



**HOYER**

# ESG Report 2023

# Table of Contents

## Intro

About this report	03
CEO Statement	04
About Hoyer	05
Our core value chain	06
Our approach to ESG	07
Double Materiality Assessment	08
ISO certifications	10
UN Goals	11

## Environmental

We want to be a Green Transition Partner	14
Climate accounting	16
Scope 1	17
Scope 2	18
Scope 3	19
<b>CASE</b> Providing high-efficiency motors for the world's first methanol containership	21
<b>CASE</b> Installing EV charging stations at Hoyer	22
Results 2023	23
Ambitions 2024	24

## Social

We strive to have a healthy and diverse workplace	26
Safety and work environment in the supply chain	27
Employee satisfaction	28
<b>CASE</b> Cross cultural exchanges for enhanced learning and improved efficiency	30
Sickness absence	32
Work accidents	33
Diversity	34
Results 2023	35
Ambitions 2024	36

## Governance

We want to be trustworthy, open and transparent	38
ESG and strategy	39
Gender composition	40
Delegation	41
Cyber security and awareness	42
<b>CASE</b> Cyber security awareness training at Hoyer	43
Safety awareness	45
Legal requirement PIPL	46
Whistleblower scheme	47
Policies	48
Results 2023	49
Ambitions 2024	50



# About this report

Our ESG Report covers the accounting period from 1 January 2023 to 31 December 2023 and is part of the Hoyer Annual Report 2023. The report contains the standards of The Danish Financial Statements Act section 99a.

The report provides an overview and assessment of our latest initiatives and projects in the areas of environmental, social and governance. We report and evaluate on the targets set in 2023 and present the new targets for 2024.

## CEO Statement

# To be a Green Transition Partner

At Hoyer, we recognise that the path to sustainability lies in purposeful action. We are convinced that the greatest impact lies in integrating environmental and social aspects into our existing operations and thus aligning our environmental initiatives with our core business.

By integrating sustainability into our daily operations, we become more than just an ordinary business partner; we become a Green Transition Partner.

Based on our deep understanding of our customers' needs, their applications and the market, our lasting collaborations and our team of skilled and knowledgeable employees, we strive to actively contribute to the green transition.

Our clear ambition is to reduce our environmental footprint, achieved by empowering our customers to choose the most energy-efficient solutions and by advising on the implementation of more energy-efficient electric motor solutions. As a dedicated Green Transition Partner, our approach permeates every step of the value chain.

As a Green Transition Partner, it is also a priority to engage in markets, niches, and applications that directly support the green transition. These include wind power generation, Power-to-X, Air Lubrication Systems (ALS), and electric vehicle manufacturing, among others.

Safety and wellbeing is a parameter that we attach great importance to. In addition to a high focus internally, we also have a great focus on safety and wellbeing in our collaboration with the supply chain's business partners and our global suppliers, where we, for example, have implemented health and safety reporting requirements for our business partners in the supply chain. This focus has also meant that we achieved the ISO 45001 certification in 2023.

In 2022, we started the journey with Environmental, Social and Governance (ESG) reporting, where we created a baseline to work from. Since then, we have expanded with a Double Materiality Assessment, where we have identified relevant focus areas. 2024 is the year in which Hoyer will gain experience in carrying out CSRD-compliant reporting based on clear priorities and a sufficient data basis.

We are excited about the coming years. Our ESG ambitions are high, and we believe that together we can create a legacy of sustainability.



A handwritten signature in black ink that reads "Henrik Sørensen". The signature is written in a cursive, flowing style.

Henrik Sørensen, CEO



# About Hoyer

Hoyer is a value-creating supplier of intelligent, energy-efficient electric motor solutions.

We are a tier-1 brand of electric motors, drives and controls. We offer complete, tailored solutions to our customers – combining a close partnership with in-depth application knowledge, high quality, high service levels and industry leading delivery times.

It is fundamental for us to be a value-creating partner as well as helping our customers to choose the most energy-efficient solution for their applications. With our portfolio of products, we are able to offer complete motor solutions, including sensors, frequency converters, drives and controls. With this, we assume a greater responsibility – thereby distinguishing ourselves from other conventional suppliers of electric motors.

We do not just deliver a product; we deliver a solution, and we believe in the vision of “Exceeding Expectations”.

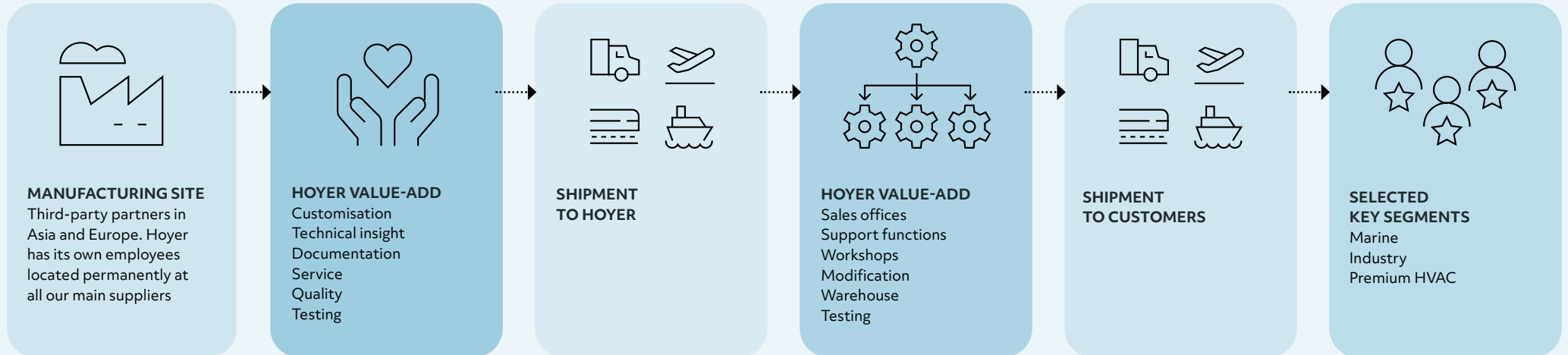
Our primary markets are in Europe, Asia and the US, and we work together with customers across a wide range of industrial areas, Marine and HVAC. As a globally-oriented company we have head offices in both Denmark and China, sales offices worldwide, as well as suppliers in Europe and China.

The electric motors are sold under our own brand name and are designed and manufactured according to our own product specifications.

Our business model relies on a distinctive operational framework that encompasses technical expertise, quality assurance, motor modifications and logistics. We operate in response to market dynamics, strategically targeting various segments and specific niches.

# Our core value chain

The visual representation below depicts our business model. Here we illustrate our core value chain, while also highlighting the additional value we generate throughout, as well as our commitment to ESG principles, which permeate every aspect.





# Our approach to ESG

We want to be a Green Transition Partner, and we see the ESG factors as an important part of our strategy and day-to-day operations.

ESG factors are a driving force in our ambitions and strategies. It is thus a part of our current strategy that we want to be a Green Transition Partner for our customers. We are additionally committed to investing in our employees, and are committed to being fast, receptive and reliable in all aspects of our business and our relations, as well as other ESG efforts.

We believe that initiatives, rules, and regulations in recent years regarding ESG – on both the national and international levels – are a helping hand in this matter, as they have given us all a common language and a common framework to work within, both internally at Hoyer and together with our business partners and customers all over the world.

Internally at Hoyer, the ESG framework is used to ensure, on the one hand, that we all have the same understanding of the matter across departments, countries, and cultures, and on the other hand, that we prioritise the right projects and initiatives. Externally, it has given us new ways to inspire and support our partners and customers on their business decisions and ESG journey.

# Double Materiality Assessment

Through a focused, internal process we have developed our Double Materiality Assessment (DMA). This will lay the foundation for a CSRD-compliant reporting.

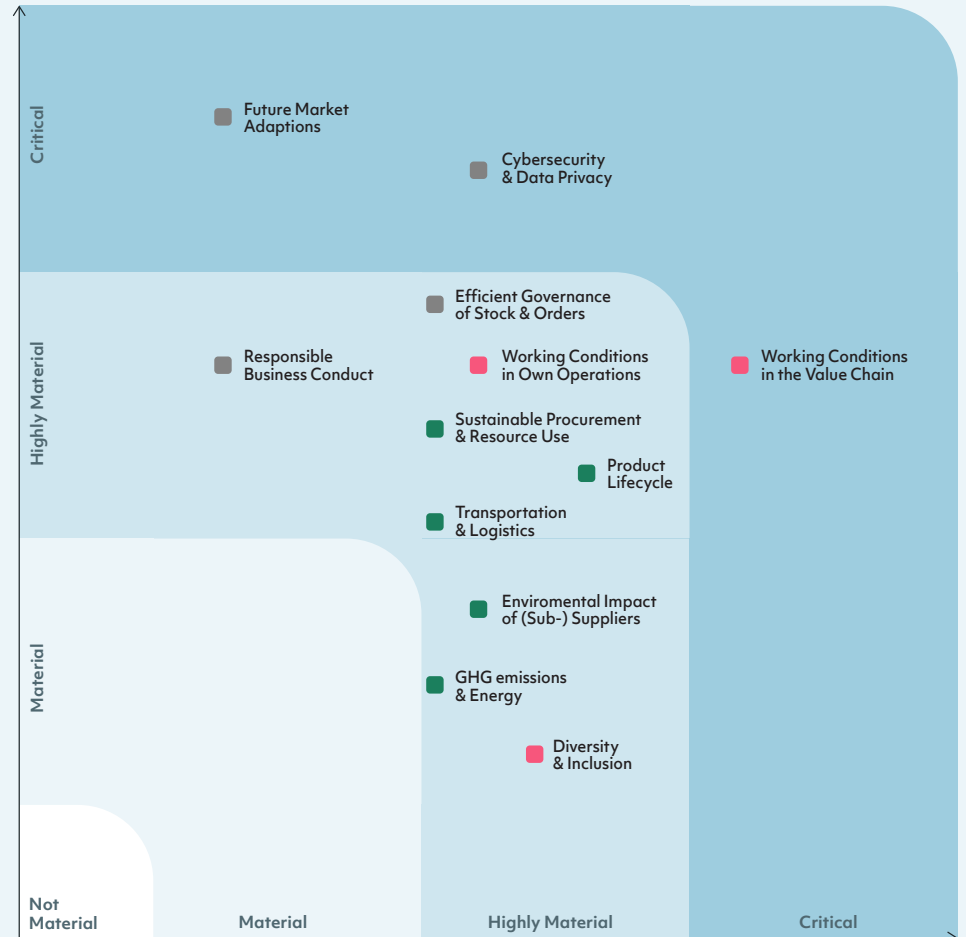
An overall focus of 2023 has been the development of our Double Materiality Assessment (DMA) which will be tried and tested through 2024 and used as foundation for future reporting in accordance with the European Union's Corporate Sustainability Reporting Directive (CSRD).

