



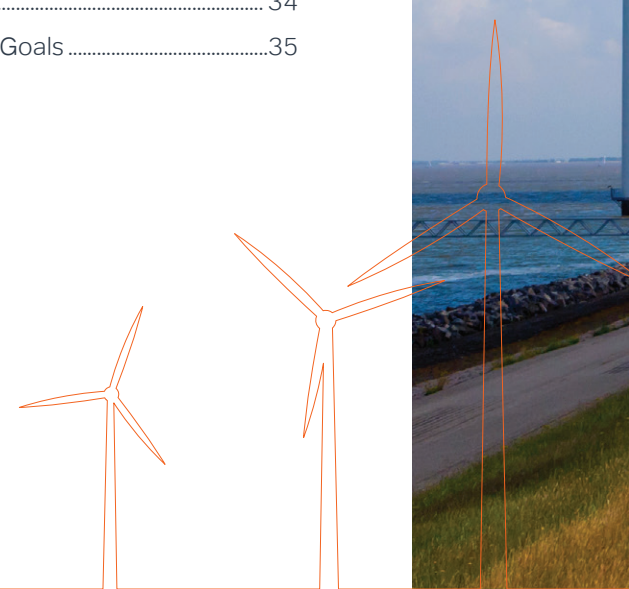
We Connect to Transform Electric Dreams for a Sustainable Future

ESG Report 2023

We innovate to integrate®

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Report introduction

We are excited to present this new ESG Report that brings our ESG effort into a business perspective and shows our continued commitment.

This report is the consolidated ESG Report for KK Wind Solutions Holding A/S (CVR: 39 06 70 48) and is created with the same scope as our consolidated financial report.

This report is our mandatory annual statutory sustainability reporting in accordance with the Danish Financial Statement Act §99a and §99d. Reporting according to §99b is done in the Annual Report. To secure transparency group numbers and targets are included in this ESG Report as well.

The reporting period covers 1 January to 31 December 2023. This report is published April 2024.

The report has been reviewed by PwC as part of their audit of the annual report.

No limited assurance has been conducted for this report or its indicators.

The report is made with inspiration from the new European Sustainability Reporting Standards (ESRS). Accounting Principles for all data reported in the ESG data overview on page 31 are available in the section "Accounting Principles" on page 28.

To further ensure transparency we have, this year included selected indicators from the SASB Sustainability Accounting Standard for Electrical & Electronic Equipment.

Out of the 77 SASB Sustainability Accounting Standards, the SASB Sustainability Accounting Standard for Electrical & Electronic Equipment has been found to be the one standard to best cover the activities of KK Wind Solutions. On page 34 a selection of the indicators have been reported to give you, as reader a transparent view of relevant indicators linked to our financial ESG risks.

We have started our implementation of the EU Taxonomy reporting and included early numbers for eligible turnover at page 15.



Our business





CEO statement

What mark will you leave on creating a better planet for the generations to come? We all need to do more and reflect on the marks we want to leave.

As we continue our commitment to sustainability, we are not merely embarking on a journey; we are forging a path that will leave **a lasting mark** on the world we inhabit. We recognise that sustainability is not a fleeting trend but a fundamental imperative, a responsibility we must uphold to safeguard the well-being of our planet and the communities we serve. We are an important player in the green transition and we are dedicated to this societal task.

Our purpose – to deliver positive climate impact – is not just a tagline; it is the driving force behind our ambitions. We understand that sustainability is not an afterthought but an intrinsic element of our success. By prioritising sustainability, we empower our people to thrive, fostering an environment where innovation and growth flourish organically.

Our active involvement in the renewable energy sector naturally positions us as a catalyst for change. The products and services we deliver, push the boundaries of innovation, enabling us to install more renewable energy capacity while reducing reliance on fossil fuels, thereby generating a positive climate impact.

Achieving the green energy transition demands more than incremental progress; it calls for a transformative approach that permeates every aspect of our value chain. We must not only invest in groundbreaking technologies but also scrutinise our entire operations, ensuring that we conduct our business in a manner that aligns with sustainability principles.

We continue our long-time commitment to the principles of the UN Global Compact, a key framework that operates with ten globally accepted principles within human rights, labour, environment, and anti-corruption.

This report serves as a testament to our dedication to continuous improvement. It showcases our achievements in addressing sustainability challenges and unveils our ambitious goals for the future.

We are committed to working in partnership with our stakeholders, fostering a collective effort to create a more sustainable world for all. Together, we can leave an enduring mark on the planet, ensuring a brighter future for generations to come.



“We are committed to working in partnership with our stakeholders, fostering a collective effort to create a more sustainable world for all.”



Key partner in the green transition

We are concerned about the emergency state on six out of nine planetary boundaries – the boundaries we need to operate within to ensure that humanity can continue to develop and thrive for generations to come.

Crossing boundaries increases the risk of generating large-scale abrupt or irreversible environmental changes. Drastic changes will not necessarily happen overnight, but together the boundaries mark a critical threshold for increasing risks to people and the ecosystems we are part of.

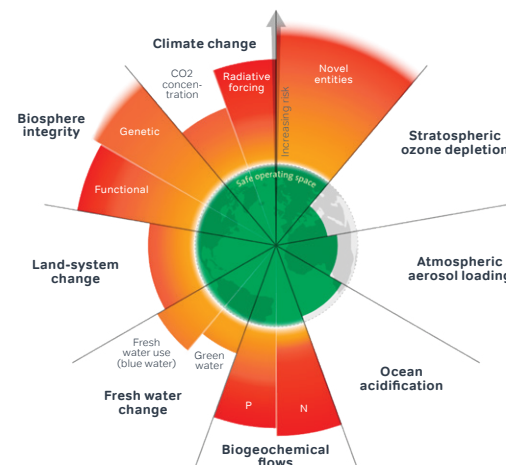
We need this to change.

Boundaries are interrelated processes within the complex biophysical Earth system. This means that a global focus on climate change alone is not sufficient for increased sustainability. Instead, understanding the interplay of boundaries, especially climate and loss of biodiversity, is key in science and practice.

KK Wind Solutions is a key partner in the green transition when it comes to mitigating greenhouse gas (GHG) emissions. Since we started, 40 years ago, we have enabled more than 130 GW of installed wind turbine capacity of which more than 6 GW was enabled during 2023. With a capacity factor of 35%, 400 TWh of renewable energy was enabled in 2023 by our decades of dedication and development. This way we helped save 0.4 billion tonnes of CO2

emissions in 2023 as most of our installations are replacing coal powered electricity. This equals the yearly emissions of around 40 million households.

Planetary boundaries 2023







Credit: Azote for Stockholm Resilience Centre, Stockholm University. Based on Richardson et al. 2023, Steffen et al. 2015, and Rockström et al. 2009

The KK expertise in converter technology is key in transforming wind into electricity with high efficiency. Our sensor systems transform vibrations, temperatures, and other data into wind turbine maintenance plans. Our service team transforms the wind turbine from a machine to a stable renewable energy source that brings light to millions of households around the world.

We also use our experience in wind to enable other renewable industries. The power conversion- and

battery storage systems are not only core within the current business in wind, but are also an inherent part of almost all systems within renewable energy and electrification in general. Due to the strong synergies with the wind industry and in order to make a greater impact, we have in 2023 started delivering our products to the Power-to-X (PtX) market, expanding our collaborations with current customers, but also with new industry players.

To stay a strong partner and player in the green energy transition, we have, thus, defined four promises that are explicitly addressed to our customers:

 <p>We listen to understand your needs.</p>	 <p>We are easy to work with.</p>
 <p>We inspire you to innovate your business.</p>	 <p>We deliver a sustainable solution.</p>

At the heart of our sustainability strategy lies the mantra “**we connect to transform**”, seeking to serve as a lighthouse and positioning us as a key partner in facilitating the green transition towards renewable energy.

We are important for sustainability and sustainability is important for us.



Our history

We keep innovating and leading the way as we have been doing since the development of the first control system more than 40 years ago.

