



**WindowMaster
Sustainability Report 2021**

Table of Contents

3	About this report
4	Letter from our CEO
6	Financial highlights 2021
7	Company Description
8	Our history
10	Vision & Mission
11	Our solutions
12	Award Winning "WindowMaster Sustainability Report 2020"
13	NOTECH solution wins the Danish Design Award 2021 in the category of Better Learning
14	Sustainable Development Goals
17	2030-Sustainability strategy
17	Strong baseline reflecting our materiality
18	Sustainability strategy at a glance
20	100% emission-free
24	100% intelligent & healthy environment
25	100% circular
30	Responsible business conduct
30	Responsible global citizen
31	Anti-corruption
32	Employee Education
35	Good health, well-being and safe working environment
36	Diversity in our workforce

38	Promoting sustainable building practices
38	Public Affairs: International and national level
42	Sustainable Building Frameworks
44	Contributing to client sustainability
44	ZEB Laboratory in Trondheim
46	MECD – Manchester Engineering Campus Development
48	Membership of associations
49	Our newest membership: Proptech
50	ESG key figure overview
50	Scope, data and accounting principles

About this report

The calendar year 2021 is the reporting period of our sustainability report. With this report, WindowMaster International A/S confirms our continued support of the ten principles stated in the United Nations Global Compact and our support of the Sustainable Development Goals. As WindowMaster aims for a comprehensive structural approach to sustainability it was a natural choice to follow a more global and structural reporting framework. Thus, our Sustainability Report is inspired by the GRI Standards (Core Option) to enhance consistency and comparability between reports.

Our Greenhouse gas (GHG) Inventory is third-party verified and was compiled in accordance with the methods for determining CO₂e emissions that are stated in the Greenhouse Gas Protocol developed by WRI and WBCSD. TH GHG inventory covers reporting period 1. January 2019 to 31. December 2019.

WindowMaster is listed on Nasdaq First North Growth Market in Copenhagen. Our voluntary disclosure of non-financial metrics is illustrated on page 52 in a consolidated ESG (Environmental, Social, and Governance) key overview. We chose what we found were our most important non-financial data to be shown in this overview. Our complete non-financial information is likewise available on Nasdaq's ESG Data Portal.



Photo: LWA Architects

Letter from our CEO



On February 28th, 2022, the Intergovernmental Panel on Climate Change (IPCC) published a climate report, which is the largest review to date of the consequences of global warming; how nature and society will be affected, and what they can do to adapt. The report demonstrates that climate change is a serious rising threat, and acts as a warning to everyone, stating a challenging future if we do not act now!

At WindowMaster, we recognize that we have a responsibility to do everything possible to limit these consequences, and we take this responsibility seriously. Although we are a small company from a global point of view, currently, we still contribute to the total amount

of CO₂ emissions. This means that our actions have an impact on the grand scheme, and we want to make this a positive impact.

We aim to become a truly sustainable company and for us, sustainability is about taking responsibility for the world we live in. Therefore, we spent most of 2021 conducting a thorough 2030-sustainability strategy that is both ambitious as well as realistic. We have set specific and measurable targets towards 2030 to hold ourselves accountable. Therefore, we have the statement: We do not want a sustainability strategy; we want a sustainable strategy. With this to make sure we keep expanding our mission "Fresh air. Fresh people."

We are very proud to represent a company that improves the indoor climate and health for people. Not only to prevent sickness, caused by unhealthy indoor climates but also to improve everyday lives and productivity.

In the coming year, we will especially focus on the poor indoor conditions for our children and young people in school and university. Current building regulations should not prevent them from obtaining the obvious benefits from natural and clean ventilation or fresh air. In the end, it will make a remarkable difference in their learning abilities, and we will continue to work determined and demand higher standards for our youth globally.

It matters what we do as companies, and we need to take an even bigger responsibility when it comes to environmental, social, and governance leadership. We must strengthen our businesses, be responsible, create safe workplaces, make sure that employees have the best working environment just to name some.

