment, policy and goals

In 2016, when WindowMaster joined the UN Global Compact, we took upon us to pay particular attention to the principles falling under the environmental category, as we believed that actions taken within this area would enable us to drive the biggest change at this point in time.

Via two initiatives we have set out to (1) improve transparency in our supply chain and (2) reduce our total carbon footprint.

By Q4, 2018, WindowMaster's main environmental targets are to (compared to 2015):

- Reduce our annual consumption of current plastic packaging by 30%
- Reduce our total energy consumption at our premises by 20%
- Reduce fossil fuel consumption to no more than 25%
- Reduce our total CO₂ emissions from vehicles by 20%

Furthermore, we plan to renovate our headquarters in 2018 as well as move into a new office building in Switzerland in 2019. Both actions will be undertaken with great care to the principles of UN Global Compact. In relation to environmental protection we will aim at renovating the headquarters using primarily sustainable materials, including furniture and building materials, and implement relevant solutions such as LED lighting to reduce our energy consumption. When identifying a new premise for our Swiss office, we will similarly ensure a documented low carbon footprint in the new office building.

Implementation

To achieve the first initiative (Improving transparency of supply chain), we have implemented two primary activities:

- Reduced plastic packaging.
- Certified suppliers.

To achieve the second initiative (reducing our carbon footprint), we have implemented three primary activities:

- Reduced energy consumption at our premises.
- Reduced fossil fuel consumption at our premises.
- Reduced vehicle CO₂ emissions.

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

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Measurement of outcome

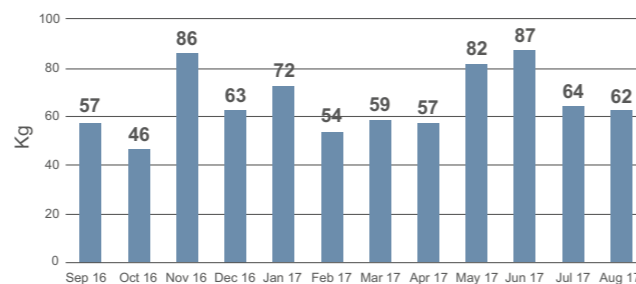
Reduced plastic packaging

In 2016, a working group was established to evaluate the potential for reducing our plastic usage. Following a thorough analysis, it was concluded that using cardboard for the packaging of our chain actuators would present a viable and more sustainable alternative to plastic.

Given the complexity of changing packaging method, we are still to finally change our chain actuators' packaging from plastic to cardboard. However, we are currently implementing measures that will allow us to use only cardboard boxes for the chain actuators instead of plastic bags by Q4, 2017.

The delay in changing packaging for our chain actuators is also the main reason why we are still stable in our total consumption of plastic and have not yet been able to significantly reduce this.

Consumption of plastic packaging at WindowMaster
67 kg in average = 804 kg in Total / Year



According to the goals we set out in 2016, the following actions have been successfully carried out:

- We have reduced the quantity of package sizes containing our actuators from four different lengths to two different lengths. Accordingly, this has:
 - Reduced complexity and thereby reduced cost.
 - Reduced inventory.
 - Reduced transportation volume by using only local suppliers.
 - Reduced the number of suppliers making it easier to assess and certify them.

As such, the goal of reducing our annual consumption of plastic packaging with 30% by Q4, 2018 is still realistic.

Packaging in the past:



Goal 2018
Reduce our annual consumption of current plastic packaging by 30%



Future packaging:



Future packaging will have a FSC- and RESY symbols on the cardboard boxes.



In addition to changing packaging to cardboard boxes, WindowMaster is currently evaluating the advantages of changing the tape used for packaging from plastic to a recyclable cardboard solution:



Resy Symbol: The Resy symbol (recycling symbol) indicates that packaging can be resend to the supplier of the cardboard box for recycling.



FSC Symbol: The Forest Stewardship Council (FSC) symbol is used to indicate that products are certified under the FSC system. The symbol on a wood or wood based product is your assurance that it is made with, or contains wood that comes from FSC certified forests or from post-consumer waste.



Supplier involvement:

- ISO 140001 certified.
- FSC certified.
- Close to factory in Herford (low emissions on transport).
- Flexible regarding volume.

Certified suppliers

In WindowMaster, we aim at having sustainable business operations throughout the entire supply chain. Therefore, we instigated the certification initiative to ensure alignment with our external suppliers.