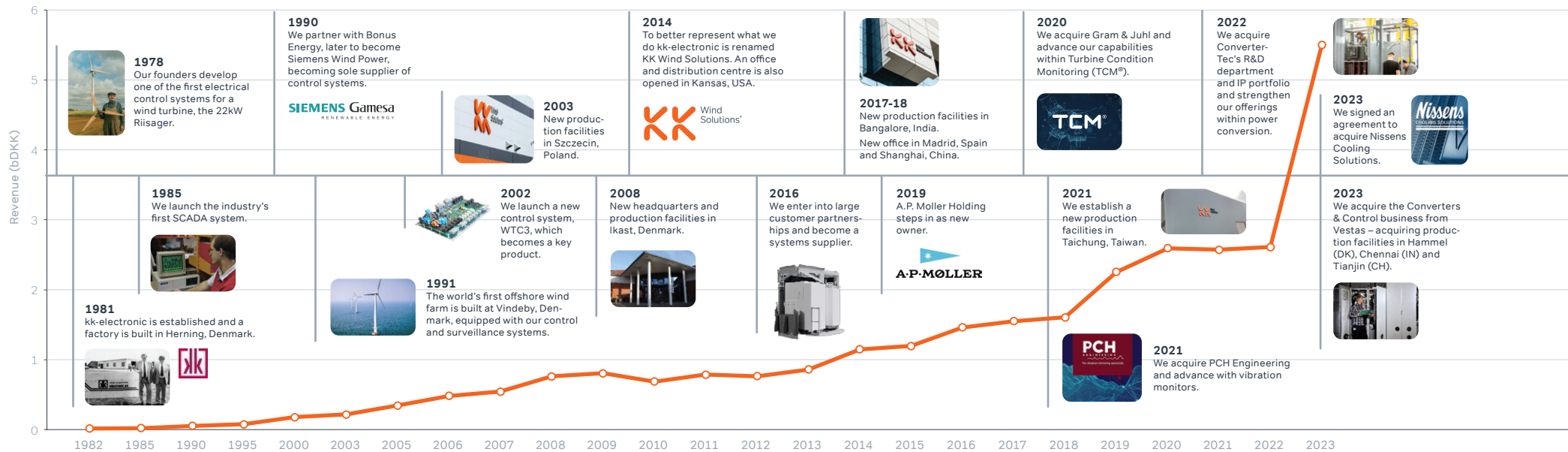
A lot has happened since 1978, when our founders, Kai and Knud, developed the control systems for one of the first grid-connected turbines in the world, the 22 kW “Christian Riisager” turbine, and until today, a

global leading systems supplier to the top-tier wind Original Equipment Manufacturers (OEMs), globally.

In the early days of wind energy, KK Wind Solutions was a pioneer in the development of control systems for wind turbines. This innovation played a key role in our early growth, as well as the growth of the wind industry.

As the wind industry has grown, KK Wind Solutions has continued to innovate, developing new and

more advanced electrical systems. These are now used in wind turbines all over the world, as well as in other industrial applications, and we are constantly working to improve our products and services to meet the evolving needs of our customers.

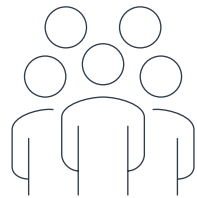




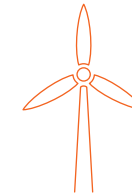
Key figures

16

KK Wind Solutions sites



2,400+
employees



More than **43,000** wind turbines are equipped with our solutions

Safety first:
LTR 0.9

Turnover:
5.5 bDKK

20%

females in Board of Directors



Net-zero 2030 GHG emission target
(scope 1+2)

Helped save up to

0.4 billion tonnes of **CO₂** in 2023

KKWS installed in
> 130 GW wind turbines

700
direct suppliers



Business model

We reduce complexity for our customers by offering innovative engineering solutions that are delivered on time and with the highest quality standard.

KK Wind Solutions has been increasing the value provided to key customers in the last decade, by moving up the value chain, from mainly delivering Build-to-Print (BtP), to now having a large share of Build-to-Spec (BtS) and design projects. We constantly challenge ourselves to innovate and develop our own IP products, which benefits both us and our customers, and helps reduce the costs and improve the competitiveness of the renewable industry.

Our solutions include a wide range of products and services, from development to installation and maintenance. This enables KK Wind Solutions to offer customers a single source for all their electrical, wind turbine, and renewable energy system needs.

As wind turbines keep growing in size and power output, it becomes increasingly important to develop modular and standardised solutions that are easy to transport and install. KK Wind Solutions is addressing this need by focusing on five key product offerings: Advanced control systems, Monitoring & Prognostics solutions, Energy Storage systems, Power Conversion and Integrated Systems. In 2024 we have diversified our business further by adding a central product offering – cooling.

Our Service Business

Our products are vital for a turbine to work well, while our Services help to extend their life span.

As the fleet of turbines that is installed is getting older, and both onshore and offshore turbines are increasing in energy density and size, the demand for digital solutions and service agreements becomes essential for both Original Equipment Manufacturers (OEMs) and Utilities.

Our flexible and globally mobile workforce, which consists of highly skilled technicians who take a proactive approach to turbine operations and maintenance, can support the entire turbine lifetime from prototype testing, pre-commissioning and High

Voltage services for installation, to predictive maintenance, supply and repair of spare parts, retrofit and upgrade solutions.

Strong global presence

While our products and services are crucial for the transition to green energy, there are other factors that affect our business performance. That is why we aim to have a regional manufacturing presence that allows us to be close to our customers and offer them the support they need.

A global presence with operations in Europe, Asia and the Americas enables us to serve our customers around the world.



Our footprint

Double Materiality Assessment – risk, opportunities and impacts

Sustainability covers a broad set of areas within Environment, Social and Governance. It is key to understanding what is material to focus our effort and optimise our OPPORTUNITIES by understanding our RISKS and IMPACTS.

KK Wind Solutions is a key player in the green transition and we care deeply about our environment and the planet. We see and internalise the fact that six out of nine planetary boundaries have already been crossed and that the way of doing business will change rapidly in the next decade. We have left the stable predictable era and entered the time of human impact where uncertainty is growing day by day.

Weather patterns are changing rapidly all over the planet at a speed where a single generation can feel and see the change. We are in an environmental emergency and we must act.

We see a great opportunity for delivering the solutions of the future needed in the green transition. At the same time, the transition risk of regulation, carbon taxes, etc. needed to transform our societies will also require massive changes at KK Wind Solutions, calling for resources and competences that we are only beginning to understand the importance of.

Acting quickly is crucial as science tells us that the window of opportunity is only open for a short period and may already close this decade.

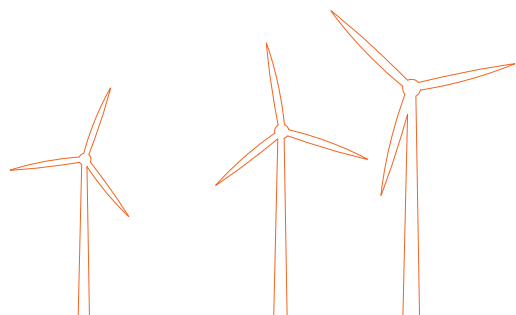
In the last years we have made good progress on understanding what is mature for KK Wind Solutions when it comes to sustainability.

At the same time we have also mapped the most important topics in respect of financial risks and opportunities and the importance to our stakeholders.

Top three areas are linked to:

- 1 **The green transition:** Enabling and scaling renewable clean energy and making the fossil choice less attractive.
- 2 **Safety and talent:** Keeping employees in our own operations and in the value chain safe is a key fundamental for our industry. Developing and attracting the best talent is of high importance as technology and business savings are key components of the green transition.
- 3 **Responsible value chain:** Understanding and acting on our environmental and social footprint is of very high importance to us and our customers, and we are committed to engaging the value chain to understand and learn how to reduce our carbon footprint.