It is therefore of absolute importance to continue setting up new goals and standards for our business throughout our

" Every company, no matter their size, has an impact on the environment and so should strive to be a global citizen. For WindowMaster, it's an aim that impacts every aspect of business, from our employee interactions and ways of working to our products and the benefits they bring to the market."

value chain. Both regarding how we produce our products, our supplier base, and the impact of our products during their use phase.

In 2021 we continued setting up clear and binding goals for our business in both the short and long term. In 2021 we chose to

join the international cooperation Science-Based Target Initiative (SBTi) and in this to set binding environmental goals on how to reduce our Greenhouse Gasses (GHG).

All co-signers of the SBTi are committing to live up to the Paris Agreement and keep the rise in mean global temperature to well below 2 °C above pre-industrial levels, and preferably limit the increase to 1.5 °C.

We are proud of being among the very few Danish SMEs who set an SBT and this commitment underlines our aim to constantly improve and to be among the frontrunners in our industry. Also, we believe that we too have a responsibility to act alongside larger companies as the SME segment is a fundamental force in many countries. We see

ourselves as playing a growing role globally, and we are confident that customers demanding sustainability will increase even more in the nearby future pushing sustainability aspects to become sanitary factors for all companies. We operate in a B2B market and our stakeholders such as specifiers, partners, or OEM customers are faced with sustainability requirements as well. As a listed company with a sustainable approach, we likewise approach an investor base that considers ESG criteria when investing. Something we can and will deliver.



Erik Boyter
Chief Executive Officer

Financial highlights – Key figures

DKK'000	2016	2017	2018	2019	2020	2021
Gross profit	75,367	81,503	79,845	83,348	79,064	88,005
EBITDA	4,892	9,222	14,028	14,542	12,002	9,672
Normalized EBITDA	4,892	9,222	14,028	14,542	14,574	13,765
Operating profit/loss	9,067	1,618	4,843	4,987	3,098	645



211.403.274
Revenue DKK 2021



6.5% EBITDA margin

Company Description

WindowMaster International A/S is an international and market-leading cleantech company delivering sustainable indoor climate solutions based on nature's forces. Today, the company is the world's leading niche producer of natural ventilation. These solutions automate and control roof and façade openings with intelligence for a safe and healthy indoor climate in coordination with building management systems.

We address safety in the built environment through our patented heat and smoke ventilation solutions. When tested and approved, these solutions can assist in the secure egress of building occupants by naturally venting the heat and smoke in case of fire.

Today, the company employs cleantech specialists throughout Denmark, Germany, Norway, Great Britain, Switzerland, and the USA, as well as a wide network

of certified partners around the world. The global group functions are located at company headquarters north of Copenhagen in Vedbæk, Denmark. The global supply chain function is based in Herford, Germany which services all of our sales subsidiaries and partners around the world. Our production and logistics facility has been ISO 9001 certified since the year 2000. The principles of this quality management standard support our efforts regarding strong customer focus and continuous improvement.