Our work with the DMA has included an internal workshop with a broad representation across our company, review of our business model and our upstream and downstream value chain activities and research on identified knowledge gaps. Following this, we identified Impacts, Risks and Opportunities

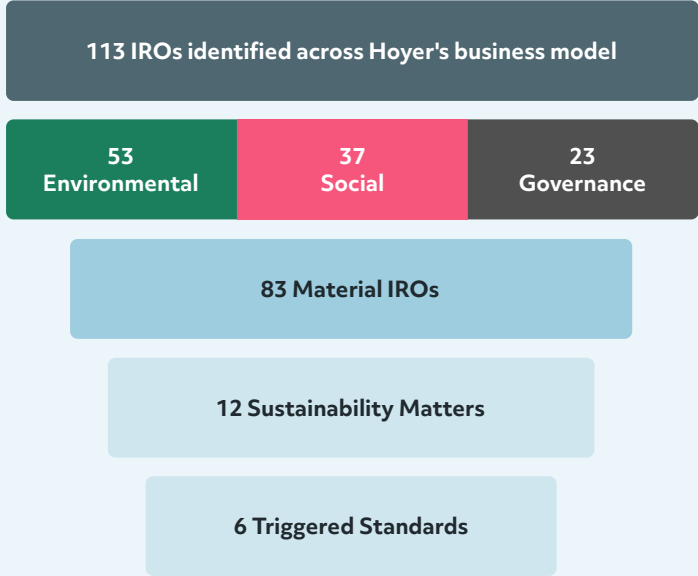
Continued on next page ↓

## FINANCIAL MATERIALITY

■ Environmental ■ Social ■ Governance







(IROs) posed by our core activities in the business model and in the value chain within the topics defined in the ESRS standards. And then we assessed the severity of the IROs based on parameters such as scale, scope, irremediability, likelihood and magnitude.

We identified 113 IROs – 53 environmental, 37 social and 23 governance-related.

After the severity rating, we ended up with 83 IROs considered material for Hoyer. These were then bundled into sustainability matters, which serve as the foundation for our Hoyer Materiality Matrix.

**HOYER MATERIALITY MATRIX**

The Hoyer Materiality Matrix is the visible result of our DMA.

On the Y-axis, we evaluate all the IROs in relation to their financial impact and significance for our company. On the X-axis, we evaluate the IROs in relation to their impact on people and planet. The Y-axis is thus the outside-in perspective, while the X-axis is the inside-out perspective.

The Hoyer Materiality Matrix shows the most important sustainability matters. There are three critical sustain-

able matters: working conditions in the value chain, cyber security & data privacy and finally future market adaptations. Among the highly material sustainable matters are the product lifecycle, transportation and logistics, efficient governance of stock and orders and of course the working conditions in our own operations.

The work with DMA has helped us identify and prioritise the most important areas for our ESG work and future target setting, and it has laid the foundation for the coming CSRD reporting.

**FOCUS IN 2024**

In 2024, we will carry out a gap analysis to identify material data points according to the ESRS Standards, and to create an overview of the gap to close towards the first CSRD compliant reporting for the financial year of 2025. It is our ambition that the data points are on the one hand sufficient for transparently communicating about Hoyer's ESG efforts and on the other hand clear and easy to decode. It is not about the amount of numbers but about the numbers showing the relevant things.

In many ways, 2024 will be a lift-off year, which is in accordance with the plan for becoming CSRD compliant, as well as anchoring and standardising our ESG reporting.



# ISO certifications

For years, Hoyer has been ISO 9001:2015 certified in both Hadsten, Denmark and Ningbo, China, demonstrating our ability to consistently provide products and services that meet customer and regulatory requirements.

Furthermore, the location in Hadsten, Denmark, has been certified in accordance with ISO 14001:2015, which demonstrates our ability to continually improve our environmental performance.

The management of Hoyer decided however, that an upgrade of the

ISO certifications for both locations needed to be prioritised this year.

In May and June 2023, the locations in both Hadsten and Ningbo were thus successfully audited and obtained the new ISO certificates. This means that in both Denmark and China we are certified according to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 – which documents that we work structured with our quality as well as our environmental and health and safety management.

## ESG framework

# UN Goals

Since the launch of the UN Global Sustainable Development Goals (the SDGs) in 2015, the SDGs have become an integrated part of businesses and reporting globally – and Hoyer is no exception.

From the start, our focus was on Goal 7, “Affordable and clean energy,” and Goal 9, “Industry, innovation and infrastructure”. In 2023 we added a third goal, Goal 8, “Decent work and economic growth”.

As highlighted in our DMA and shown in our Hoyer Materiality Matrix, these 3 goals are directly related to our core business and it is thus natural for us to work with these issues – and essential, that we maintain a focus on them.

Continued on next page ↓



## Goal 7

## Affordable and clean energy

We focus on two targets related to this goal. Target 7.3, “By 2030, double the global rate of improvement in energy efficiency”, and target 7.a, “By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology”.

As a supplier of electric motors, it is natural to focus on the energy efficiency of motor solutions – and to do so as a part of our close collaboration with our customers. We focus on offering electric motors with high efficiency classes and motors with variable frequency drives. We also work with customers in the renewable energy sector to develop bespoke solutions for e.g. wind turbines.

**Material Sustainability Matter:**

Future Market Adaptations



## Goal 8

## Decent work and economic growth

We focus on three targets related to this goal. Target 8.5, “By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value”, target 8.7, “Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms” and target 8.8, “Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment”.

With manufacturing partners in Europe and Asia and sub-suppliers around the world it is important for us to ensure decent working conditions both at Hoyer and at our business partners. Both in terms of diversity, pay, elimination of child labour and slavery, and safe working environments.


**Material Sustainability Matter:**

Working Conditions in the Value Chain

## Goal 9

## Industry, innovation and infrastructure

In relation to this goal, we focus on target 9.4, “By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities”.

Sustainable industrialisation and innovation is a part of our core business, and together with our customers, we work with retrofit solutions that prolong the lifetime of our solutions and thereby save energy.

**Material Sustainability Matter:**

Product Lifecycle



HOYER

# Environmental

A photograph of two women in a warehouse or industrial setting. The woman on the left is wearing a dark jacket with a name tag that says "HOYER". She is looking towards the woman on the right. The woman on the right is wearing a white and black jacket and is also looking towards the first woman. They appear to be in a discussion. The background shows industrial shelving units. The entire image has a teal color overlay.

# We want to be a Green Transition Partner

As a global supplier of energy-efficient electric motors and drives, we can have a significant impact on our climate. We acknowledge and respect this responsibility.

In 2023, it was underlined that climate change is not something that is going to happen; it is already here, and we may be very close to some of the tipping points that will radically change the way we live.

In Denmark, 2023 started with the warmest temperature in January on record\* and ended as the rainiest year ever\*\*. In China, 2023 showed the highest average temperature since 1951, while the national average number of precipitation days was the second lowest since 2012\*\*\*.

Energy consumption is a significant part of the problem globally. Electric motors consume about 50 % of the world's energy\*\*\*\*.

As a global supplier of energy-efficient electric motors and drives, this number is a constant reminder of both the potential and the pitfalls of what we do. If we do things right, we can have a significant, positive impact on our climate, but if we do things wrong, the negative impact may be even more significant.

We acknowledge and respect this responsibility, and it is a fundamental part of our strategic and innovative focus. We want to be a Green Transition Partner, to minimise our environmental footprint, to make a positive impact on the environment, and to inspire others to do the same.

Continued on next page 

\* <https://www.dmi.dk/nyheder/2023/nytar-skudt-ind-i-rekordvarme>

\*\* [https://www.dmi.dk/fileadmin/user\\_upload/Afrapportering/Aarssammendrag/Sammendrag\\_2023.pdf](https://www.dmi.dk/fileadmin/user_upload/Afrapportering/Aarssammendrag/Sammendrag_2023.pdf)

\*\*\* <https://wmo.int/media/news-from-members/china-climate-bulletin-2023-rolled-out>

\*\*\*\* [https://energy-efficient-products.ec.europa.eu/ecodesign-and-energy-label/product-list/electric-motors\\_en](https://energy-efficient-products.ec.europa.eu/ecodesign-and-energy-label/product-list/electric-motors_en)

**SCOPE 1, 2 AND 3**

Our electric motors affect the climate when they are produced, when they are transported around the world, when they are in use and at the end of their life cycle.