For this initiative, we have been focusing on three topics: Communicate our Code of Conduct with our suppliers, assess compliance of our top 15 suppliers and ensure compliance with EU regulations regarding REACH and RoHS.

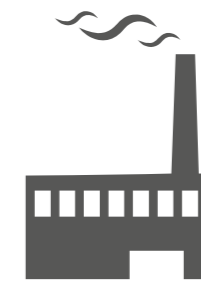
We have harmonized our Code of Conduct with the 10 principles of the UN Global Compact and have already begun communicating the content to our suppliers. Some suppliers have signed our code of conduct while others have implemented their own code of conduct. Discussions regarding harmonization are deemed necessary and are ongoing.

Besides the general code of conduct we have implemented a detailed audit form. This covers all aspects that are considered fundamental for the cooperation with our suppliers: Health and safety, quality management, corporate social responsibility, regulatory requirements, business continuation, recycling, supply chain traceability

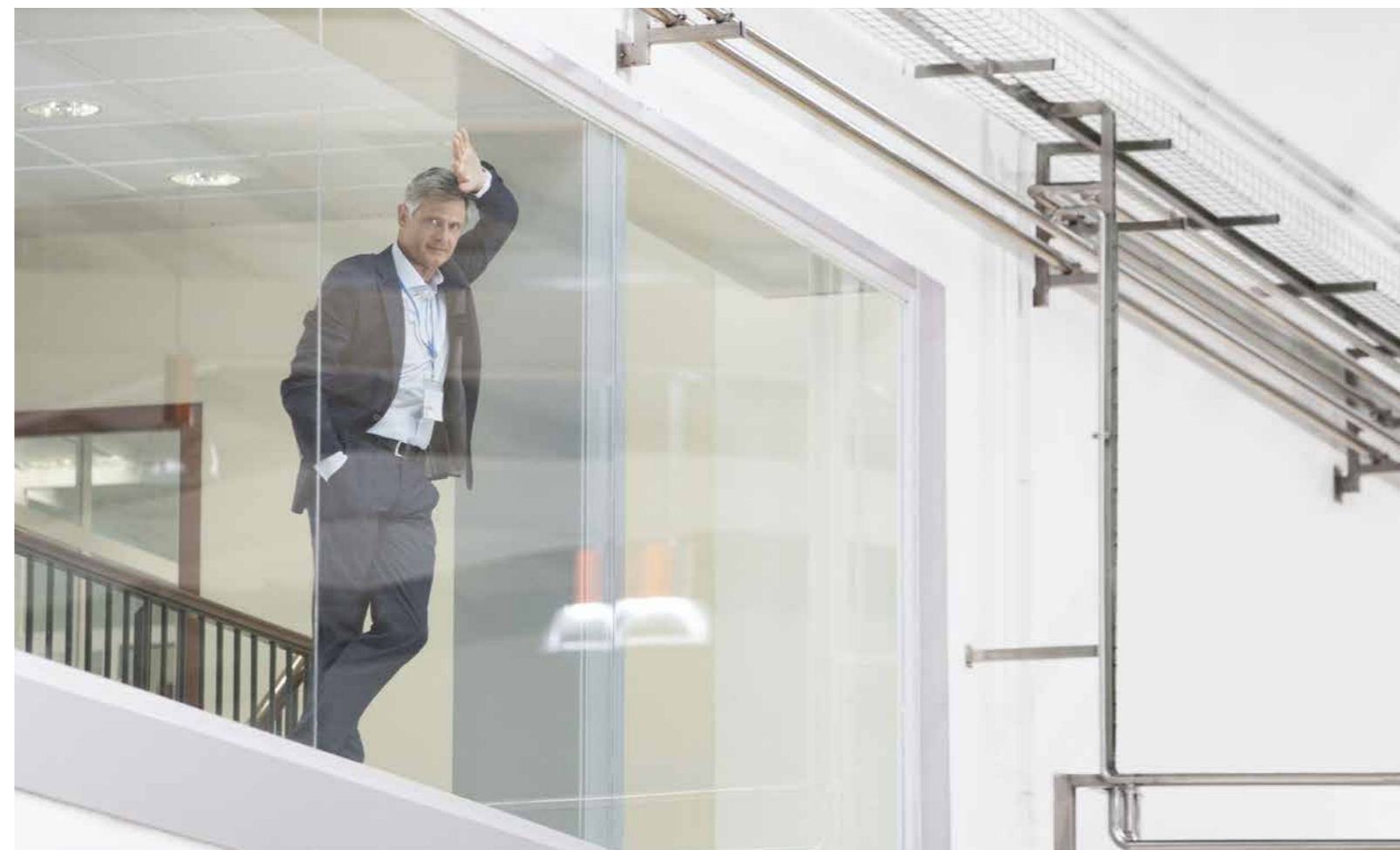
and lean management regarding in-house processes and throughout the supply chain.