All this work will be the starting point for running a CRSD aligned double materiality assessment process in 2024, to set the way forward and inform the requirements for us to align with the coming EU regulation currently being transferred into Danish regulation.





Sustainability governance

In 2023 KK Wind Solutions took important steps to setup a sustainability governance better placed to harvest opportunities coming from the green transition.

To improve the likelihood of changing sustainability risks and impacts into opportunities, it is important to create simple, scalable, and agile governance.

Since 2019, KK Wind Solutions has been guiding its sustainability efforts through the cross-functional sustainability committee linking in key parts of the organisation and reporting directly to the Executive Management Team.

We have seen very good progress and employee engagement linked to the important work performed in the committee until its work was completed at the end of 2023.

Times have changed and a new governance was needed to ensure that sustainability is integrated with the purpose of guiding KK Wind Solutions in improving product performance and affordability by becoming more sustainable. Our new aluminium 3D printed eco-busbar is a good example of this integration mindset. (Read more in our 2022 Sustainability Report).

Harvesting more sustainable opportunities requires full responsibility for the sustainable business transformation and to enable this a Group Sustainability

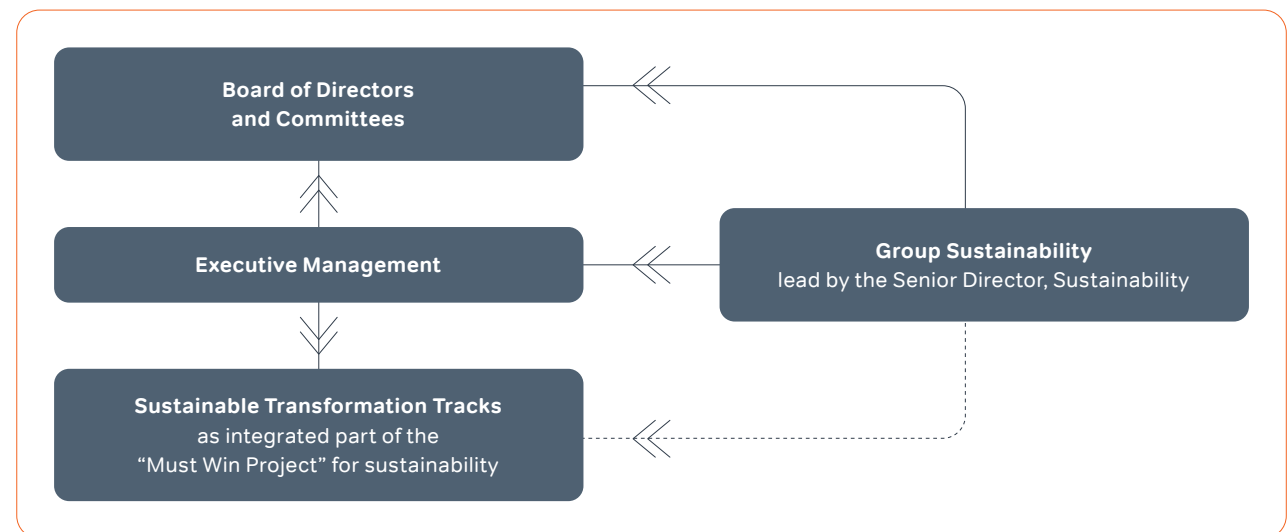
function has been created as part of the People and Culture organisation.

Group Sustainability is now led by the Senior Director of Sustainability, is focused on three major tasks to support the Executive Management in successfully transforming the business:

- Setting, agreeing and updating the sustainable business transformation strategy.
- Supporting the Executive Management track owners in deploying the strategy based on the agreed roadmap.
- Reporting and communicating on progress.

A “Must Win Project” for sustainability has been created to ensure a smooth implementation of the new setup and to support the trade owners in deploying the roadmap. The Senior Director, Sustainability, is leading this “Must Win Project”.

The Board of Director is heavily engaged in the sustainability agenda to ensure that the management of KK Wind Solutions delivers on its commitments. Among others the Board of Directors was engaged in the sustainability journey on March 9th 2023.





Stakeholder engagement

We are mindful of the impact we have on our stakeholders and the environment.

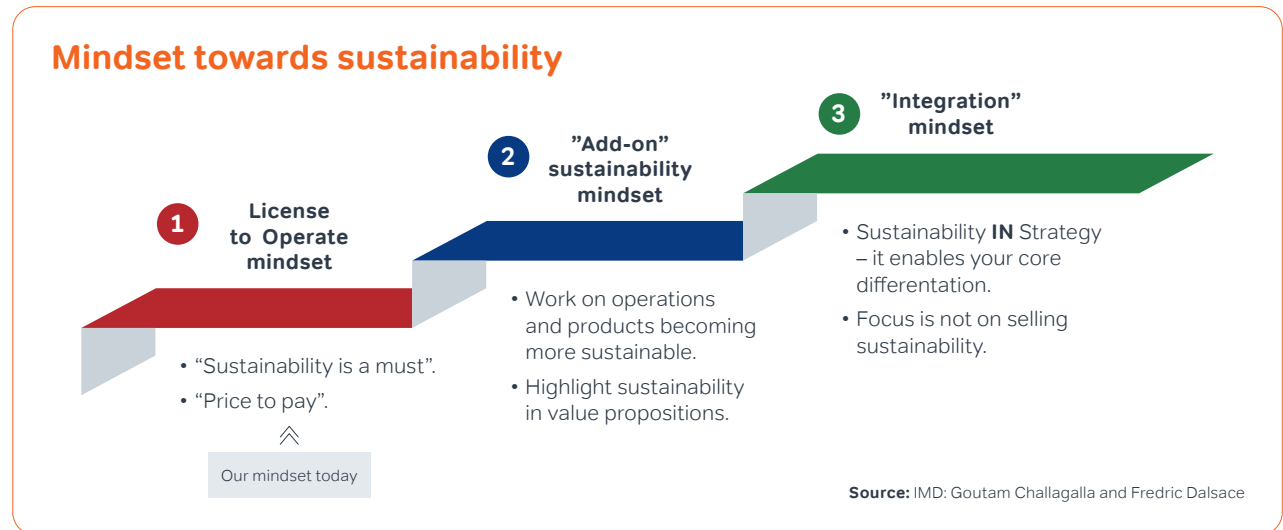
The sustainability mindset

Sustainability is not yet a priority in all aspects of our operations as this is a new business mindset that we are still learning to adopt. Because of our business type, some of our functions have been more aware of sustainability in decision making, while others have been more focused on meeting customer demands and price pressure. We need to be competitive to stay in business and to reduce the cost of renewable energy. However we also see that we can do more to support the industry goals by doing business in a more environmentally friendly way, by considering more sustainable options in our decision making across all functions.

We want to drive an integration mindset, but we are at the beginning of the maturity ladder, having a more “License-to-Operate” mindset, focused on compliance, versus bringing sustainability in as a driving force for our decisions and actions.

Key stakeholders

We highly value the perspectives of our stakeholders and have for years been focusing on employees, customers and suppliers. We acknowledge that stakeholders outside our industry e.g., politicians,



media, and investors also influence our business and we are committed to continued engagement as we expand.

When it comes to employees, we see them as core to our business, which is why they are central to our decision-making processes. We actively consider how choices will impact not only current employees but also attract and inspire future talent. Building a thriving company culture is key, and we believe sustainability can be a driving force that motivates existing employees and attracts new ones seeking impactful careers.

When it comes to customers, we are very attentive and always strive to meet their needs and exceed their expectations.

When it comes to suppliers, we are in need for their support to help solve the big sustainability dilemmas on the investments required to drive the sustainable business transformation.



How we engage with schools and universities

Green Power Denmark reports that the green transition requires an average of 45,000 extra full-time workers per year from 2023 to 2030, and about 19,000 of them should be skilled workers. As such, schools and universities have a vital role in this transition and need help from specialised businesses like KK Wind Solutions to develop the courses and skills for the future. We, therefore, engage and aim to collaborate with more educational institutions in the future.