This is a primary focus for our reporting on environmental issues, and as a foundation we work with the GHG protocol, which divides emissions into 3 scopes:

- **Scope 1:** Direct emissions from own sources.
- **Scope 2:** Indirect emissions from purchased energy e.g., the electricity used in our buildings.
- **Scope 3:** Indirect emissions from the different parts of our value chain.

On the basis of our climate calculations, we have set specific targets for the reduction of our Scope 1 and 2 emissions, as well as establishing a Scope 3 baseline.\*

In 2023, we have improved our data quality and reporting within all three scopes, but as mentioned in the section regarding DMA and Hoyer Materiality Matrix, we are going to refine the climate accounting further in the years to come.

\*See page 24

# Climate accounting

## Scope 1 and Scope 2

For the first time, we publish our climate accounting for Scope 1 & 2.

Scope 1 & 2 has 2022 as baseline year.

The year 2021 is set as reference year and 2022 is our baseline year where we have the first full data available.

During 2024, we will focus on improving our climate accounting data collection, and expand with a Scope 3 baseline.

Climate Accounting	2021		2022		2023	
	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
Location based (tCO <sub>2</sub> e)	151.78	358.78	205.58	309.17	177.49	400.92



# Scope 1

## Direct emissions

It is our ambition at Hoyer to reduce our Scope 1 emissions and work towards our clear 2030 targets of becoming net-zero in Europe and moving away from fossil fuel usage in Asia.

During the last years, we have seen a minor increase in the natural gas consumption. We can not specify clearly the reason, but will keep monitoring the consumption and investigate alternative solution.

A significant part of our Scope 1 emissions is related to transportation, and in 2023 we initiated a project to install 41 chargers for electric vehicles at the parking area of Hoyer Denmark – to ensure that all employees with

either electric company cars or private electric cars can charge their cars during work hours.

By making it easy to charge, we want to inspire employees to change their gasoline and diesel cars to electric cars.

### 2024 FOCUS

The company's policy is still that all company cars will be changed to electric cars when the current leasing agreements expire in the next couple of years, and we have already seen a significant increase in the number of electric cars in 2023.

Global Total Energy Consumption	2021	2022	2023
	m <sup>3</sup> tCO <sub>2</sub> e	m <sup>3</sup> tCO <sub>2</sub> e	m <sup>3</sup> tCO <sub>2</sub> e
Stationary combustion - Natural gas	36,962 81.19	38,670 86.34	39,176 88.65

Source: Extract from natural gas supplier, Andel's webpage

Consumption from Company Cars	2021	2022	2023
	L tCO <sub>2</sub> e	L tCO <sub>2</sub> e	L tCO <sub>2</sub> e
Mobile combustion - Diesel	25,015 63.24	18,878 47.64	12,176 30.27
Mobile combustion - Gasoline	3,489 7.35	24,626 52.11	21,832 46.36
		km tCO <sub>2</sub> e	km tCO <sub>2</sub> e
Mobile combustion - Gasoline (km-based)		70,000 9.04	92,446 12.21

Source: Data from Nordania Leasing – Fleetmanagement Report

# Scope 2

## Indirect emissions from electricity bought for own purposes

It is our ambition at Hoyer to reduce our Scope 2 emissions and work towards our clear 2030 targets of becoming net-zero in Europe and committing to 100% renewable energy in Asia.

In 2023, the electricity consumption in our Chinese facilities increased. This is mainly due to the need of heating the larger facilities. Further in the first half of 2023, the new facilities were not equipped with automatic light switches that prevent light from being on after work hours and additionally, there was increased activity in the new test centre including testing of larger motors.

In the autumn of 2023, all outdoor lighting at Hoyer Denmark in Hadsten was changed from old standard bulbs to LED lighting – while all indoor lighting had already been changed to LED.

By this, we estimate an annual savings on electricity usage of approximately 37,000 kWh – equal to approximately 4 tonnes of CO<sub>2</sub> per year\* – and we will of course work to reduce our energy consumption further in the years to come.

\*Source: Energistyrelsen

Global Total Energy Consumption	2021		2022		2023	
	MWh	tCO <sub>2</sub> e	MWh	tCO <sub>2</sub> e	MWh	tCO <sub>2</sub> e
Purchased electricity for facilities	786.26	349.88	733.34	296.24	884.41	385.83
District Heating	1,023.00	7.98	1,117.55	9.93	1,000.55	10.71

Source DK: Extract from supplier, Norlys' webpage  
Source CN: Invoiced consumption

Electricity Consumption from Company Cars	2021		2022		2023	
	MWh	tCO <sub>2</sub> e	MWh	tCO <sub>2</sub> e	MWh	tCO <sub>2</sub> e
Purchased electricity for EVs	6.39	0.92	19.94	3.01	41.68	4.38

Source: Extract from supplier of district heating Hadsten Varmes web-page.

NB: Note that the tCO<sub>2</sub>e for facilities and electric vehicles differ from each other, as the facilities are located in several countries and thus are based on several emission factors, while the electric vehicles are only located in Denmark and thus only have one emission factor.

# Scope 3

## Indirect emissions from value chain activities

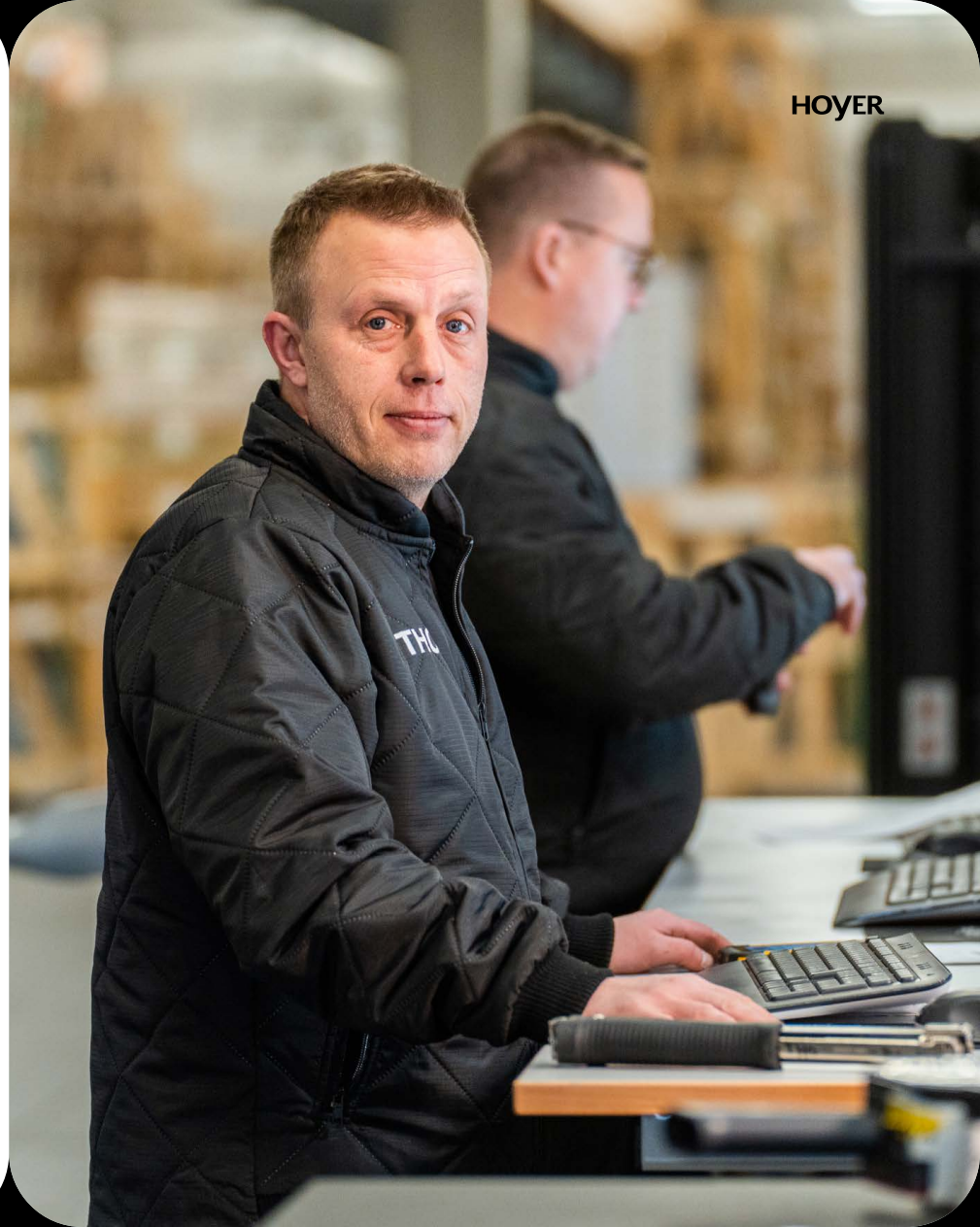
To establish a Scope 3 baseline for our future Scope 3 reporting and target setting, we have to consider both our own emissions and the emissions of our suppliers that are related to our collaborations.

We work with a number of different suppliers and during 2023 we have spoken and collaborated with our two main suppliers (three factories) in order to start the data collection necessary to create a Scope 3 baseline. Our target is that the Scope 3 baseline is ready by the end of 2024.

### **SUPPLIERS.**

Furthermore, we have implemented the delivery of data as a requirement in our Hoyer Long Term Partnership Agreement which is valid for all main suppliers. This means that both our existing and new suppliers are obliged to deliver the required data. This paves the way for more transparency and better data quality in future reporting.

Continued on next page ↓



**TRANSPORTATION FROM FACTORIES TO HOYER AND FROM HOYER TO OUR CUSTOMERS**

We have collected data from most of our transport suppliers which will be included in our Scope 3 baseline calculations.