Our target is to have an on-site conversation about our requirements and a first audit of our top 15 suppliers by the end of 2018.

Our efforts regarding compliance with REACH and RoHS are ongoing.



Goal 2018
On-site conversation about our requirements and a first audit of our top 15 suppliers





Reduced energy consumption at our premises

WindowMaster has sales offices in Denmark, UK, USA, Norway, Germany, and Switzerland. Furthermore, we have a factory located in Germany. During the past year, we have been monitoring our energy consumption in each location to evaluate our progress.

Since 2016, WindowMaster has managed to significantly reduce our energy consumption, while in the same period the company's order intake has grown by 15%.

German factory

- By August 1, 2017, the electricity consumption reached 91,806 kWh compared to 96,584 kWh in the same period in 2016 (-5%). This is despite the fact that we have increased our output by 6% in the first nine month of 2017.
- We plan to install LED lights throughout the factory in 2018, which will further reduce our electricity consumption in the future.

German office

- By the end of 2016, our German sales office moved into a new office in Hamburg, which is different from the old office in terms of building size and type. Hence why

we are yet to gather comparable data. The new office was chosen with respect to the principles of UN Global Compact.

- In our new office, 100% of the lamps use LED technology.
- We have signed a new energy contract with LichtBlick, which allows us to save 14,11 tons of CO₂ per year.
- In the office, we have changed to paperless work whenever possible. In the service department and internal sales, all new quotes and orders are saved as a pdf and send by e-mail, as opposed to being printed on paper.



Norwegian office

- The office in Oslo has been closed as per 01.07.2017.
- The total energy consumption in our office in Larvik amounted in the eight first months of 2017 to 16,2035 kWh compared to 15,381 kWh (+5.6%) in the same period in 2016.

US office

- We moved into new premises in San Fransico in 2017 and we are yet to gather data for energy consumption.
- In the new building (WeWork) we use both LED lights and sensors for reduced energy consumption.
- The new office building is LEED GOLD certified.

Danish office

- In the first eights months of 2017, the total energy consumption was 16,435 kWh compared to 98,844 kWh (-83.4%) in the same period in 2016.
- We have changed all lights to LED technology, which has allowed us to reduce the yearly energy usage on electricity with 28,207 kWh (from 32,236 kWh to 4029 kWh).
- We have installed new printers that require the user to activate the printer in the printer room as opposed to instant printing when it is activated from the computer. This will limit the amount of unnecessary print outs.

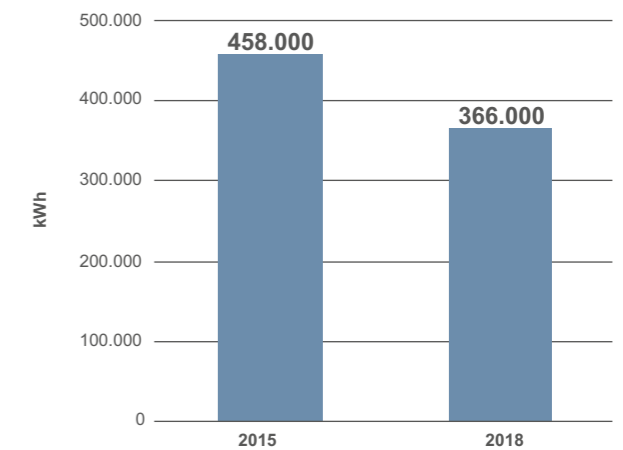
UK Office


- In the first eight months of 2017, the total energy consumption was 14,421 kWh compared to 14,905 kWh (-3.2%) in the same period in 2016.