Besides the universities we collaborate with for interns, knowledge sharing, and research, we are also interested in partnering with local schools that can use some of the products we discard for educational purposes. For instance, in 2023 we have been supplying electrical components to students at Herningsholm technical school, so they can use them for learning.

“Success hinges on collaboration. When we join forces and pool resources, our collective achievements surpass what we could accomplish individually. Our collaboration with KK exemplifies this principle. Through the donation of components, companies such as KK play a pivotal role in advancing the education and nurturing the growth of future engineers.” says Søren Ellemann Hansen, Teacher at Herningsholm.

Source: Mere arbejdskraft til den grønne omstilling (greenpowerdenmark.dk)



Environment





Our approach to environmental impacts

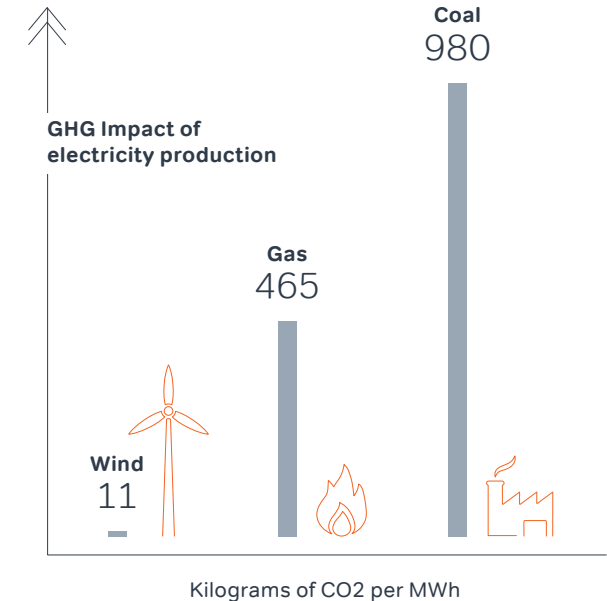
We are all heading towards a 3.3 degree temperature increase over pre-industrial level in 2100. According to science this will be catastrophic for life on planet Earth.

This climate emergency is the starting point for our approach to environmental topics. In this light, the renewable energy industry is second to none when it comes to producing low emission electricity.

However, renewables will not do it on its own – we need to act in partnership. Based on the EN-ROADS simulator you can experience for yourself the massive effort the world is calling for.¹

For our operations the Quality, Health, Safety and Environment (QHSE) policy guides our effort and makes it clear that compliance with ISO 9001 and ISO 14001 is a key starting point for minimising our environmental impact when delivering high quality products that support the green transition.

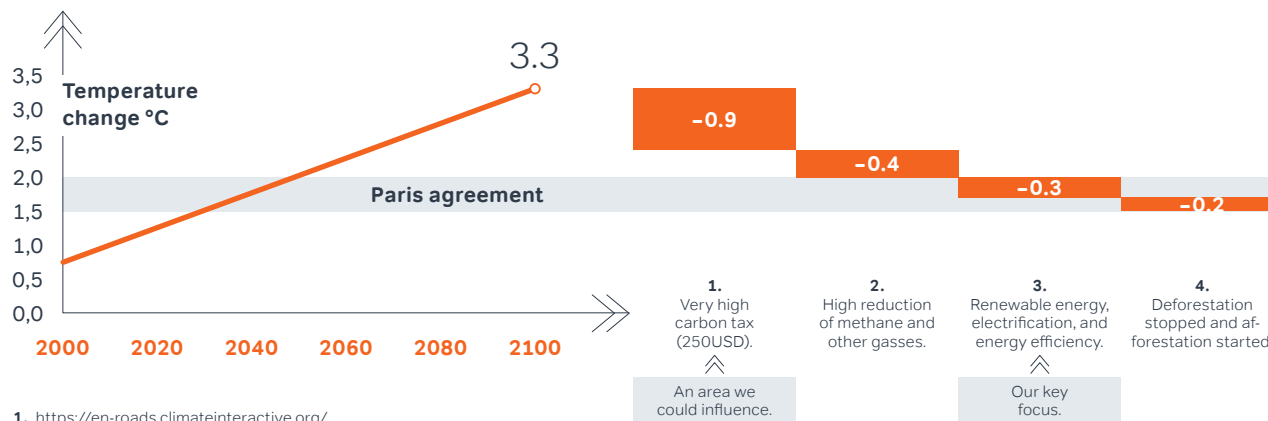
We have adopted a “Vision Zero” approach to avoid environmental harm. To reduce our impact we prefer the use of environment-friendly materials and have implemented appropriate waste management system.



Source: <https://www.energy.gov/eere/wind/articles/how-wind-can-help-us-breathe-easier>

Climate emergency – An EN-ROADS scenario¹

Play out your own at <https://en-roads.climateinteractive.org/>



1. <https://en-roads.climateinteractive.org/>

Preliminary EU taxonomy reporting:

Eligible turnover for 2023	Code	kDKK	%
Enabling activities for manufacture of renewable energy technologies	3.1	5,038,436	92%
Installation, maintenance, and repair of renewable energy technologies	7.6	447,618	8%
Total		5,486,054	100%



Climate change mitigation and adaptation

Action is desperately needed to address the climate emergency that we all face. The call is now to act on both climate change mitigation and adaptation at the same time.

The Task Force on Climate-related Financial Disclosures (TCFD), established in 2015, has clear recommendations on climate change mitigation, adaptation and scenario planning. As time passes, these recommendations only become more and more relevant.

Based on the positive impact of our products, it is only natural for us to take our starting point in acting on climate mitigation in own operations and in our supply chain.

A net-zero 2030 Greenhouse Gas (GHG) emission target has been set

The market based scope 1 and 2 emissions have increased since 2019 due to M&A activities. Availability of historic data has been a challenge in the M&A process and, unfortunately, we have not been able to recalculate our 2019 baseline.

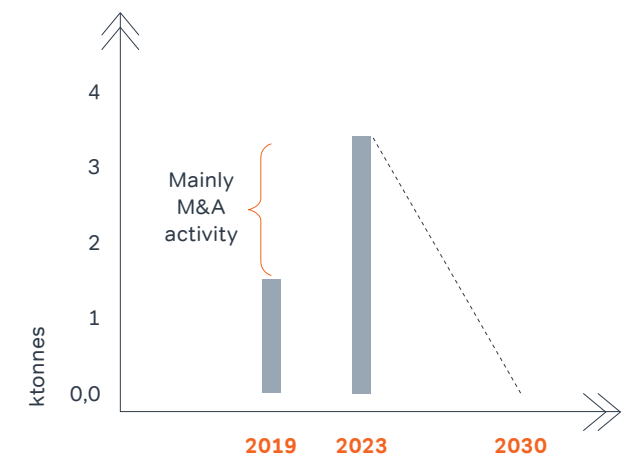
A large effort is being given to purchase of renewable energy certificates (RECs) or similar, bringing down the emissions from purchased electricity.

Where the scope 2 emissions have been reduced by above mentioned effort, we still see scope 1 emissions increasing from 2019 to now around 1,500 tonnes of CO₂e emissions in 2023. This is primarily linked to gas use and includes M&A added emissions.

Building on our effort to reduce scope 1 and 2 emissions, we have continued mapping and understanding our scope 3. Already in 2020 we made an assessment of our impact in the 15 different categories that are listed in Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Above 90% of our scope 3 emissions are linked to category 1: Purchased goods and services, and we have, therefore, chosen to only focus on this category in our corporate reporting of scope 3.

A supplier engagement program has been started to better understand the emissions and ensure that our supplier is seen as a source of innovations that can help our sustainable business transformation.

Based on this, it is planned to include climate risks in our supplier engagement setup, to better understand the risks and to enable us to evaluate potential needed climate adaptation work. As guided by the Task Force on Climate-Related Financial Disclosures (TCFD), we plan to set targets and build plans for both climate mitigation and adaptation.