127 employees
74% men and 26% women

WindowMaster sales and operation subsidiaries



Visit our website → www.windowmaster.com

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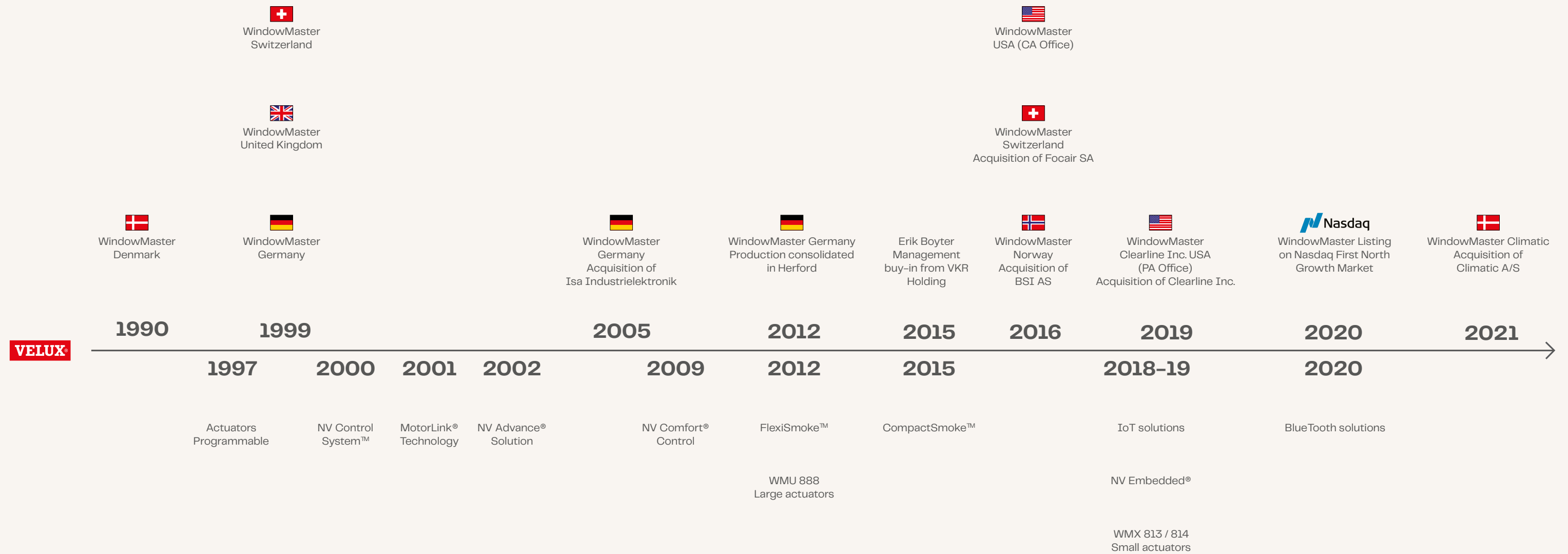


Our history

WindowMaster was originally founded in 1990 as part of the VELUX Group but changed ownership in a management buy-in in 2015 with the mission to provide green ventilation solutions to the construction industry and optimize indoor climate. Since the change

of ownership, WindowMaster was transferred to a private investor and is now an owner-led company and was successfully listed on Nasdaq First North Growth Market on October 27th, 2020.

30+ years of growth history



Vision & Mission

Our vision statement captures the WindowMaster aspiration: To provide people with the best & safest indoor climate in the world in the most intelligent & sustainable way possible driven by our mission: To create well-designed natural & smoke ventilation products and solutions that improve the indoor climate for the benefit of people, productivity, and the environment.

With climate change at the top of the agenda all over the world, pressure has increased on governments and corporations to consider their carbon footprint

and sustainability approach in their daily business. Therefore, sustainability has gone from being a value-add to a value generator and is now a performance indicator for companies in line with financial performance, risk management, etc.

We have developed a strong and scalable platform to meet the needs of the industry now and in the quickly approaching future. This platform is primarily for commercial clients with the key segments being office buildings, healthcare, culture, educational institutions, sports facilities, and shopping

centers. Our vision is the underlying set of principles and guidelines that make up WindowMaster and sets the fundamental baseline for all of our actions to ensure that we keep expanding our mission of “Fresh air. Fresh people.”



Vision

To provide people with the best & safest indoor climate in the world in the most intelligent & sustainable way possible.

Mission

To create well-designed natural & smoke ventilation products and solutions that improve the indoor climate for the benefit of people, productivity, and the environment.

Our Solutions

WindowMaster offers solutions that ensure optimal regulation of the indoor climate in buildings based on continuous monitoring of CO₂ levels, humidity and temperature that can help increase efficiency and comfort of building users.



Natural ventilation

Natural ventilation solutions are activated based on the temperature level, humidity level, and CO₂ level in a given room. In short, the system regulates a building's indoor climate by exploiting the natural forces created by temperature differences between the interior and the exterior environment, thermal displacement within the building, and winds around the building.