**ENERGY EFFICIENT PRODUCTS**

For several years, it has been a focus for Hoyer to encourage customers to adopt more energy efficient products, and we maintain a strong focus on this issue – just as we observe a similar focus among our customers.

The sales of energy efficient motors, IE3 and higher, were in 2023 at the same level as in 2022.

For 2023, 38.3% of our turnover was related to motors with an efficiency class of IE3 or higher, compared to 38.5% in 2022.

Measured in sold kW, 31.4% were rated IE3 or higher in 2023, compared to 32.6% in 2022.

We will continue our focus on moving customers towards more energy-efficient solutions in both Europe and in Asia.

**WASTE**

At Hoyer we monitor our internal waste volumes. In 2023, we sent 89.9% of our waste for recycling worldwide, while 9.9% was incinerated.

Our hazardous waste volume is extremely low, at approximately 0.11%

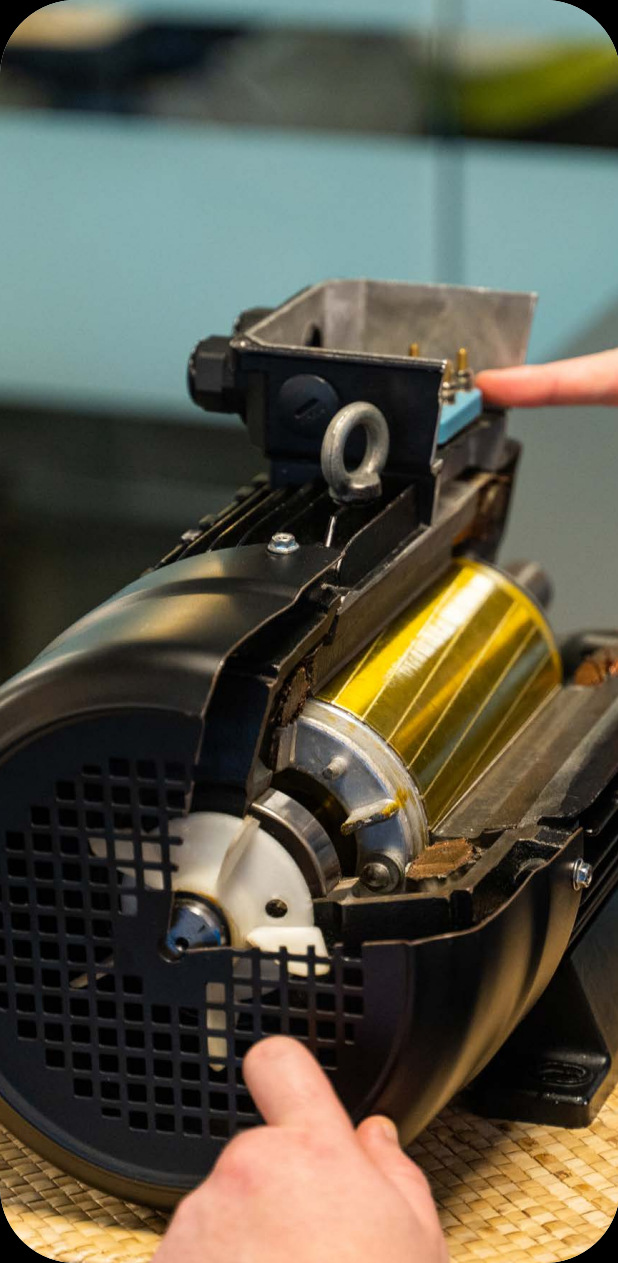
**WATER CONSUMPTION**

Our water consumption at Hoyer is related to our facility operations (kitchens, baths, toilets and cleaning only). We have no processes that are water consuming.

We monitor the water consumption across all our facilities worldwide.



## Providing high-efficiency motors for the world's first methanol containership



In 2023, Mærsk launched the methanol-powered container ship, named Solstice, capable of sailing on both methanol and conventional fuel. It is the first of its kind globally, with IE4 motors from Hoyer operating in the engine room.

Mærsk has chosen to invest in green methanol as a fuel for its future fleets. In August 2023, Mærsk's methanol container ship was delivered from the Hyundai Mipo shipyard in South Korea to Copenhagen, marking a huge milestone in Mærsk's journey towards achieving carbon neutrality by 2040.

This effort is not just a milestone for Mærsk; it is also a crucial step for Hoyer towards a greener maritime industry. In the engine room of the new container ship, Hoyer's IE4 electric motors power various pumps, resulting in significantly lower energy consumption than the standard IE1 or IE2 motors used for marine applications.

"We can clearly see that energy efficiency is being given a higher priority in the marine sector, and Mærsk as well as many other actors are now focusing on the green transition. And in this context it is important to use all means available to achieve the climate goals," says Karsten Hjorth Rygaard, Global Key Account Manager – Shipowner at Hoyer Motors.

While working towards sustainability within our company, Hoyer is also committed to external efforts by actively participating in green projects, particularly collaborations with organisations sharing the same environmental vision. At Hoyer, we look forward to being a Green Transition Partner in other industries – especially those involving energy savings.



# Installing EV charging stations at Hoyer

Hoyer has set a target for all company cars to be fully electric - to reduce our CO<sub>2</sub> emissions from diesel and gasoline. Moreover, we seek to inspire our employees to consider electric vehicles for their personal transportation needs.

At Hoyer, we want to convert all of our company cars to electric vehicles and we seek to inspire our employees to an electric way of transportation as well.

However, this transition presents challenges for some employees, particularly for those who live in urban areas, where access to charging stations for electric vehicles are limited, and those without access to private residential charging points. Research indicates that Denmark, despite being one of the early adopters of electric cars, still lacks in terms of charging stations for electric cars.

To address this issue, in November 2023, Hoyer initiated the work of installing 41 electric vehicle chargers in the parking area at our headquarters in Hadsten, Denmark. The number of chargers installed exceeds

the current number of electric vehicles in our company.

Sten Grølsted, QA & HSE Engineer at Hoyer, states, "The reason for installing extra EV chargers is to ensure that employees have convenient access to charging facilities during work hours and prevent reliance on charging stations in the city centers."

The installation of these chargers is scheduled to be completed in the 1st quarter of 2024. This investment demonstrates our dedication to make environmental improvements while taking into account the needs of our employees. We believe that this is a considerate way of contributing to the environment while improving conditions for everyone - with a focus on a sustainable future.

# Results 2023

## GOAL

### Reduce scope 1 emissions

by becoming net-zero in Europe and by moving away from all fossil fuel usage in Asia by 2030

## ACTIONS

- Electrification of company cars
- Switch from natural gas to district heating

## RESULT

Partly achieved.

- Significant increase in amount of electrical cars and decrease in diesel cars
- Switch to district heating not yet achieved, as natural gas contract expires by end of 2024

## GOAL

### Reduce scope 2 emissions

by becoming net-zero in Europe and by committing to 100% renewable energy in Asia by 2030

## ACTIONS

- Investing in green energy
- Reduce electricity usage at Hoyer facilities

## RESULT

Partly achieved.

- Outdoor lighting in Hadsten changed to LED
- Ongoing investigation of green electricity possibilities when current energy contract expires by end of 2024

## GOAL

### Establish a scope 3 baseline

by 2024 to identify emission hotspots in the value chain

## ACTIONS

- Suppliers: Get data from two biggest suppliers in 2023
- Transportation: Get supplier-specific data in 2023

## RESULT

Partly achieved.

- Partial deliverance of data from suppliers and transport companies achieved

## GOAL

### Engage with customers

to move them to more energy-efficient products (IE3 or higher)

## ACTIONS

- Develop and implement a tool that customers can use to highlight the value of switching to more energy-efficient products

## RESULT

Partly achieved.

- Tool implemented for marine customers, highlighting value of switching to more energy-efficient motors
- Motor program for IE4 has been expanded so Hoyer can deliver IE4 for most projects if requested by customers

## GOAL

### Waste separation

Improve internal waste separation

## ACTIONS

- Minimise extraction of virgin materials by maximising our share of recycled waste

## RESULT

Not achieved.

- No actions in 2023 - focus will continue into 2024 and coming years

# Ambitions 2024

## GOAL

### Reduce scope 1 emissions

Reduce scope 1 emissions by becoming net-zero in Europe and by moving away from all fossil fuel usage in Asia by 2030

#### PLANNED ACTIONS

- Further electrification of company car fleet
- Succeed in the transition from natural gas to district heating

## GOAL

### Reduce scope 2 emissions

by becoming net-zero in Europe and by committing to 100% renewable energy in Asia by 2030

#### PLANNED ACTIONS

- Investing in green energy
- Reduce electricity usage at Hoyer facilities

## GOAL

### Establish a scope 3 baseline

Finalise establishment of a scope 3 baseline by 2024 to identify emission hotspots in the value chain

#### PLANNED ACTIONS

- **Suppliers:** Qualify and increase amount of data from two biggest suppliers
- **Transportation:** Increase quality of supplier-specific data in 2024

## GOAL

### Engage with customers

to move them to more energy-efficient products (IE3 or higher)

#### PLANNED ACTIONS

- Reduce product portfolio on less energy efficient motors
- Expand high efficiency marine motor series

## GOAL

### Waste separation

Improve internal waste separation

#### PLANNED ACTIONS

- Reduce amount of waste for incineration by improving waste separation



HOYER



# Social



# We strive to have a healthy and diverse workplace

We focus on the development and wellbeing of our employees - both internally and in our supply chain.