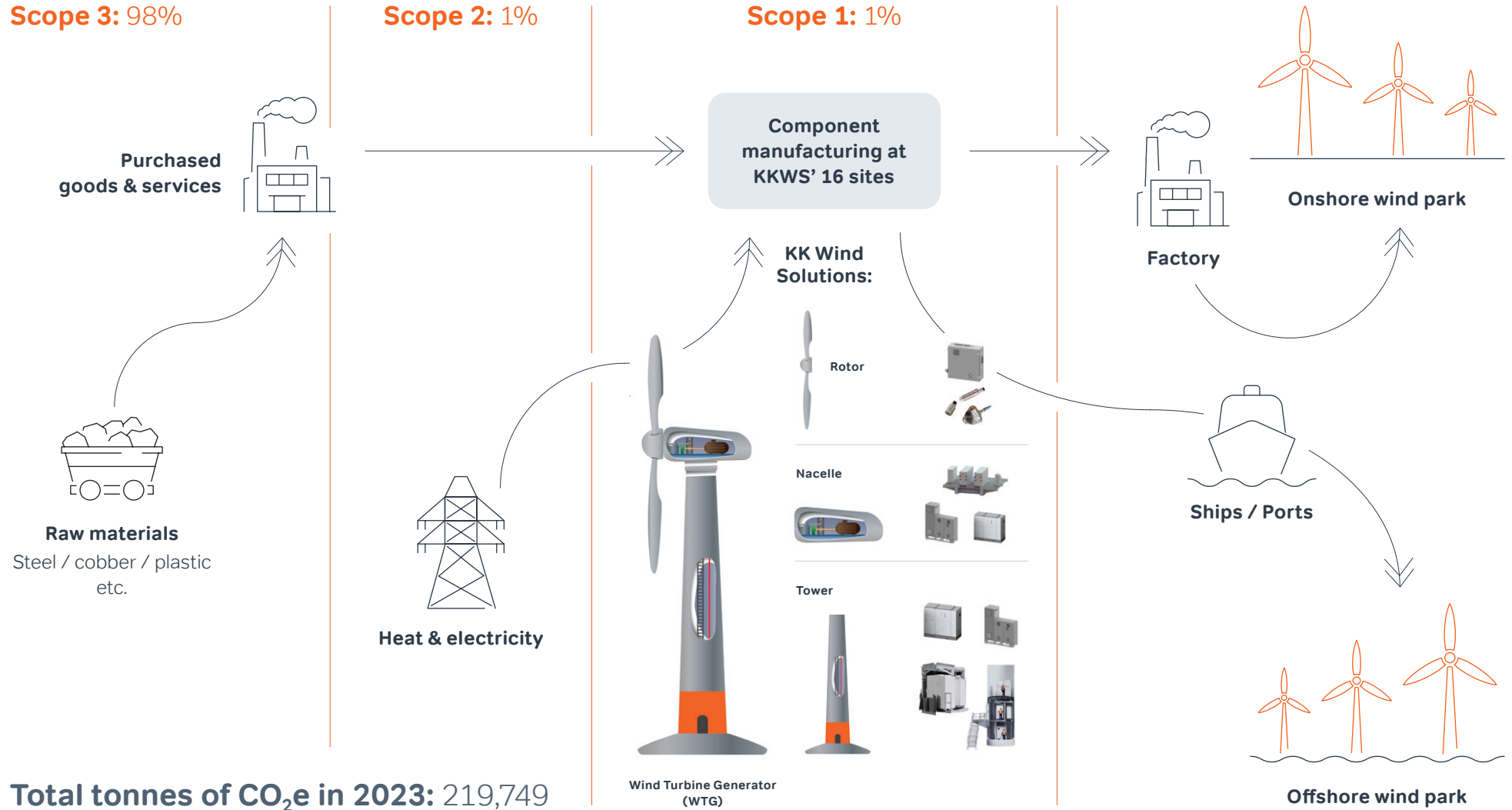


GHG emissions across our value chain

Scope 3: 98%

Scope 2: 1%

Scope 1: 1%



Pollution prevention

Material chemistry is a key component in enabling the Circular Economy and the development of products with improved environmental performance.

As part of our ISO 14001 certified environmental management system and governed by the QHSE policy, we have committed to avoiding environmental harm by protecting the environment.

At KK Wind Solutions this work includes pollution prevention at our own sites. The factories operated are mainly used for the final component manufacturing of our many products within the electro-mechanical industry, and none of our current 16 sites operate within environmental permits as the pollution potential is seen as low.

As part of our environmental management system, we have implemented the precautionary principle, and based on this, we evaluate potential pollution to air, water and soil. We are in dialogue with relevant authorities when we find potential pollution issues to ensure needed investigations are handled openly and transparently.

To some extent, our products designed for the business to business market contain substances of very high concern (SVHCs).

Articles containing SVHCs on the Candidate List in a concentration above 0.1% weight by weight (w/w) placed on the EU market need to be reported to ECHA.

This reporting requirement has now helped us create an overview of used SCIP (Substances of Concern In articles as such or in complex objects (Products)) components and which of our products they are used in. This is a great starting point for further evaluation and prioritisation around needed R&D effort to find alternatives or in other ways reduce the use of SVHCs.

For compliance with RoHS and REACH we ensure supplier documentation for compliance and keep own designs compliant as well.



Circular economy

Design is key to enable the circular economy because products can be optimised for reusability and recyclability and used materials can be sourced from recycled content. However, for now, waste management is central in our effort to improve.

A high focus is given to avoidance of waste at all production facilities in KK Wind Solutions. Waste is cost and environmental impact without value creation and we have therefore linked this to our high focus on quality and cost of poor quality. The focus on minimising waste and cost of poor quality is aiming to securing a low level of internal scrap.

With 0.2% scrap measured in 2023, we overperformed on our target and lowered our waste-to-revenue ratio from 0.436 kg of waste per 1,000 DKK in revenue in 2022 to 0.349 kg of waste per 1,000 DKK in revenue in 2023.

We are working on lowering the percentage of waste not recovered and have in 2023 reached a level of 12% waste not recovered. This waste is split between hazardous waste and non-hazardous waste not recovered. Of the total waste only 6% of our waste is categorised as hazardous waste.

At the same time our direct use of rare earth elements like neodymium, samarium or other rare earth magnets materials is very low as we generally do not produce generators or similar products.

Prototyping new products for our customers is an integrated and important part of our work and engagement with our customers. The prototyping helps us and the customers to develop and optimise the right solutions. But building prototypes also comes with waste that we are working on minimising. Here, copper and cable waste represent above 10% of our total waste.



Social





Our approach to human rights

As a member of UN Global Compact (UNGC) since 2010, we value human rights and labour rights very highly.

The respect for human rights and labour rights is a fundamental starting point for our social sustainability effort.

At KK Wind Solutions we recognise our responsibility to respect human rights and understand the importance of disclosing the necessary steps we take to live up to our human rights obligations.

We recognise that regulation is being implemented in e.g., Norway and Germany to further enforce the importance of human rights in the coming years.

We are currently supporting different initiatives that work on providing better living conditions for humans and animals.

Our support to the benefit of planet and people



Our support for SOS Children's Villages, which began in 1984, has been ongoing for nearly 40 years through our sustained donations.



In 2023, we were happy to back the WILD Nature Foundation, by supporting one of their big events "Verdens Vilde Liv" that concentrated on biodiversity and climate change.





Own workforce

Our success depends on our people. We ensure safety first and invest in learning and development.

We are pleased to have a varied and skilled team of people who are committed to deliver creative solutions to the renewable energy industry. Because of our innovative nature and always being on the lookout for new ways to solve problems, we call ourselves “Green Power Wizards”.

We value having a more even gender split, as this contributes to the diversity of thought and makes KK Wind Solutions a more welcoming and inclusive workplace. Therefore, we have created a Diversity and Inclusion policy, with a number of actions, e.g., more inclusive way of hiring talent, mentorship and career support programs, cultural sensitivity, leadership engagement, and setting and reporting goals. We will continue our implementation in the coming years.