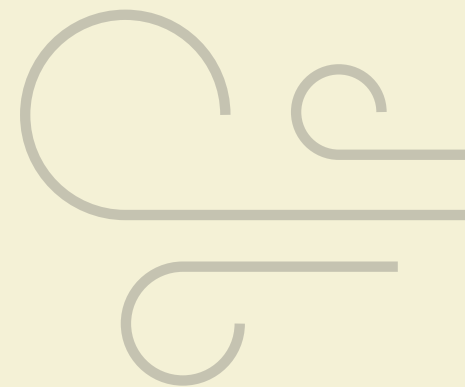
Mixed mode ventilation

Mixed mode ventilation is a combination of natural and mechanical ventilation. In this setup, balanced use of natural and mechanical ventilation occurs so that mechanical ventilation takes over when required by external conditions or when needed in specific areas of the building. In this context, WindowMaster supplies a natural ventilation solution that can be integrated with any mechanical ventilation product or building management system.



Heat and smoke ventilation

Heat and smoke ventilation removes smoke and heat from a burning building and keeps escape routes and fire service access areas free of smoke.



Award Winning "WindowMaster Sustainability Report 2020"



Being a good world citizen is a key priority in WindowMaster. We were very proud when last year at the SMV COP 2020 we were recognized by Global Compact Network Denmark and elected as one of the eight best sustainability reports by SMEs in the 'WindowMaster Sustainability Report 2020'.

WindowMaster was especially honored for presenting a well-structured report with a great overview of the company's CO₂ emissions and a clear baseline for future ESG initiatives. In addition, emphasis was placed on the report's focus on the environment and climate as well as our investment and efforts related to sustainable construction regulation.

About SMV COP

Companies who are signatories to the UN Global Compact undertake to work and incorporate the Ten Principles of the UN Global Compact into their way of doing business. Every year the company develops a Communication on Progress (COP) report to the UN stating their progress and creating transparency about how they approach the three elements of sustainability.

FSR - Danish auditors and the Global Compact Network Denmark want to recognize Danish SMEs which stand out in their COP. In that way, the report can serve as an inspiration and best practice to others.

NOTECH solution wins the Danish Design Award 2021 in the category of Better Learning

The Danish Design Award is a major Danish design event, which pays tribute to the best design solutions and demonstrates the many ways in which design can make a difference for our society.



NOTECH won in the Better Learning category, and the jury says:

"The built-in ventilation system is very interesting. NOTECH has developed a holistic and natural ventilation principle that can sustainably absorb both moisture and odors using natural resources and materials. Children learn, eat and play in their classrooms, so the smell can be quite harsh. This system supports learning by improving natural ventilation. In addition, it is worth

emphasizing that the system can be used both for new construction and renovation, so that the existing building architecture can be preserved."

NOTECH is a newly developed ventilation system based on natural ventilation, which can be used as a facade element. At the same time, the solution reduces costs for energy consumption, construction, and maintenance.



"At WindowMaster, we believe that well-founded research can bring new and better methods to solve the problems of our time. There is no doubt that the effect of air on learning and climate are two of the areas we focus on strongly. Therefore, it was also obvious for us to contribute to this project. The fact that the results speak so positively for natural ventilation also means that we are investing even further to spread our systems for the benefit of the indoor climate and the environment. Here is a great proof of concept and the solution."



Erik Boyter,
CEO, WindowMaster International A/S

Sustainable Development Goals

Since the Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015, many companies and other stakeholders have engaged with the new agenda in one way or the other. The same goes for us. We see these SDGs as a core part of our business and if genuinely incorporated as a differentiation factor to gain your competitiveness.

Based on our strategic work in 2021 the following SDGs namely SDGs 3, 7, 12, 13, and 17 are where WindowMaster and our operations have the greatest impact.



Good health and well-being

Goal description

Ensure healthy lives and promote well-being for all of all ages

We want to contribute to a healthy and safe indoor climate for all. Our thoroughly designed cleantech solutions can be installed in various building types contributing to a healthy indoor climate for building occupants through fresh air and smoke & heat ventilation in case of fire.

Relevant targets:
3.4



Affordable and clean energy

Goal description

Ensure access to affordable, reliable, sustainable, and modern energy for all.