It may be hard to remember, but in the beginning of 2023, the world was still affected by the Covid-19-crisis - and even as restrictions were lifted through the year, the effects of lockdowns, tests and illness reached well into 2023. Even though the world has returned to a “normal” – at least in relation to Covid-19 – it is clear that we, as humans, will take time to mentally return to “normal” as well.

This has of course been a focus point for Hoyer in 2023, but it has not diverted our focus from the other aspects of the development and wellbeing of our employees, both internally in Hoyer and externally in our supply chain.

## INTERNAL AND EXTERNAL REPORTING

When we work and report on social conditions our prime focus is of course on the internal aspects, our employees in Europe and Asia. Here we report on employee satisfaction, diversity, sickness absence and safety.

In relation to the external aspects, the working conditions for our partners in the supply chain, we report on safety. In our day-to-day collaboration with the partners, we have a much broader focus though. Besides safety, we maintain a strong focus on both diversity, equality, pay and secure working environments.

# Safety and work environment in the supply chain

At Hoyer we want to take responsibility for our own employees as well as playing a role in improving the working environment for our partners in the supply chain. That is why, starting from 2023, we have requested that our biggest suppliers report to us on an annual basis and provide data for safety at their locations.

For 2023, we requested data on health & safety from these main suppliers - to ensure a good working environment in our supply chain. In total our main suppliers (three factories) reported six accidents and 108 days of absence due to work related accidents.

Total reported work hours: 3,983,740

Total Safety data for Main Suppliers	2023
Fatalities	0
Accidents	6
Near Miss reports	6
Total work hours	3,983,740
AFR*	1.51
ASR**	0.03

\* AFR = Number of accidents calculated per 1 million work hours

\*\* ASR = Number of Absence days due accidents calculated per 1 thousand work hours

Source: Data received from suppliers

Sick Absence	2023
Work injury related absence days	704
Work injury related absence hours	5,115
Workhours	3,983,740
Work injury related absence %	0.13%

# Employee satisfaction

During 2023 we have seen a significant increase in employee satisfaction as a result of our initiatives.

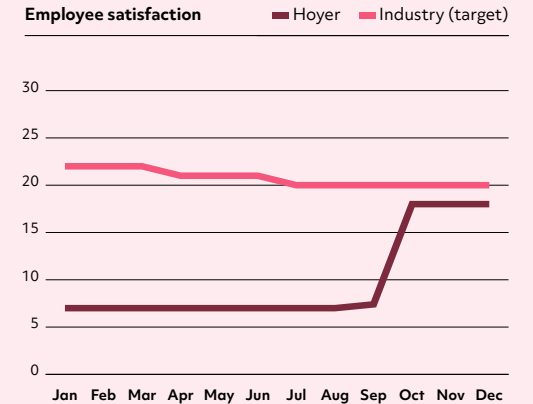
In Hoyer, we strive to work continuously with employee satisfaction. Our main focus is to ensure a well-functioning organisation, based on constructive dialogue, clear goals and strong teamwork across the entire company - on a global level.

Our survey tool, Hoyer MyVoice, is a crucial part of our work with employee satisfaction. We measure the employee satisfaction globally as an ENPS score through an online-based system with real-time feedback from the employees on areas such as development, management support, recognition and work-life balance.

By using this survey platform, we can monitor the satisfaction and engagement while maintaining an open dialogue at both organisation, department and team levels. Thereby, we can solve both small everyday issues and larger issues, such as those regarding collaboration and communication within or between departments.

During 2023 we have conducted three surveys, each with a slightly different focus. Among other things, we have added more Hoyer-specific open questions, giving our employees the possibility of providing more qualitative feedback - and for addressing important topics related to the daily work satisfaction.

Continued on next page ↓



Source: Workday Peakon Employee Voice, survey results from April, July and October, 2023

In early 2023, the overall employee satisfaction score was still below the industry benchmark, partly due to challenges as a consequence of changing our ERP system and partly due to the long term consequences of Covid-19 and the lack of travel between our two main offices in Denmark and China. During the spring and summer of 2023, we recommenced visits between Europe and China, focusing on reconnecting with each other and focusing on solving many of the issues due to the lack of face-to-face training and communication. In the autumn of 2023, we could finally see the positive impact of our efforts with a significant increase in our employee satisfaction, ensuring that our organisation globally is very close to the benchmark level. The value of meeting in person, exchanging opinions and getting to know each

other has proved itself during the past year, and we will continue to focus on the exchange of knowledge and employees between our continents also in the year to come. Based on employee feedback the following actions have been put into force throughout 2023:

- **Communication cross-functionally:** As a global organisation, operating within several time zones in an ambitious and very dynamic work environment, we have addressed the need for improvements in the way we work together across departments and country borders. Through working groups, we have discussed challenges and come up with solutions that respect the way we work, both in Europe and Asia. We have focused on creating the base for a good and respectful atmosphere, ensuring

that we can have open discussions, be efficient and manage our time well on a daily basis.

- **Work environment in new facilities, China:** Through Hoyer MyVoice we have monitored and received feedback from our employees regarding our new office and warehouse facilities in Ningbo - adjusting on a regular basis to ensure the best possible physical work environment.
- **Peer relationships:** During 2023 we focused on supporting and planning social activities especially for our Chinese colleagues after more than three years of lockdown caused by Covid-19. We managed to reconnect and strengthen relations both internally and to our customers and business partners at our Grand Opening of our new Ningbo site in May.

## ENPS at benchmark

In 2024, we aim to - at all times - be on or above the industry benchmark, which is 20 at the beginning of the year.



## Cross cultural exchanges for enhanced learning and improved efficiency

At Hoyer, we recognise the importance of providing opportunities for employees to visit our global offices, embracing personal development, cultural exchange, and cross-departmental collaboration. The exchange gives us the opportunity to closely observe and learn from each other and gain insight into how our counterparts handle tasks, challenges, and operational processes.

As an international company with offices around the world, we encourage our employees to gain a global mindset through, among other things, travel opportunities to our global offices. The aim is to share knowledge and effectively boost teamwork, encouraging lively interactions beyond virtual meetings, for the benefit of both employees and customers.

In 2023, Jiang Lina, the Warehouse and Workshop Manager at Hoyer China and Christian Outzen, the Warehouse and Workshop Foreman at Hoyer Denmark, were among our employees that crossed the

Continued on next page ↓

## SOCIAL CASE

borders. The mutual visits tackled various challenges, including problem-solving and aligning workflows, especially with the new ERP system. The alignment of the ERP system is very essential to Hoyer as it enhances the customer experience through efficient order processing and deliveries. Christian explains, "My visit to the Ningbo office focused on addressing the backlog in China from the previous year. However, during my time there, we discussed other matters, where we looked into aligning the warehouse setup in Denmark with the setup in China, with a specific focus on optimising warehouse space and thus being more effective."

After Lina's visit to the Danish warehouse, she explains that she has gained new insights from the warehouse team, that she can use to make improvements in the delivery method in Ningbo: "One of the specific things I have learned from my colleagues in Denmark has been to use the customer calendar feature in D365, which has let us adjust our delivery method in Ningbo. By assigning a specific delivery day for each customer outside China, we have seen a significant reduction in delivery costs and improved efficiency in the ware-

house operations." For orders delivered to Asian countries outside China, our customers have to bear the expense of transporting the container from the terminal to their factory. Implementing this feature has effectively reduced pickup frequency, resulting in time and cost savings.

Collaboration and shared learning are very important at Hoyer. Not only does it have a positive impact on understanding each other, our ways of working, best practices and the various aspects of our global operations but it also help us improving our customer service, our flexibility and our efficiency. It is precisely by listening to the employees' needs when they ask for opportunities such as global interactions, that we can ensure a dynamic and enriching work culture and ultimately refine our operations, implement cost reduction initiatives and improve our sales performance.



HOYER

# Sickness absence

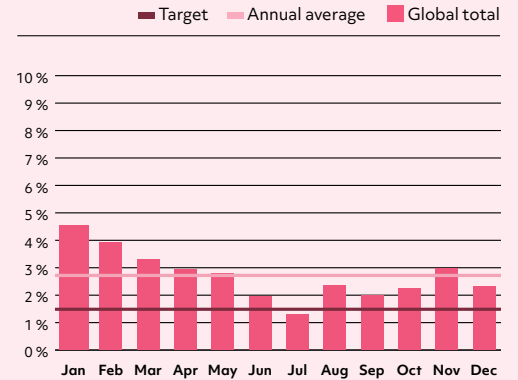
At Hoyer, our target for sickness absence is set to a maximum of 1.5%.

In 2023, we started on a high level, specifically in the EU. This reflected the work situation of 2021 and 2022, where we had a very high workload due to the implementation of a new ERP system, just as the figures were still affected by Covid-19.

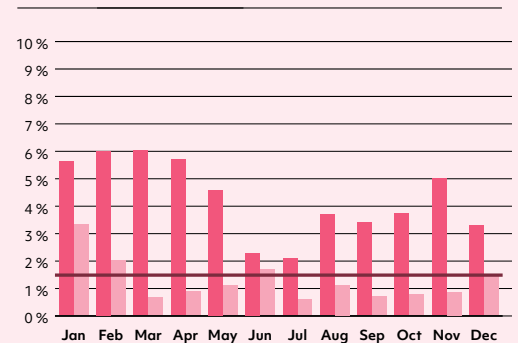
In general, the absence due to sickness has decreased during the year, but unfortunately we have a few employees in Europe on long term sick absence – on the way back to working part time – and this is reflected in the numbers.

## Sickness absence global

Globally our average for 2023 ended on 2.70%



## Sickness absence local



Source: Hoyer HR System, Bitabiz



Safety

# Work accidents

Having a safe workplace is of the highest importance at Hoyer.