Swiss office

- In Switzerland, we are not able to directly influence the amount of energy used and from which sources it comes. In 2017, the average monthly energy usage on electricity in our two offices amounted to 834 kWh in 2017 compared to 854 kWh in 2016 (-2.3%).
- As we plan to relocate our Swiss office to a new building in 2019, we will have more control over the energy consumption moving forward.

Total kWh at WindowMaster premises





Goal 2018
Reduce our total energy consumption by 20%



Reducing fossil fuel consumption at our premises

In relation to reducing the overall energy consumption at our premises, WindowMaster last year inaugurated procedures and activities to minimize the total amount of fossil fuel we consume. Working groups have scrutinized potential energy sources to establish the best matches according to country specific opportunities and obstacles.

Since 2016, we have been able to meet the goal on reducing fossil fuel consumption to no more than 25%. The following progress can be reported:

German factory

- In 2017, 100% of our electricity came from renewable sources compared with 0% in 2016.

German office

- In our new office, we now rely 100% on renewable energy sources for electricity compared with 0% in 2016.

Norwegian office

- We now get 98% of our energy from renewable energy (hydropower) and 2% from fossil fuels.

Danish office

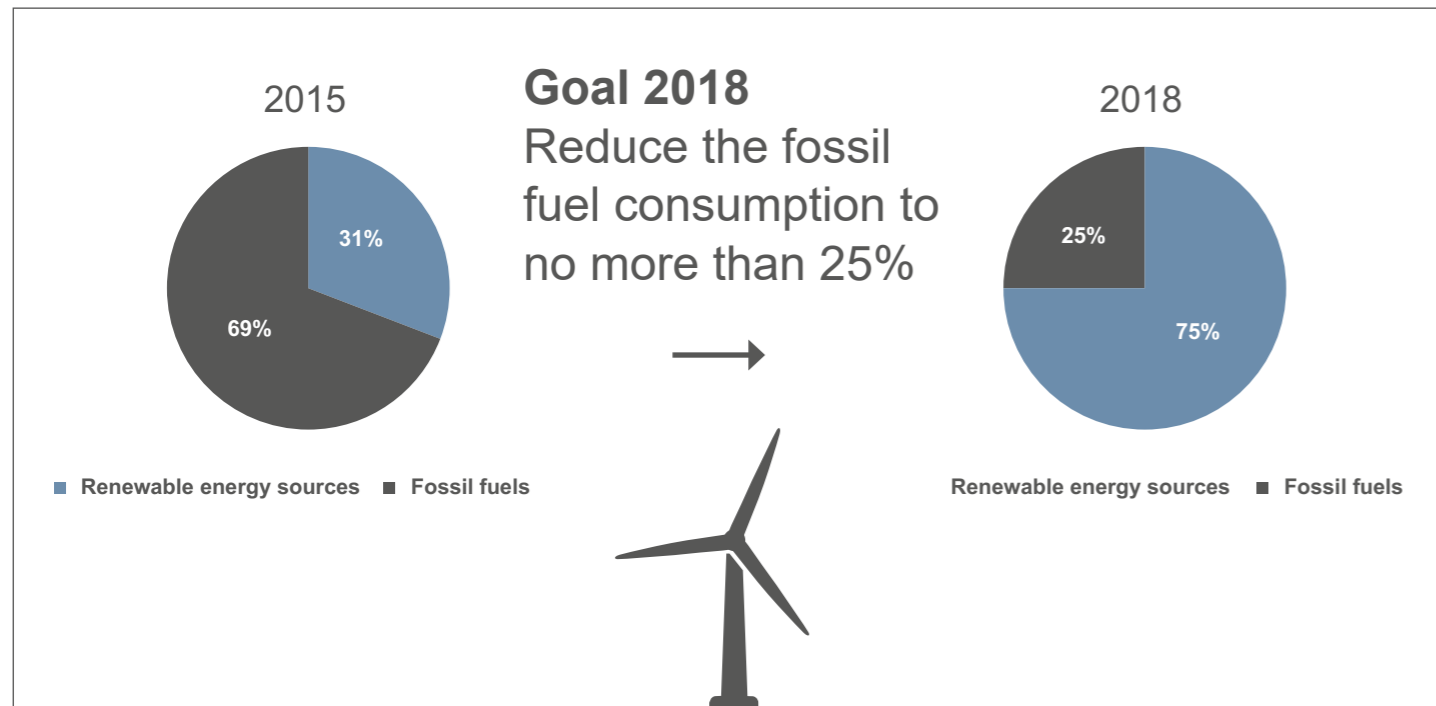
- In the first eight months of 2017, 75% of the energy came from non-fossil fuel sources (40% wind power, 16% hydropower, 13% biomass, 4% nuclear, 2% solar).