WindowMaster always promotes and encourages our suppliers to prioritize clean energy. However, as part of our 2030-sustainability strategy, we will start to set clear expectations for using renewable energy throughout our value chain. In addition, there will be a greater focus on investing in clean energy within the organization. We will keep further developing our cleantech solutions to make them widely available for all. An investment in natural and hybrid ventilation is an investment in lower energy consumption, quality air, and a reduced carbon footprint.

Relevant targets:
7.3a



Responsible consumption and production

Goal description

Ensure sustainable consumption and production patterns

We work with enhancing our light-asset production and processes in our value chain constantly e.g., by mapping our environmental footprint and replacing unwanted substances in our solutions. Mapping carbon in our supply chain is an important step towards addressing traceability and being transparent. In 2022, we want to explore circular approaches by screening the possibilities of implementing new processes internally as well as in our value chain. We strive to create a circular business model. Specifically, we are looking into a take-back system of our products while participating in different collaborative projects focused on circular initiatives. We call this “making a circular promise”.

Relevant targets:
12.4
12.5
12.6
12.7



Climate Action

Goal description

Take urgent action to combat climate change and its impacts.

At WindowMaster we will consistently aim to further climate action. Therefore, we have spent most of 2021 conducting a thorough and ambitious 2030-sustainability strategy. Moreover, 2021 was also the year where WindowMaster transformed ambition into action by committing to a Science-Based Target Initiative of a 46% reduction over a 2019-baseline. Of course, we will keep promoting our sustainable solutions i.e., natural and hybrid ventilation. By doing this, we actively help promote client sustainability, as our solutions are a green choice for building projects, which can better the indoor climate and reduce CO₂ emissions significantly.

Relevant targets:
13.2



Partnerships

Relevant targets:
17.16

Goal description

Strengthen the means of implementation and revitalize the global partnership for sustainable development

As SMEs, we must take an active part in green partnerships if we want to make an impact and be sustainable frontrunners. At WindowMaster, we have been collaborating with partners on various sustainability and research projects. Most recently, we joined the project “Long live products and materials” at FORCE Technology, where we are researching our products’ lifetime optimization and extension. This is the next step on our path to a 100% circular business model. We have also set a Science-Based Target initiative along with 2000 other businesses around the world. Collaborating between stakeholders – both public, private, or non-governmental – is essential to move our planet towards a just and environmentally robust future. The motto of being stronger together serves just right in this matter as well.

2030–Sustainability strategy

Strong baseline reflecting our materiality

As mentioned in our Sustainability Report 2020 WindowMaster conducted a comprehensive sustainability assessment of the business to create a baseline of our environmental and social impact – both negative and positive as well as mapping our performance within governance. Although, WindowMaster is an SME we want to be a frontrunner in the sustainability agenda. For us, this includes strengthening our transparency and credibility by having our non-financial data i.e., GHG inventory third-party verified. We use this data as our baseline year 2019 – both in SBTi and other initiatives.

Our sustainability assessment i.e., a gap analysis was a valuable stepping stone to develop a thorough sustainability strategy towards 2030 that reflects what is material to WindowMaster. Focus is on most

pressing material topics such as CO₂e emissions and transparency in our value chain and contributing to a circular economy as well as a healthy indoor climate in buildings with our solutions. The topics identified as a medium priority are going to be monitored and reported on partially.

Our purpose is to further integrate sustainability into all aspects of the business and boost best practices among listed companies – especially in the SME segment. Therefore, we split our strategy according to the ESG methodology covering both Environmental and Social initiatives. Our Governance relates mostly to what we see as being sanitary factors or ongoing commitments driven by market requirements and compliance in general.

“Responsible and sustainable management is to think beyond one’s cadastre – and to think big and future-oriented. Let’s call it global governance. If you think you can succeed on your own, things will go wrong for you. Partnerships are part of modern global leadership. Thinking in partnerships is part of the business model of the future. Your business is part of global value and resource chains. Everything is connected. Partnerships create synergies that no one can create individually.”