Therefore, we request our employees to report all accidents (minor or more severe) and all near miss incidents that occur during the daily work, and we use these reports to monitor accidents and near miss incidents monthly.

All accidents and incidents are discussed in the HSE groups in Denmark and China to ensure that we act based on the knowledge and increase safety in the workplace.

In 2023, we have had 0 accidents in China, but 3 minor accidents in Denmark. None of these resulted in days off from work.

In 2023, we received 8 near miss reports in China and 4 in Denmark.

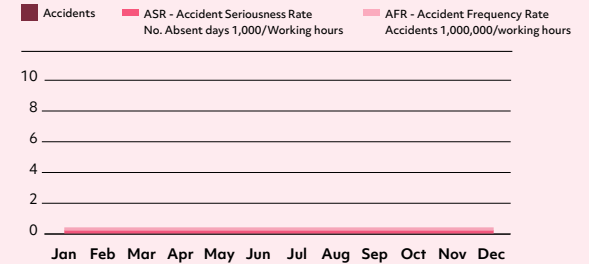
**2024 FOCUS**

In Q1 2024, we are changing the way we report accidents and near miss incidents to make the reporting process easier. At the same time, we will implement the reporting of safety observations, enabling all employees to report any unsafe

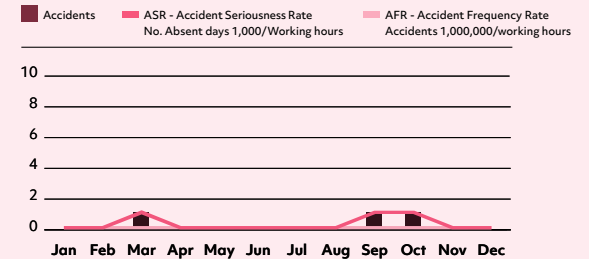
situation they may experience in the daily work.

Our HSE Group regularly carries out safety walks in both warehouse, workshop and office. In Denmark, they performed 11 such safety walks in the warehouse/workshop and 3 in the office in 2023, and in China there were 12 safety walks in the warehouse/workshop and 2 in the office.

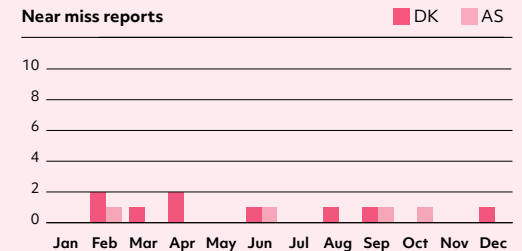
Accident CN Frequency Rate & Seriousness Rate



Accident DK Frequency Rate & Seriousness Rate



Near miss reports



Source: Hoyer Monthly HSE Report



# Diversity

We strive to have balance and diversity in relation to background, competencies, nationality, age and gender.

At Hoyer, we consider a diverse workforce one of our main assets. We strive to maintain and further develop an international and diverse work culture, seeing the differences in background, competencies, age and gender as an advantage.

Because we want to include as many nationalities as possible in our organisation, English is our corporate language, and by the end of 2023, 22 nationalities were represented in Hoyer.

Whenever we hire new employees, we prioritise qualifications, personality and the commitment to deliver on a high level, as well as the overall fit with the Hoyer culture. When recruiting, we also search within our international network and across

national borders. As a result, 22% of our recruitments in Europe in 2023 were candidates from other countries than where their Hoyer workplace is situated.

As in former years, we have a focus on students and newly graduated candidates. During the past year, 23 employees were hired in Europe. As we hired many newly graduated employees in 2022 - as e.g. trainees and graduates - our focus in 2023 has been to find the right balance between newly graduated and more experienced employees in our organisation. Therefore, we only hired a couple of newly graduated employees this year. Nonetheless, we have continued to offer internships in both Denmark and China, as we believe that a strong relation

to the educational institutions and input directly from students with knowledge of the newest theories is a valuable addition to our workplace. In Asia, we hired 15 employees during 2023, out of which 6 - or 40% - were students or newly graduated.

Apart from recruiting from the young and newly graduated segment, we have a strong focus on overall diversity, meaning that we strive to hire both junior and senior employees and all ages in between. This creates balance in our workforce and ensures that we have fresh perspectives as well as experienced colleagues that constitutes a solid base of knowledge internally and towards our customers.

# Results 2023

## GOAL

### Improve employee wellbeing

#### ACTIONS

- ENPS-score at benchmark within the industry
- Maximum 1.5% sickness absence

#### RESULTS

- Not achieved.
- ENPS-score is just below industry benchmark by the end of 2023
  - Average sickness absence is on 2.7% for the entire year

## GOAL

### Maintain a safe work environment

at Hoyer locations

#### ACTIONS

- 4 safety walks per year
- 8 near-miss reports per year
- 24 safety observations per year
- 0 work related accidents per year

#### RESULTS

- Partly achieved.
- Zero accidents in China but three minor accidents in Denmark
  - 28 safety walks performed in total in warehouse/office
  - 12 near miss reports received globally
  - Zero safety observations received

## GOAL

### Maintain a safe work environment

in supply chain

#### ACTIONS

- Work closely together with suppliers - get incident data from two biggest suppliers

#### RESULTS

- Achieved.
- Detailed data received from our main suppliers (three factories) regarding number of accidents and absence related to those

# Ambitions 2024

**GOAL**

## Improve employee wellbeing

**PLANNED ACTIONS**

- ENPS-score at benchmark within the industry
- Identify key areas for actions to further improve employee satisfaction
- Maximum 1.5% sickness absence

**GOAL**

## Improve safety and work environment at supply chain

**PLANNED ACTIONS**

- Data from two biggest motor suppliers focusing on implementing health & safety reporting requirements

**GOAL**

## Maintain a safe work environment at Hoyer locations

**PLANNED ACTIONS**

- Run awareness training on safety
- Optimise reporting flow

**GOAL**

## Maintain a safe work environment in supply chain

**PLANNED ACTIONS**

- Train Hoyer employees at suppliers to monitor work environment
- Minimum one safety walk and report on work environment per year

HOYER

# Governance

A grayscale photograph of a person from the waist up, wearing a dark, ribbed sweater with the word 'HOYER' printed on the left chest. They are holding a dark folder or book against their chest with their right hand. On their left wrist, a watch with a metal link bracelet is visible. The person is wearing light-colored, patterned trousers. The background is a blurred outdoor setting. The image is partially obscured by a dark vertical bar on the left side.



# We want to be trustworthy, open and transparent

It is important for us to have well-defined governance structures and to comply with the legislation and regulations in all the countries, we operate in.

With facilities in both Europe and Asia – and with customers and partners in large parts of the world – it is important for Hoyer, that we have well-defined governance structures and procedures.

Naturally, we comply with the legislation and regulations in all the countries in which we operate, including e.g. the General Data Protection Regulation (GDPR) in Europe and the China Personal Information Protection Law (PIPL) in China. Furthermore, it is part of Hoyer to be a trustworthy, open and transparent company, and it

is also the basis of our governance approach.

## **STRATEGY AND REPORTING**

In early 2024, we will launch an updated strategy plan that incorporates a strong focus on ESG, building on the ESG policy that we implemented in 2022. This new strategy is a natural progression for Hoyer, and we see it as a part of our governance structure together with our work and targets for gender composition, delegation, cyber security, safety awareness and whistle-blower scheme.

# ESG and strategy

We work to ensure that our sustainability initiatives are aligned with our core business and to become a Green Transition Partner for our customers.

During the past couple of years, we have moved from focusing on CSR to working thoroughly with ESG, changing the way we think about our own business and the way we impact not only our employees, customers and business partners, but also how we affect the world we exist in and how it affects us. We have matured and moved on from launching our ESG Policy to conducting a Double Materiality Assessment and integrating Environment, Social and Governance into the way we run our business.

The natural steps have been to increasingly incorporate ESG into our strategy during our annual reviews. Internally, we focus on integrating environmental and social aspects into our existing operations to ensure that our sustainability initiatives are aligned with Hoyer's core business. Externally, we

aim to become a Green Transition Partner, understanding our customers' needs and applications, thereby supporting them in reducing their environmental footprint.

Furthermore, our strategy is to prioritise the most material sustainability matters, e.g. cybersecurity and future market adaptations. The latter topic is well in line with our environmental focus throughout our entire supply chain, where we focus on a product program with energy-efficient motors and engage in green applications and industries whenever possible.

Another critical sustainability matter is the working conditions in our value chain, as the safety and wellbeing of our suppliers and business partners are paramount to us. This focus will increase even further in the years to come.

Operating in several parts of the world, we are aware that we are present in areas where basic human rights might be challenged and where corruption and bribery might occur.

Therefore, we follow the 10 principles of the UN's Global Compact and we have a code of conduct and a specific anti-corruption and bribery policy.

All of our main suppliers are required to sign and acknowledge Hoyer's ESG Policy and Hoyer's Code of Conduct.

In 2023, we had no reports or observations of violations of our policies or code of conduct in relation to our employees or our suppliers.



# Gender composition

Hoyer continuously works to compose a diverse management team, where each member's qualifications complement the organisation's strategic development in the best possible way. During 2023, the level of women and men in our first level middle management has changed positively – from 75% men and 25% women in 2022 to 65% men and 35% women by the end of 2023.

As of 31 December 2023, Hoyer had a workforce consisting of 36% women and 64% men. Top and middle management consists of 25 managers, of whom 28% are women and 72% men - which is a slight improvement compared to the previous year. Despite the improvement, there are still fewer women in top and middle management compared to the organisation in general. During 2023, the top management was expanded with two

male members, a CTO in October 2023 and a Director, SCM in December 2023.