Our targets are to reach 40% of under-represented gender on the Board by the end of 2024 and 20% of underrepresented gender in the Senior Management by the end of 2027.

Safety First

KK Wind Solutions prioritises the safety and well-being of all our employees. We always put “Safety First” in everything we do and decide.

We are certified according to the standards of ISO 45001:2018 Occupational health and safety management systems, which demonstrates our dedication to constantly apply and enhance how we handle health and safety.

Progress

In the past year, we have lowered our lost-time frequency rate (LTFR) – which is the number of work accidents per one million working hours – from 2,9 in 2021 to 0.9 in 2023. Also, we made progress in the Total Recordable Incidents Rate (TRIR) – which is the number of recordable injuries and illnesses per one million hours worked – from 86 incidents or a ratio of 7.6 in 2022 to 47 incidents or ratio of 4 in 2023.

The absence rate has also improved. In 2023, blue-collar worker absence declined from 5.5% to 4.1% and the white-collar worker absences declined from 2.6% to 2.2%.

More preventive measures

One major measure we took in 2023 was to make First Aid and CPR tests mandatory for all employees.

We also did more Safety Walks. In 2023, we did 2067 walks, which was more than the previous year when we did 514 walks. A Safety Walk is a proactive open conversation with one or more employees about Health, Safety & Wellbeing, that helps to create and sustain a strong safety culture. We have furthered psychological safety. We had already set up guidelines for managers to handle stress situations, and we now also keep track of the sick days due to stress.

Learning & development

We provide various development and training opportunities to help our employees grow both personally and professionally. Our annual Personal Development Dialogues (PDD) process has been a key focus area, to which we made continuous improvements, now focusing more on behavioural aspects as well as when evaluating performance, to be able to offer our people the most suitable career development opportunities.



Workers in the value chain

KK Wind Solutions is dedicated to adhering to the principles of the UNGC to uphold core values concerning human rights, labour standards, the environment, and anti-corruption. We expect our suppliers and sub-suppliers to likewise follow these principles.

Here is a summary of how we address the ten principles with our suppliers.

Labour and Human Rights

Suppliers must respect the rights of their employees and ensure fair and non-discriminatory treatment, freedom of association, minimum age requirements, reasonable working hours and wages, and no use of forced or bonded labour.

Health and Safety

Suppliers must ensure safe and healthy working conditions, following the ISO 45001 standard and the local laws and regulations.

Environment, Sustainability and Compliance

Suppliers must stay updated on environmental laws and comply through training, awareness, operational control, and monitoring. They should systematically strive to prevent environmental harm, continually improve by reducing material use, emissions, waste, and pollution, and promote environmentally friendly technologies and solutions.

Business Ethics

Suppliers must refrain from bribery, corruption, or illegal influence, and avoid offering or accepting improper gifts or payments. They must include anti-corruption clauses in contracts with agents and consultants.

Progress

We work with a large number of suppliers, around 1500 indirect and 700 direct. We follow up on our direct suppliers and do regular audits to make sure they meet our standards.

We will continue to reinforce, assess, and ensure compliance with human and labour rights, health and safety, and environmental impacts of suppliers.

Conflict minerals

As a company in the renewable energy industry that values sustainability, KK Wind Solutions regularly checks that its suppliers do not use conflict minerals. These minerals, such as gold, tantalum, tungsten, and tin, have been linked to funding violence in the Democratic Republic of Congo and its neighbouring countries (DRC region). KK Wind Solutions follows the U.S. Dodd-Frank Act and other related laws to avoid using these minerals in the supply chain and supports the Conflict-Free Smelter Program (CFSP), a voluntary initiative aimed at identifying and verifying smelters and refiners of conflict minerals that source responsibly.



Governance





Our approach to business conduct

Our rapid growth also brings a need for more awareness on our business conduct.

As part of our rapid growth, we have now added Fraud and Bribery to the list of risks and put further focus on Enterprise Risk Management (ERM).



Our Whistleblowing platform is already part of the mitigation and the platform can be accessed both internally and externally. If you want to report issues or risks seen, please use the QR code.

We are pleased to conclude 2023 without any incidents of corruption or bribery and thereby not having any convictions linked to anti-corruption and anti-bribery laws and thereby no fines have been received related to this.

Approach to data ethics

KK Wind Solutions is not using advanced technologies such as artificial intelligence or machine learning. The group handles normal data related to customers and employees in accordance with the GDPR legislation, the privacy policy and procedures for classification and management of documents and data. With the limited data processing, it is the group's assessment that it does not need to have a data ethics policy. We will continuously monitor the need for such a policy.



Memberships and ratings

We seek to join memberships that align with our business principles and vision on climate, take pride in the ratings that validate our efforts, and are enthusiastic to help people and organisation that stand for good causes.

Memberships:



APQP4Wind is a method for Advanced Product Quality Planning in the global wind industry, with the goal to enhance the collaboration between manufacturers and suppliers and to ensure that parties at all levels talk on equal terms about quality assurance processes. KK Wind Solutions joined in 2018, being part of the board of directors together with representatives from GE Renewable Energy, LM Wind Power, Siemens Gamesa Renewable Energy, Vestas Wind Systems and GreenPower Denmark.



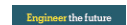
Dansk Industri (DI) is the biggest business and employers' organisation in Denmark, with a membership of more than 20,000 companies from sectors such as manufacturing, trade, and service industries. DI supports

DI - Dansk Industri - Wikipedia, den frie encyklopædi

its members both domestically and internationally, providing services, advice, networks, and representation on issues such as collective bargaining, industry-specific advice, global competitiveness, and political representation. KK Wind Solution has been part of DI since 2008, belonging to a community of powerful companies working for a strong society.



Green Power Denmark membership empowers companies to influence policy, gain exclusive insights, network strategically, access expert advice, and contribute to Denmark's green future, solidifying their industry position. KK Wind Solutions has been a proud member of Green Power Denmark for more than 20 years.



Engineer the Future is a technological alliance of tech companies, educational institutions, and organisations, with the aim of promoting Danish engineers and technology experts and creating a foundation for future knowledge workers and specialists in technological development. KK Wind Solutions joined Engineer the Future in 2020. Via this partnership, we aim to inspire a new generation of Green Power Wizards and support the longevity of industries that depend on strong engineering capabilities.

Ratings:

EcoVadis assesses companies' sustainability across environment, labour, ethics, and supply chains, providing ratings to showcase improvement and drive responsible business practices. The standards are getting higher every year, so achieving a good score keeps being challenging. In 2023 KK Wind Solutions has achieved a score above 50/100. This result puts our company in the top 50 percent of companies that EcoVadis assessed.



KK Wind Solutions is a long-standing participant of the **UN Global Compact** and we appreciate this initiative.

We adhere to the ten principles that the UN Global Compact established, which include topics such as human rights, labour rights, environment, and anti-corruption, demonstrating our dedication to sustainability.



Sustainability data

Accounting principles

The below description of accounting policies refers to the ESG (Environment, Social, and Governance) indicators presented on page 31.

All KK Wind Solutions Holding A/S (CVR 39 06 70 48) wholly owned subsidiaries are covered by the report. Newly established and acquired companies are included from the time of being in KK Wind Solutions Holding's control, and companies are excluded from the reporting from the time of leaving KK Wind Solutions Holding's control.



Environment

Total energy consumption

According to the European Sustainability Reporting Standards (ESRS) E1-5, we report the total fossil and renewable energy consumption disaggregated by energy type for the reporting period in megawatt hours (MWh). The consumption is based on monthly reported consumption data with link to invoices. All locations have been included in the reporting. Activities in KK Wind Solutions are evaluated to be included in NACE Section C – Manufacturing and based on the E1-5 guidance categorised as “high climate impact sector”. Based on this, the energy intensity based on net revenue is reported with reconciliation to the annual report.