Steen Hildebrandt,
Ph.D. in management science implementation and emeritus professor in organization theory and leadership at Aarhus University



Sustainability strategy at a glance

Environmental



100% emission-free

Cutting emissions

- Committed to 1.5°C SBTi-target with a 2019-baseline year
- 100% emission-free in scope 1 and 2 by 2030 with milestone targets:
 - 100% non-fossil fleet in 2025
 - 100% renewable electricity in all offices in 2025
- Scope 3 milestone target:
25% reduction in Scope 3 emission from transport in 2025

Decoupling growth

Analyze and develop a roadmap in 2022 on how to decouple growth from emissions; relative target



100% intelligent & healthy environment

Enable the true potential

By 2025 we have enabled the possibilities to automatically analyze and visualize the building- and system performance.

Increase health and enable savings

Investigate the possibilities to establish partnerships with e.g. BMS-, solar shading- and heating companies for incorporation of our technologies.



100% circular

Circularity promise

Activity towards 2025:
Investigate and formulate the circularity promise.

Products as a service

Activity towards 2025:
Investigate business opportunities by exploring Product-as-a-Service (PaaS)



Social



Responsible Global Citizen

Supplier due diligence

- Code of Conduct signature of 100% of suppliers in 2025
- Milestone target of 50% of volume in 2023
 - Implement further desktop and site assessments



Governance

Ongoing commitment

- Update corporate policies where needed
- Invest in and improve product data and knowledge
- Collect and publish case-specific data on energy savings and the indoor climate

100% emission-free

Cutting emissions

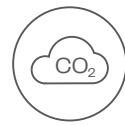
Our ambition is to be a good global citizen. Although we are a small company from a global point of view, we aim to be at the forefront and inspire others to take a sustainable path. However, sustainability can be tough to define and measure. To accommodate this WindowMaster joined the Science-Based Target Initiative (SBTi) in 2021 as one of only six Danish SMEs, thereby, setting clear binding targets for our sustainability strategy going forward.

SBTi is an international collaboration that provides companies of all sizes and sectors with a clearly defined path to reduce greenhouse gas emissions in line with the Paris Agreement goals. Targets adopted by companies to reduce carbon emissions are considered 'science based' if they are in line with the level of decarbonization required to limit global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

We went for the most ambitious option and committed to a 46 percent reduction in scope 1 and 2 from a 2019 baseline by 2030. To ensure we reach this goal, the target is incorporated throughout our entire 2030-sustainability strategy. It is ambitious but realistic. And it is the next logical step on our sustainability journey if we want to transform our ambition into action through initiatives in our scope 1 and 2.

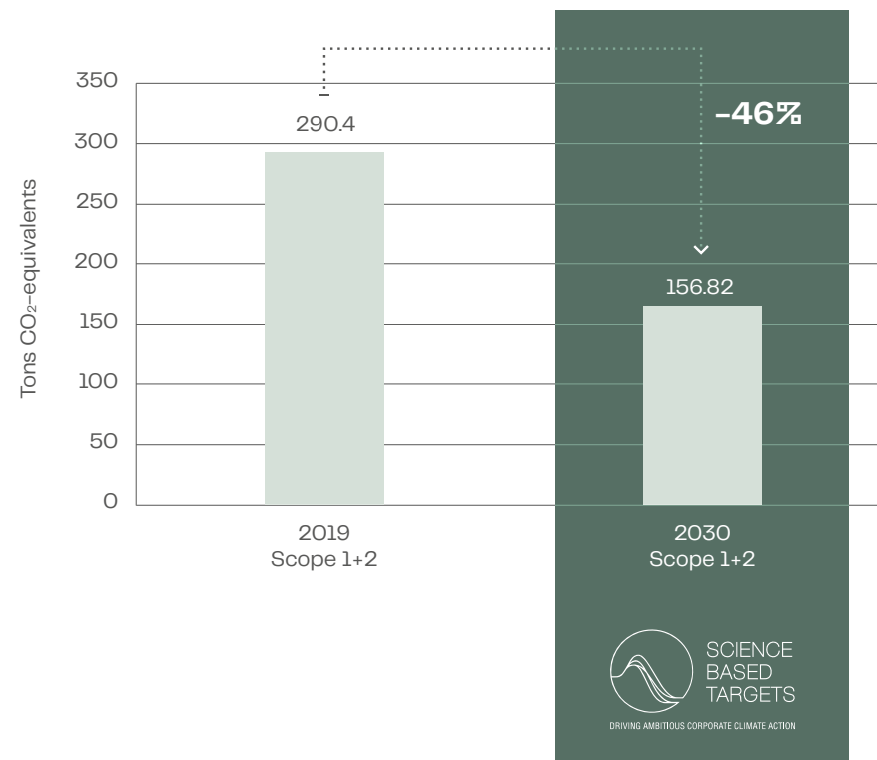
We are convinced that we can take this commitment even further. Thus, on a corporate level WindowMaster has set a target of being 100% emission-free in scope 1 and 2 by 2030. We also set a goal of reducing our emissions from transport by 25% in 2025. However, we will continuously examine new initiatives to reduce emissions in scope 3.