When hiring employees, Hoyer focuses on attracting and employing more women in an industry that is highly dominated by men. This is done by offering internships and student jobs and by focusing on inviting at least 1-2 relevant female candidates for job interviews whenever possible. It is our policy not to discriminate and always appoint or recruit people based on their qualifications and match with the requested profile.

Hoyer continues to work towards establishing uniform conditions for individuals aspiring to leadership roles, irrespective of gender. The objective is to achieve equal career opportunities for men and women through employment and recruitment procedures and through

investing in development and education. The Board of Directors is the superior management body of Hoyer Group and Svend Hoyer A/S. Currently, the Hoyer Group board consists of four members, while the Svend Hoyer A/S's board counts three members. By the end of 2023, all board members were men. However, in February 2023, a male board member was replaced by a female, but she left the board again in September of 2023 due to new obligations elsewhere. No replacement has yet been chosen to fill her role in the board. This of course means that it has not been possible to achieve our target of a 60/40 balance of men/women on the board during 2023 – although we took initial steps - but we set a target of a 60/40 balance of men/women on the board by end of 2025.

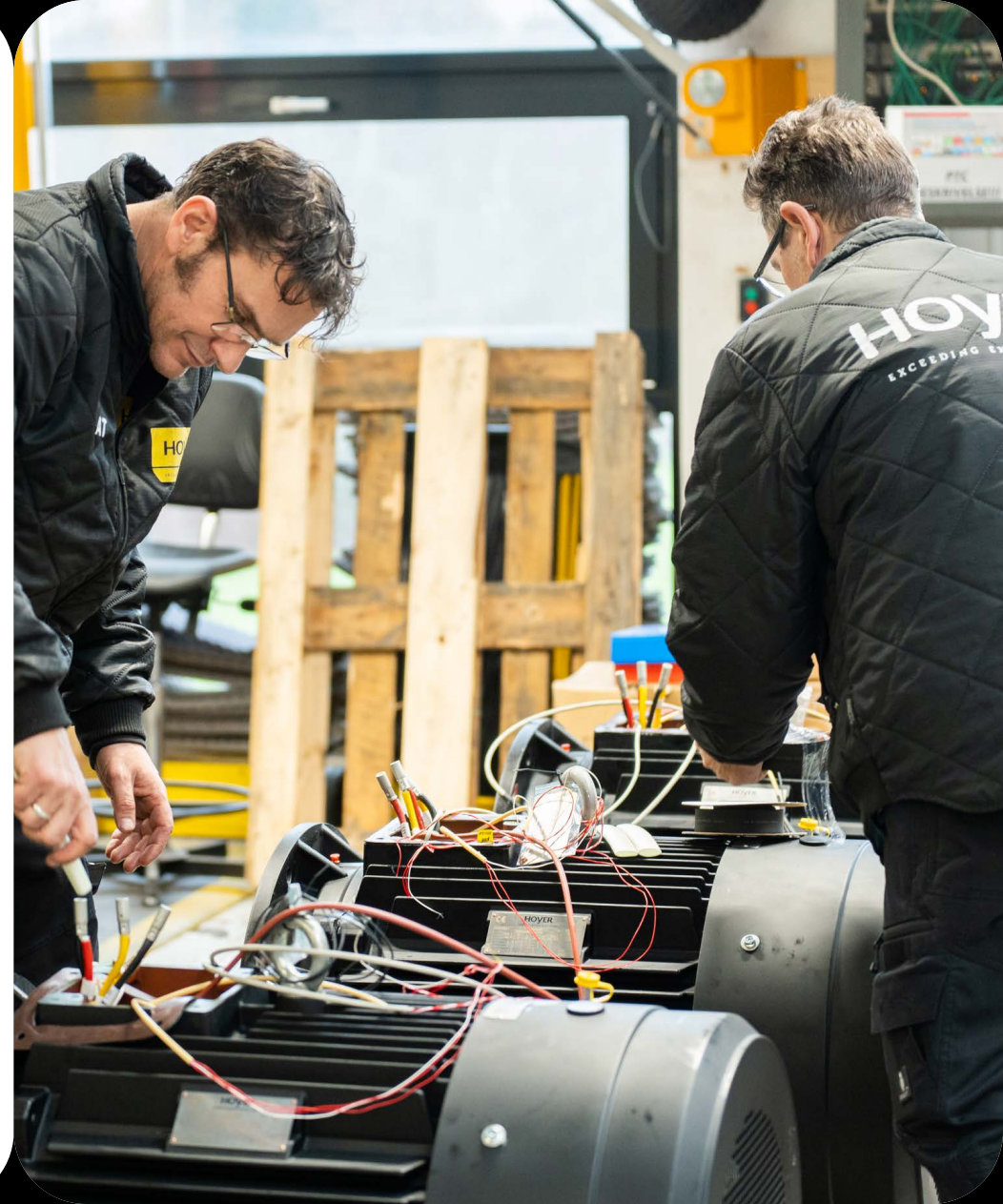


# Delegation

As a growing and ever-changing organisation, we have addressed the need to increase the efficiency of decision-making, as the ability to delegate tasks and authority is important for all managers and team leaders. During 2023, we have made organisational changes within the operational and the technical area, elevating global managers to C-level to ensure an efficient flow and faster decision-making in areas that are crucial to our value chain.

Furthermore, based on our employee surveys, we have worked to improve our meeting culture, including preparation, participants, decision-making and time management to support more efficient and productive meetings.

We are still on a journey towards even better delegation, decision-making and efficiency, and we will continue to focus on this through 2024 and onwards.



# Cyber security and awareness

Cyber security and data security is a top priority for us. In 2023, we have improved our overall awareness and in 2024 NIS2 compliance will be a main focus.

Cyber security and data security is one of our top priorities in Hoyer, and during 2023 we have worked intensively to further strengthen and professionalise our cyber security setup. Improving the overall awareness regarding the issue in our organisation has also been one of our focus points in the past year. This resulted in the implementation of an awareness tool in Q4 - to train all employees globally.

## **2024 FOCUS**

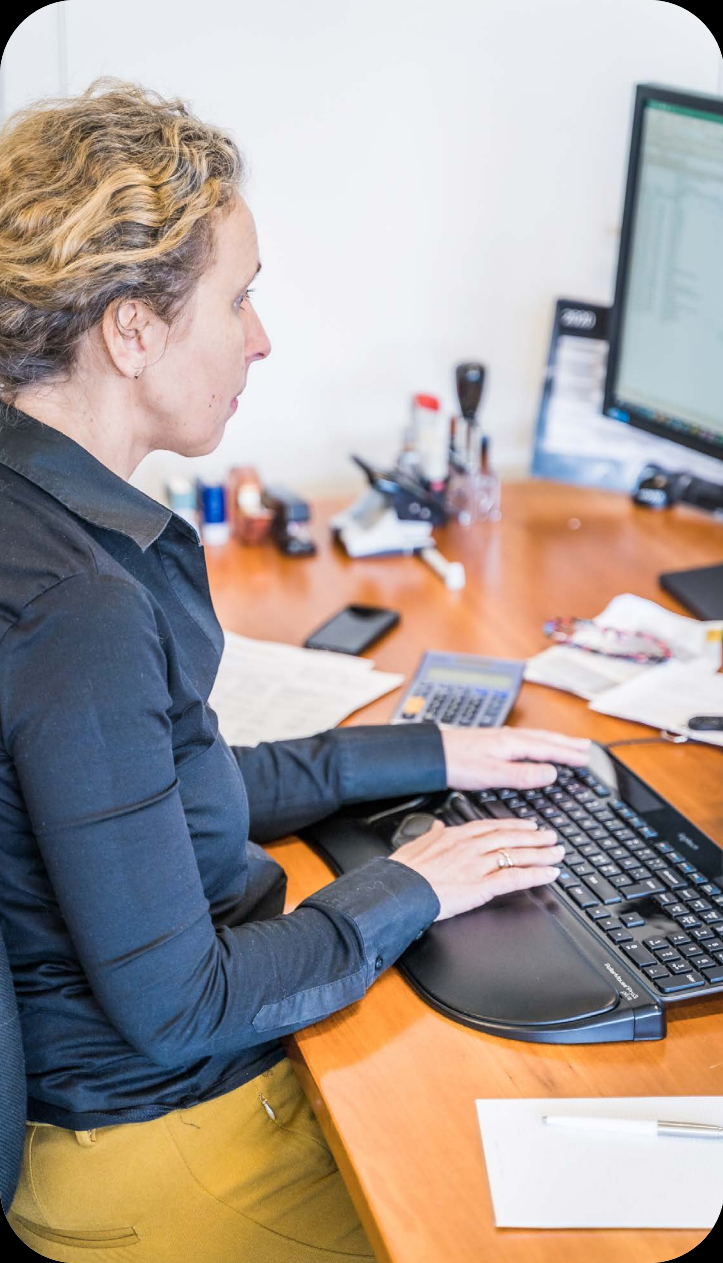
Hoyer must become NIS2 compliant by December 2024. This demand has a significant impact on our IT department and requires them to work consistently with cyber security throughout the year. To be compliant with

NIS2, we must, among other things, identify gaps in cyber security compliance and conduct technical and regulatory analysis to pinpoint areas that require improvement. Furthermore, we will develop policies and procedures aligned with the upcoming NIS2 standards and ensure that we have the correct technical solutions, such as cyber security controls.

Employees will continuously receive and complete awareness training to increase their level of competence in cyber security, and C-level managers and board members will be trained and heavily involved in the cyber security decisions.

Finally, our IT department will regularly conduct tests to ensure the effectiveness of implemented measures and monitor potential threats at all times, while ensuring that all NIS2 initiatives are aligned with GDPR.