Gross Scales 1, 2, 3, and total GHG emissions

According to the European Sustainability Reporting Standards (ESRS) E1-6, we report the total GHG emissions in metric tonnes and with reference to the Greenhouse Gas Protocol, calculated based on both the location-based and the market-based approach. Gross scope 1 and 2 emissions are reported in CO₂e based on the monthly energy reporting transformed into CO₂e according to the Greenhouse Gas Protocol. Scope 3 emissions are calculated based on Greenhouse Gas Protocol Corporate Value Chain (Scope 3) standard and include category 1: Purchased goods and services as this is evaluated to count for more than 90% of our scope 3 emissions. The calculation is based on weight of our different purchase categories in combination with extrapolation and use of estimates.

Total waste generated

According to the European Sustainability Reporting Standards (ESRS) E5-5, we report the total amount of solid waste in tonnes, split by hazardous waste and non-hazardous waste as reported internally on a monthly basis and with reference to invoices from the external waste handlers.

Hazardous waste includes batteries, chemicals, combustion waste, electronic waste, mixed hazardous packaging and solvents and detergents. Non-hazardous waste include bio waste, metals mix, non-hazardous packaging, paper, plastic and wood.

The waste is reported on recovery operation types, waste treatment types according to the standard and the total amount and percentage of non-recycled waste are reported as well.



Total number of employees

According to the European Sustainability Reporting Standards (ESRS) S1-6, we report employee characteristics, including total number of employees by head count at end of the reporting period, broken down by gender, countries for operations with more than 50 employees in the country, permanent employees, temporary employees, and non-guaranteed hours employees. The number of permanent, temporary and non-guaranteed hours employees is calculated on a country level and consolidated into the group number as presented.

Share of underrepresented gender in Board of Directors

According to the Danish Financial Statements Act §99b, we report the share of underrepresented gender in our Board of Directors defined as the Board of Directors for KK Group A/S (CVR: 66821110) at the end of the reporting period. Information has been sourced from the Central Business Register (CVR) and employee-elected members have been excluded from the calculation.

Share of underrepresented gender in Senior Management

According to the Danish Financial Statements Act §99b, we report the share of underrepresented gender in senior management based on headcount at the end of the reporting period. Senior management is defined with reference to the guidance in “Targets and policy for the gender composition of management and for reporting on this” published by the Danish Business Authority and includes top management – referred to as the Executive Management team – and their direct reports, where these reports manage reports in the same legal entity.

Employees covered by Health and Safety management systems

According to the European Sustainability Reporting Standards (ESRS) S1-14, we report the percentage of employees in own workforce covered by the health and safety management system. The number is calculated based on headcount at the end of the reporting period.

Fatalities linked to work related injuries or illness

According to the European Sustainability Reporting Standards (ESRS) S1-14, we report the number of work related fatalities in our own workforce. The numbers reported are based on fatalities reported via the health and safety management system during the reporting period.

Total number of recordable work-related accidents

According to the European Sustainability Reporting Standards (ESRS) S1-14, we report the total recordable work-related accidents, which include fatalities, lost time incidents, restricted work-related accidents with less than one day of absence. The numbers reported are based on incidents reported via the health and safety management system during the reporting period.

Total rate of recordable work-related accidents per million working hours

According to the European Sustainability Reporting Standards (ESRS) S1-14, we report the total rate of recordable work-related accidents per million working hours. The working hours are calculated based on hours registered in the system for hourly-paid employees and standard working hours for salaried employees excluding holidays, sick leave, maternity leave etc.

Total rate of lost time recordable work-related accidents per million working hours

The total rate of lost time recordable work-related accidents is given as an additional datapoint linked to the European Sustainability Reporting Standards (ESRS) S1-14 reporting requirements. The number focuses on lost time recordable work-related accidents that are defined as accidents that have caused at least one working day of absence after



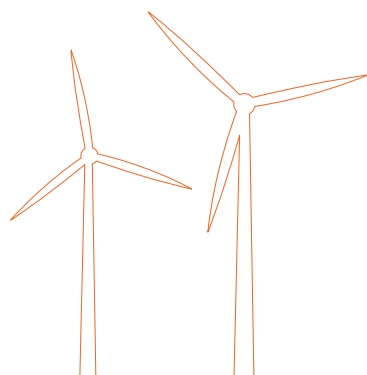
the day of the injury. The number of working hours is calculated in the same way as for the total rate of recordable work-related accidents per million working hours.

Total number of recordable work-related illness

According to the European Sustainability Reporting Standards (ESRS) S1-14, we report the number of recordable work-related illnesses according to the ILO list of Occupational Diseases. The numbers reported are based on illnesses reported via the health and safety management system during the reporting period.

Total employee turnover (headcount)

According to the European Sustainability Reporting Standards (ESRS) S1-6, we report the total number of employees who have left the company during the reporting period. This number includes all employees and is calculated based on the total number of retirements, voluntary or involuntary resignations etc.



Total rate of employee turnover

According to the European Sustainability Reporting Standards (ESRS) S1-6, we report the total rate of employee turnover based on the total employee turnover (headcount) compared to the average number of employees on the payroll during the year.



Governance

Incidents of corruption or bribery

According to the European Sustainability Reporting Standards (ESRS) G1-4, we report the number of incidents of corruption or bribery discovered by our legal department in the reporting period. Incidents are counted when they lead to legal action against employees or other parties involved in the incident.

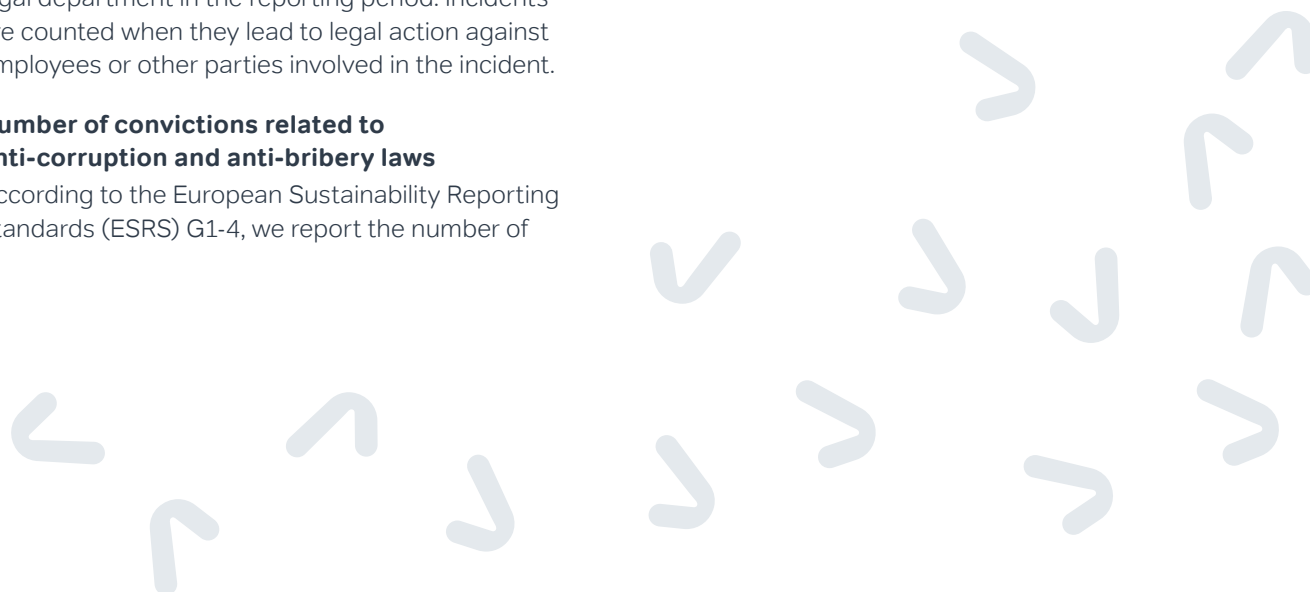
Number of convictions related to anti-corruption and anti-bribery laws

According to the European Sustainability Reporting Standards (ESRS) G1-4, we report the number of

convictions related to anti-corruption and anti-bribery laws in the reporting period.