UK office

- In the UK office, 96% of our electricity now comes from renewable sources. We are restricted in terms of further improvements as we are subject to the decisions of the landlord.

Swiss office

- In the office in Estavayer-le-Lac, Switzerland, 100% of our energy came from renewable sources in 2017 compared to 20% in 2016. In our office in Trimbach, Switzerland, 79% of our electricity comes from non-fossil fuel sources.



Reducing vehicle CO₂ emissions

WindowMaster's environmental policies cover the entire value chain from production to delivery and everything in between. Part of our business operations consists of visiting stakeholders and clients for service and follow up activities. Consequently, a noteworthy portion of our total energy consumption comes from vehicle CO₂ emissions.

The current target for vehicle CO₂ emissions is to reduce this by 20% before end of 2018. The following measures have been taken to reach this goal:

German office

- In the first nine months of 2017, the total amount of CO₂ emission for vehicles amounted to 36,235,912 kilograms compared to 41,156,411 kilograms in the same period in 2016 (-11.9%).
- In 2017, approximately 20,000 km of road distance by car was swapped with train.
- Whenever possible, employees use the train instead of a company car to visit customers.
- All company cars have BlueMotion technology for less energy consumption.

Norwegian office

- WindowMaster has reduced the number of employees with three as per 01.06.2017, meaning that we have less employees on the road.
- As there is no lease plan in place in Norway, it is not possible to accurately calculate the CO₂ emission from vehicles. Notwithstanding, the total kilometers driven from January – August, 2017 amounted to 49,293 compared to 51,876 in the same period in 2016 (-4.9%).
- One Sales Manager has replaced the old car with a hybrid car.

- Technicians limit their use of air- and road travel. Instead they use the train whenever possible and use our remote support systems for communication via the internet.

Danish office

- In Q1, 2017, the total amount of CO₂ emission for vehicles was 26,925 kilograms compared to 26,103 kilograms in the same period in 2016 (+3.1%). Given the growing business, 3 extra cars have been added to the fleet causing a slight increase in driven kilometers (+11,769 km or +8.6%). Despite the increase in cars, we have been able to minimize extra CO₂ emission from vehicles.
- Whenever possible, employees use the train instead of a company car to visit customers.
- All new company cars have BlueMotion technology for less energy consumption and all cars that are being replaced in the future will similarly have the technology installed.

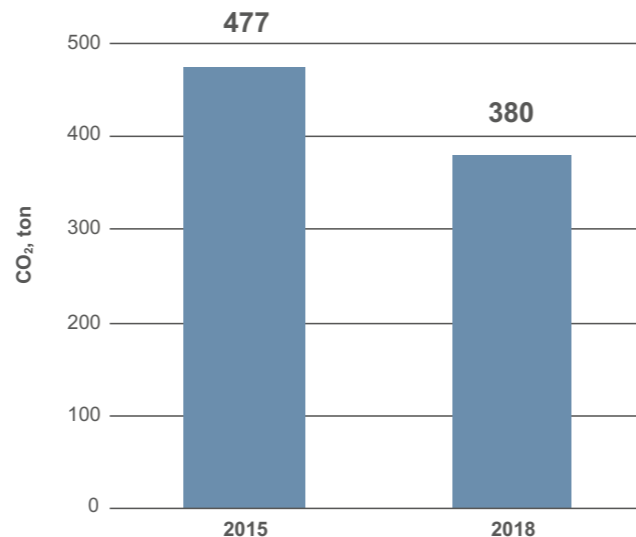
UK office

- In the first nine months in 2017, the total amount of CO₂ emission for vehicles was 39,048,970 kilograms compared to 51,584,040 kilograms (-24.3%) in the same period in 2016.

Swiss office

- Due to a shift in contracts, we have no comparable data for the Swiss office in this period.

Vehicle CO₂ emissions



Goal 2018
Reduce the total CO₂ emissions from vehicles with 20%



Anti-Corruption

Assessment, policy and goals

WindowMaster is committed to be in compliance with all relevant laws, including anti-corruption laws. We support international and regional legal frameworks and have a zero-tolerance policy for corruption, bribery and extortion.