All this is done to make sure that Hoyer is prepared at all times to mitigate external threats against our business.



# Cyber security awareness training at Hoyer

Unfortunately, cyberattacks have become common in the digital world, causing threats to personal data and businesses. Recognising this, Hoyer sees the importance of raising awareness of cybersecurity within the company. Since we rely on technology for daily tasks, creating this awareness has become crucial.

On 11 December, 2023, Hoyer IT department created an assessment of cybersecurity awareness among global employees through a simulated phishing test. Deceptive emails, created to resemble authentic Hoyer communications, were sent to evaluate employees' ability to identify and respond to potential cyberattacks. These emails featured significant differences, including a different email domain (hoyermolors.com instead of hoyermotors.com) and an 'External' label in the inbox, indicating that the email was sent from outside the company. The emails also contained a misleading link, requiring recipients to enter their user credentials.

Continued on next page ↓

## GOVERNANCE CASE

Lasse Due, IT Manager at Hoyer, explains, “Before sending out the emails, we set certain expectations. The optimal response from employees would be to open the email but avoid clicking the link. The next preferred action would be for employees to click the link, immediately see it as a phishing attempt, exit the site without further action, and report it to the IT department.”

The results were, as expected, a mix of employees being more or less aware of the (fake) phishing attempt and an important reminder of how easily many of us can be tricked. In continuation of this test, our IT department launched the Cyber Security Awareness Training program to enhance the overall cyber security awareness in Hoyer.

Every employee is now required to participate in the training, starting with four fundamental courses and followed by a new one each month. The courses address topics such as a general introduction to cyber awareness,

identifying phishing attempts, managing personal data and adopting secure password practices.

Fortunately, at Hoyer we have not experienced any successful cyberattacks. We look forward to an enhanced cybersecurity in our workplaces with the implementation of the Cyber Security Awareness Training program. Achieving this goal requires the active participation of every employee. By ensuring that all employees implement essential cybersecurity practices, we aim to strengthen our defence against potential cyberattacks and contribute to a more secure digital workspace.

HOYER



# Safety awareness

Our HSE teams in Denmark and China are an important part of our safety focus, just as we also focus on the safety at our main suppliers.

A safe work environment is of high importance to Hoyer, both in our own operations and at our main suppliers.

At Hoyer, we have set up a HSE Team in both Hadsten, Denmark and in Ningbo, China, with members from both management, middle management and employees – who will be working to ensure a safe workplace.

All new employees are introduced to the HSE work when they start – presented by a member of the HSE team.

The HSE team also conduct regular safety walks in both offices, warehouse and workshop to try to identify unsafe situations before these lead to possible accidents.

In our supply chain, we also focus on the safety at our main suppliers.

In 2023, two of our inspectors at one of our suppliers stopped an ongoing operation – and by doing so prevented a serious accident.

## 2024 FOCUS

In the first half of 2024, a new and more userfriendly way of reporting accidents, near miss incidents and safety observations will be introduced internally in Hoyer. Furthermore, C-level safety walks will also be conducted.

In 2024, Hoyer plans to train our quality inspectors, who are already present at our suppliers, to perform safety walks following the standards of the internal walks in Hoyer warehouses and workshops.



# Legal requirement PIPL

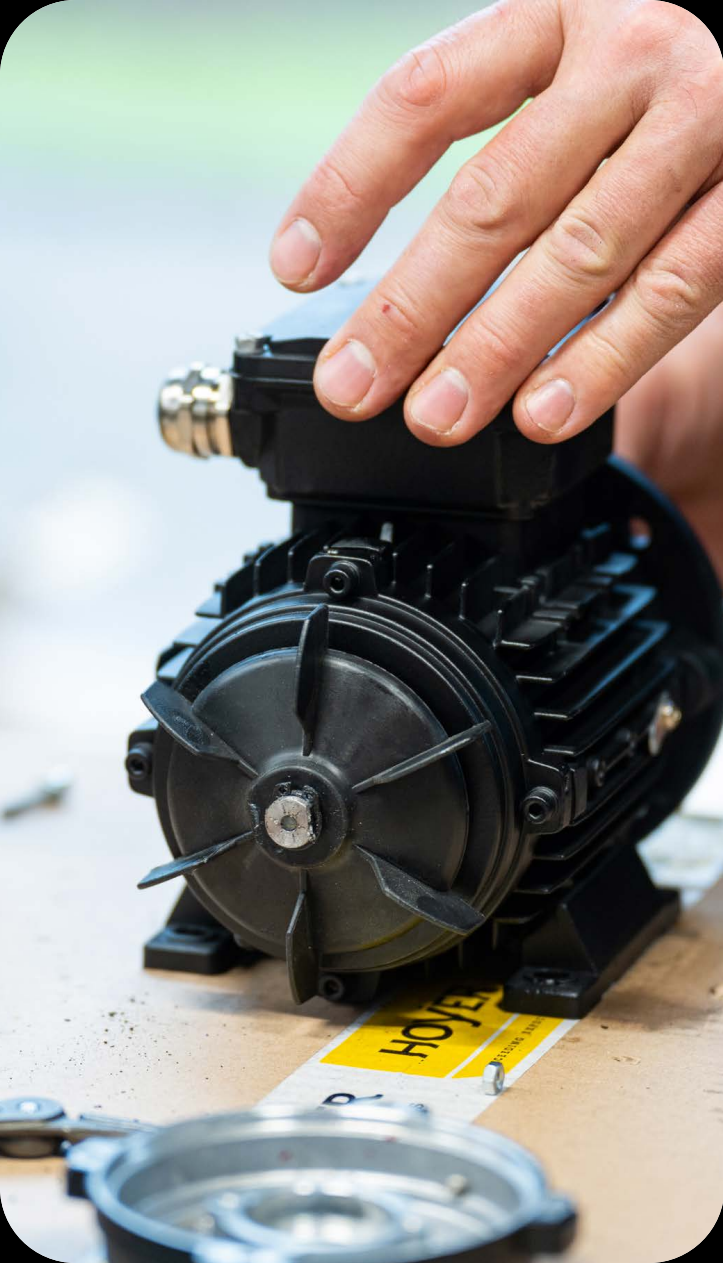
Compliance with local legislation is always a top priority for Hoyer. Since the publication of China Personal Information Protection Law (PIPL) in late 2021, we have worked continuously to ensure compliance with the legislation in regards to the handling and protection of the personal data of our employees, customers and business partners.

In 2023, we continued our PIPL compliance roadmap through cooperation with the local authorities in Ningbo and with external legal partners. We submitted documentation to the local authorities detailing how Hoyer complies with the law when sharing personal information abroad to Hoyer in Europe.

However, as PIPL is a very new legislation, the Chinese authorities still do not have the full knowledge of how to implement the law. The government is considering whether all enterprises in China need to register how they share personal information or if the registration only needs to be done when the amount of information reaches a certain level, e.g. data regarding a minimum of 10,000 persons. The Chinese government expects to present a supplementary law during 2024.

## Zero breach of personal data legislation globally

We will follow up on the new supplementary law for PIPL and check whether Hoyer is required to register information about the flow of personal data between China and Europe. Furthermore, we will continue to pay attention to our own internal processes regarding information safety and handling of personal data.



# Whistleblower scheme

We launched a whistleblower scheme in the beginning of January 2023.

For Hoyer, it is important that we are made aware of and manage any violation of our policies or legal requirements. Our whistleblower scheme, which was launched in January 2023, allows for anonymous reporting to an external party – PwC, one of the world’s largest audit and consulting firms - both for employees, business partners and other interested parties. It is possible to report any violations of our policies or legal requirements both through a link on our intranet and on our websites. As part of our onboarding process, we introduce our employees to the scheme.

As all reporting is managed by an external third party company, it ensures the possibility to report anonymously and avoid any conflict of interest.

During our first year with the whistleblower scheme, we only received one filing through the system. The filing was handled as prescribed, first by PwC, who was the sole contact point in the dialogue with the anonymous whistleblower. Second, it was handled by Hoyer’s CEO when we made the necessary confidential investigations. The investigations concluded that no policies or legal requirements had been breached and the case was closed.

The whistleblower scheme has proven its worth in the past year and we expect it will continue to help us in the future to ensure that we conduct business in a professional and trustworthy manner - complying with policies, legal requirements and other important areas related to our business partners, employees and the communities in which we operate.

# Policies

For Hoyer, it is important that we have policies that are relevant for our employees and the business we are in.

During the autumn of 2023, we conducted a thorough assessment of our policies related to our environmental, social and governance matters, including our code of conduct.

After being reviewed and updated, the code of conduct policy, including related policies, was forwarded to all of our employees for their signature and reaffirmation.

Policies will be continually reviewed and evaluated to ensure we are CSRD compliant.

## CSRD-ready for 2025

When we have finalised our Double Materiality Assessment and Gap Analysis in 2024, we will continue the process of revising our policies and procedures to ensure that we are fully compliant and ready for CSRD when entering 2025.



# Results 2023

**GOAL**

**Minimum 40%  
of the under-  
represented  
gender**

on the Board by 2024

**ACTIONS**

- One female member entered the board as the Deputy Chairman left the board in early 2023

**RESULTS**

Not achieved.

- One female member entered the board in early 2023 but left again in autumn of 2023

# Ambitions 2024

GOAL

## Cyber security

PLANNED ACTIONS

- Compliance with NIS2 by December, 2024
- Continuous awareness training of all employees
- Regular testing of implemented measures

GOAL

## Minimum 40% of the under-represented gender

on the Board by 2025

PLANNED ACTIONS

- If a male member leaves the board, the aim is to replace with a female member if the qualifications are a match

**HOYER**