Amount of fines related to anti-corruption and anti-bribery laws

According to the European Sustainability Reporting Standards (ESRS) G1-4, we report the amount of fines from convictions related to anti-corruption and anti-bribery laws in the reporting period.





ESG data overview

		Note	Year			Targets			ESRS alignment	
			2023	2022	2021	2023	2024	2027		2030
1	Environment									
a	Total energy consumption.	MWh	1	17,645	7,261	N/A				E1-5
b	Gross GHG, Scope 1.	tonnes		1,491	935	N/A				E1-6
c	Scope 1 GHG emissions from regulated emission trading schemes.	%		0	0	N/A			Net-zero	E1-6
d	Gross GHG, Scope 2, location-based.	tonnes		5,759	2,646	N/A				E1-6
e	Gross GHG, Scope 2, market-based.	tonnes		1,867	79	N/A				E1-6
f	Gross GHG, Scope 3.	tonnes	2	216,391	N/A	N/A			Net-zero	E1-6
g	Total GHG emissions, location-based.	tonnes	2	223,641	N/A	N/A				E1-6
h	Total GHG emissions, market-based.	tonnes	2	219,749	N/A	N/A				E1-6
i	Total waste generated.	tonnes	3	1,914	1,125	N/A				E5-5
2	Social									
a	Total number of employees (headcount).	Number	4	2,476	N/A	N/A				S1-6
b	Total number of members in Board of Directors.	Number		5	N/A	N/A				S1-9
c	Share of underrepresented gender in Board of Directors.	%		20	N/A	N/A	40%			S1-9
d	Total number of employees in Senior Management.	Number		42	N/A	N/A				S1-9
e	Share of underrepresented gender in Senior Management.	%	4	12	N/A	N/A		20%		S1-9
f	Employees covered by Health and Safety management systems.	%		100	100	100				S-14
g	Fatalities linked to work related injuries or illness.	Number		0	0	0				S-14
h	Total number of recordable work-related accidents (TRIR).	Number		47	86	43				S-14
i	Total rate of recordable work-related accidents per million working hours (TRIR).	Rate		4.0	7.6	7.9	6	3.5		S-14
j	Total rate of lost-time work-related accidents per million working hours (LTFR).	Rate		0.9	1.3	2.9	1	1		S-14
k	Total number of recordable work-related illness.	Number		0	0	0				S-14
l	Total employee turnover (headcount).	Number		420	N/A	N/A				S1-6
m	Total rate of employee turnover.	%		17	N/A	N/A				S1-6
3	Governance									
a	Incidents of corruption or bribery.	Number		0	N/A	N/A				G1-4
b	Number of convictions related to anti-corruption and anti-bribery laws.	Number		0	N/A	N/A				G1-4
c	Amount of fines related to anti-corruption and anti-bribery laws.	kDKK		0	N/A	N/A				G1-4



Notes

Note 1:
Total Energy Consumption, MWh

Year
2023

1 Fossil energy consumption			
a	Fuel from coal.	MWh	0
b	Fuel from crude oil.	MWh	0
c	Fuel for Natural gas.	MWh	5,380
d	Purchased electricity and heat.	MWh	5,711
e	Total fossil energy consumption.	MWh	11,091
f	Share of fossil sources in total energy consumption.	%	63
2 Renewable energy consumption			
a	Fuel from renewable sources.	MWh	0
b	Purchased electricity and heat.	MWh	6,554
c	Self-generated renewable energy.	MWh	0
d	Total renewable energy consumption.	MWh	6,554
e	Share of renewable sources in total energy consumption.	%	37
3 Total Energy consumption			
a	Total Energy consumption	MWh	17,645
b	Revenue from financial statement.	1.000 DKK	5,486,054
c	Energy intensity.	MWh pr. kDKK turnover	0,003

Note:

1 All of KK Wind Solutions revenue is seen included in NACE section C and therefore in relation to this reporting seen as a high climate impact sector.

Note 2:
Scope 3 GHG emissions split on main categories

Year
2023 2020

1 Main scope 3 categories *)				
a	Category 1: Purchased goods and services.	Kt	216,391	105,340
b	Total scope 3 GHG emissions.	Kt	216,391	105,340
c	Total GHG emissions, location-based.	tonnes	223,641	108,570
d	Total GHG emissions, market-based.	tonnes	219,749	106,774
2 Emission intensity				
a	Revenue from financial statement.	kDKK	5,486,054	2,579,690
b	GHG emission intensity, location-based.	tonnes GHG pr. kDKK turnover	0,041	0,042
c	GHG emissions intensity, market-based.	tonnes GHG pr. kDKK turnover	0,040	0,041

Notes:

- 1 According to disclosure requirement E1-7 we can state that we have not been involved in GHG removals and GHG mitigation projects.
- 2 According to disclosure requirement E1-8 we can state that we currently do not have a internal carbon pricing mechanism.

*) According to SBTi we have focused our reporting effort on the top 90% of our scope 3



Note 3:
Total waste generated

Year
2023

	Kt	2023
1 Total waste generated	Kt	1,914
a of which is hazardous	Kt	109
b of which is prepared for reuse	Kt	0
c of which is recycled	Kt	1,673
d of which is recovered in other ways	Kt	6
2 Total hazardous waste not recovered	Kt	54
a of which is sent for incineration	Kt	50
b of which is sent for landfill	Kt	4
3 Total non-hazardous waste not recovered	Kt	181
a of which is sent for incineration	Kt	180
b of which is sent for landfill	Kt	1
4 Total waste not recovered	Kt	235
a Total percentage of waste not recovered	%	12

Note 4:
Number of employees

Year
2023

		Female	Male	Total
1 By country				
a China	Number	64	154	218
b Denmark	Number	168	453	621
c India	Number	71	318	389
d Poland	Number	554	644	1,198
e Others (Germany,Spain,Taiwan,USA)	Number	8	42	50
f Total number of employees	Number	865	1,611	2,476
2 By employee type				
a Permanent employees	Number	865	1,611	2,476
b Temporary employees	Number	0	0	0
c non-guaranteed hours employees	Number	0	0	0
d Total number of employees	Number	865	1,611	2,476
3 By employee age				
a Employees < 30 years old	Number	160	391	547
b Employees 30 < 50 years old	Number	521	941	1464
c Employees > 50 years old	Number	184	279	465
d Total number of employees		865	1,611	2,476



SASB data overview

		Year	
		2023	
1	Energy Management		
a	Total energy consumed.	GJ	63,522
b	Percentage grid electricity.	%	66
c	Percentage renewable.	%	37
2	Hazardous Waste Management		
a	Amount of hazardous waste generated.	tonnes	109
b	Percentage recycled.	%	88
3	Business Ethics		
a	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption.	1.000 DKK	0
b	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations.	1.000 DKK	0

Sustainable Development Goals – our selected goals

Where we can influence society at large



Our offerings play a crucial role in the shift towards green energy, contributing to offering citizens cost-effective and green energy options. We will focus on increasing energy efficiency, electrification, and advancing clean energy technologies, solutions, and services.

Where we can create positive impacts



Our products are central to efficient renewable energy generation and placed in 43,000 wind turbines around the globe helping to save around 0.4 billion tons of CO₂ in 2023.

Where we can reduce the negative impact of our operations



We seek to become a company that operates with responsibility and consideration for the environment throughout all aspects of our supply chain and understand the importance of mitigating any adverse effects on people and the environment.

We recognise the significance of promoting equal opportunities for all, enhancing diversity, and eradicating all forms of discrimination. We will focus on equality from multiple aspects, not just limited to addressing specific inequalities.



About KK Wind Solutions

Building on more than 40 years of experience in electro-mechanical systems for wind, KK Wind Solutions' capabilities span development of state-of-the-art technologies, high quality lean manufacturing, cost-efficient supply chain solutions and flexible service of wind turbines.

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