In WindowMaster, ethical business conduct is about values, integrity, compliance and risk mitigation. By taking a proactive approach, we strive to enhance trust in the company and strengthen the relationship with our key stakeholders. We believe that institutionalizing ethical conduct necessitates the fostering of a strong corporate culture that is rooted in a common understanding of our values and morality.

Implementation

We have launched a whistleblower program and follow-up mechanisms for reporting concerns or seeking advice.

Internationally, we have maintained a solid check and balance system over transactions. Records and transactions are checked and controlled by finance and administration.

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

Measurement of outcome

WindowMaster has not been involved in any legal cases, rulings or similar events related to corruption.

Part 2

Terres des Hommes – continued financial support

To meet our responsibilities of global citizenship, WindowMaster decided in December 2015, to sponsor an IT education program under the auspices of the Terre des Hommes Khetwadi School project in Mumbai, India. In 2017, the decision was made to lengthen our donation and support the program in 2018.

We strive to create a better future for the world, both in terms of health and climate but also in terms of access to knowledge and education. We believe that education is an essential building block for cultivating the human understanding of society and the environment. This is a goal that must be considered global and thus access to education must accordingly be a global attribute.

The donation was initially chosen because of its direct impact on the project and not at least the children who attend the school every day. It will fund the WindowMaster Khetwadi IT Education Program by investing in their first IT equipment and running the program with two full-time teachers for the year.



Fresh Air. Fresh People. Brand-state-of-mind

In February, 2015, WindowMaster's present owner and CEO, Erik Boyter, acquired all shares in the company, which was formerly part of VKR Holding as its ventilation and indoor climate business line.

The purchase meant a new beginning for WindowMaster; new ambitions and new targets. Spurred by the change in ownership and style, WindowMaster has in recent years undergone a significant transformation on all levels throughout the company, which has ultimately resulted in a new identity that encapsulates what the company wants to achieve: To deliver fresh air to people in a manner that does not compromise the environment. We simply believe that fresh air will breed fresh people.

Fresh Air. Fresh People. is the manifestation of a long process involving the management team, employees and external experts who, in a joint pursue, have analyzed how the WindowMaster brand is regarded in the market today, what values are associated with the brand and the distinctiveness of the brand.

Based on the findings we created *Fresh Air. Fresh People.* It is a new identity that aligns how we are perceived with what we want to achieve. Our new brand, including the new visual identity, is an 'agile' version of its former self. The agility mirrors our ambition to generate growth and invest in R&D to stay at the very front of innovation within cleantech and sustainable natural ventilation technology.

The agile profile further leaves room and resources for a strengthened corporate social responsibility and investment in corporate citizenship efforts.

Fresh Air. Fresh People. is founded on the notion that fresh air is something that every man, woman and child understands. It is a built-in mechanism in the human body, and going outside or opening a window to let in some fresh air will habitually generate positive associations of reduced headache, cleansed lungs and improved concentration; effects that have also been backed up by scientific studies. If we work with fresh air as a promise to our surroundings, our business operations will also be relatable to our stakeholders.

In WindowMaster, we acknowledge that each market presents its own unique challenges and opportunities. However, despite the varying levels of awareness across borders, it is a fact that natural ventilation is gradually evolving into an essential aspect of buildings all over the world. WindowMaster wants to thrive on this to ensure growth and to deliver solutions that will foster a healthy and sustainable society, environment and economy, which we believe are fundamental to long-term value creation.

WindowMaster aspires to protect people and the environment by creating a healthy and safe indoor climate, automatically ventilating spaces with fresh air through facade and roof windows in buildings. We offer the construction industry foresighted, flexible and intelligent window actuators and control systems for natural ventilation, mixed-mode ventilation, and smoke ventilation – of the highest quality.

WindowMaster employs around 135 highly experienced cleantech specialists in Denmark, Norway, Germany, United Kingdom, Ireland, Switzerland, and the United States of America. In addition, we work with a vast network of certified partners. With our extensive expertise built up since 1990, WindowMaster is ready to help the construction industry meet its green obligations and achieve their architectural and technical ambitions.

windowmaster.com

**WINDOW
Master®**
Fresh Air. Fresh People.