SBTi is an international collaboration that provides companies of all sizes and sectors with a clearly defined path to reduce greenhouse gas emissions in line with the Paris Agreement goals. Targets adopted by companies to reduce carbon emissions are considered 'science based' if they are in line with the level of decarbonization required to keep global temperature increase below 2 degrees C.



100% emission-free in scope 1 and 2 by 2030

Figure 1: Greenhouse gas emission intensity



Decoupling growth means "Doing more with less"

We need to improve the rate of resource productivity faster than the economic growth rate. WindowMaster recognizes that sustainable growth is central to mitigating risk, being aligned with climate science, and driving top and bottom-line performance. We have a clear ambition to grow the business organically and through strategic acquisitions, but we want to achieve this while minimizing the negative impact on the planet by decoupling the amount of emissions that come with growing or buying turnover. In 2022, we are developing a roadmap and measures to ensure this is part of the decision-making process.

Figure 2: CO₂e in tons, 2021

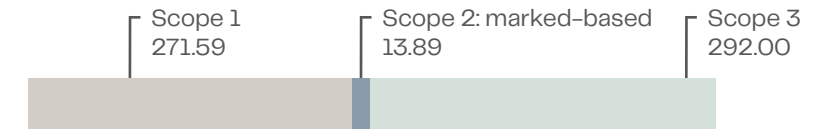
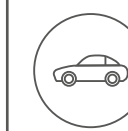
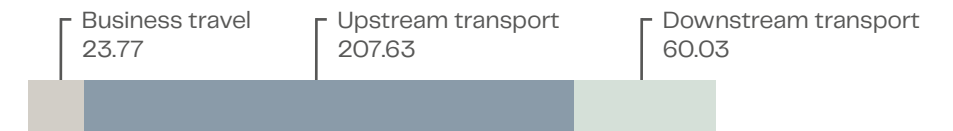


Figure 3: Scope 3 breakdown in 2021



25% reduction of emissions from transport in 2025

Figure 4: Greenhouse gas emission 2019-2021

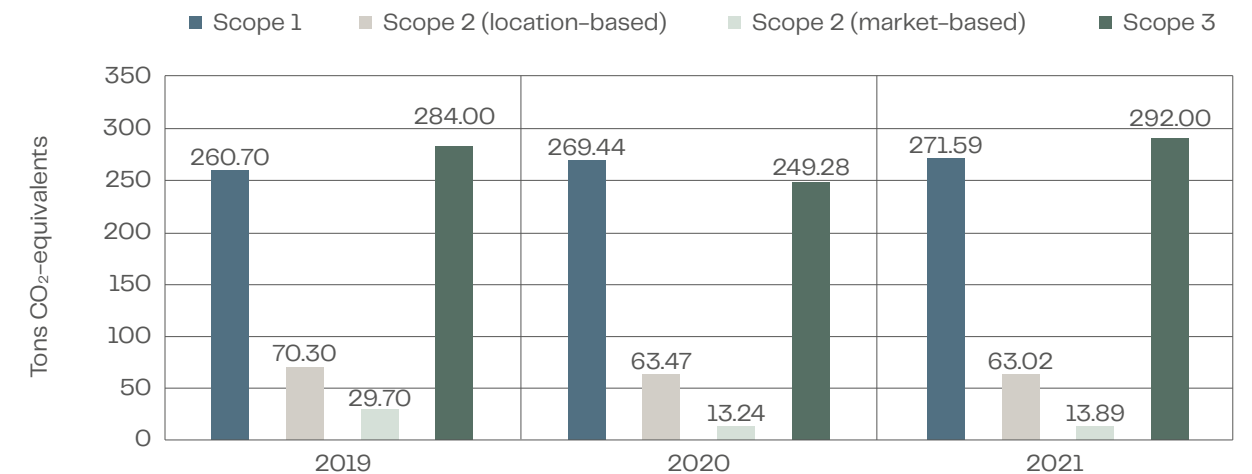


Table 1: Explanation of scopes according to the Greenhouse Gas Protocol, 2016

Scope 1	Scope 2	Scope 3
<p>Scope 1 are direct GHG emissions that occur from sources that are owned or controlled by the company.</p> <p>Ex. emissions from combustion in owned or controlled vehicles, and heating (natural gas)</p>	<p>Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company ex. light, energy for production etc.</p> <p>Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company.</p> <p>Scope 2 emissions physically occur at the facility where electricity is generated.</p>	<p>Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions.</p> <p>Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company.</p> <p>Ex. are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services & business travel.</p>

Figure 5: Categorization of scopes in our value chain

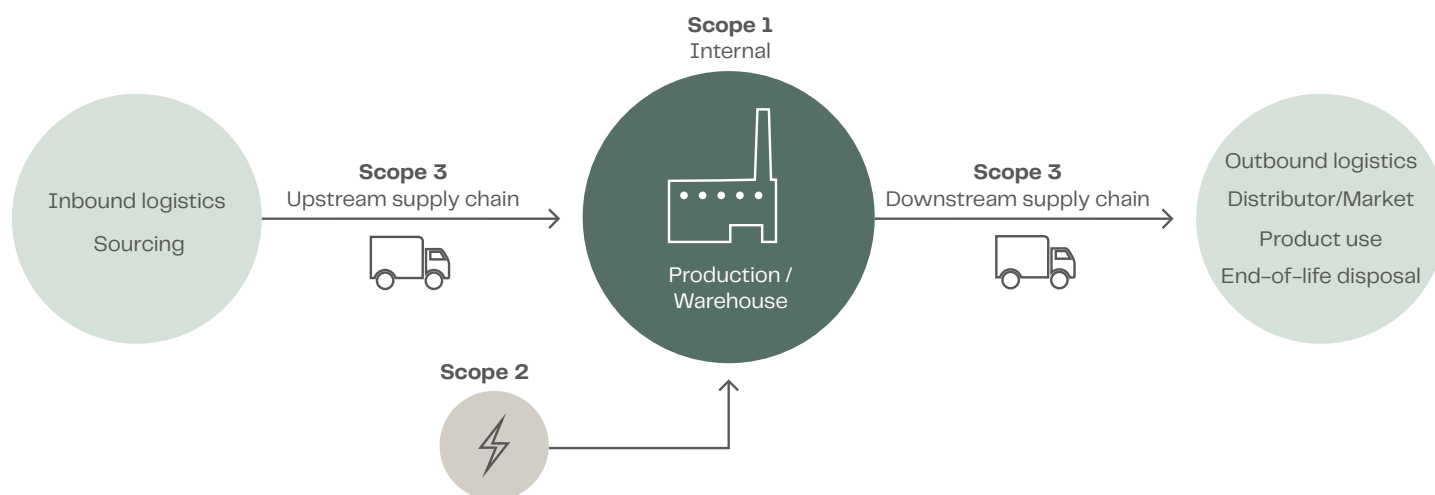




Photo: Roger Frei

100% intelligent & healthy environment

Improve visibility of the benefits of our solutions

At WindowMaster, we have the greatest influence in the building sector by helping them choose healthier and more environmentally friendly ventilation solutions. This is how we can promote sustainable choices in society – through our products. However, the benefits of natural ventilation can be intangible, therefore, we want to make the invisible – visible through different initiatives and projects.

In 2022, we want to collect and publish case-specific data on energy savings and the indoor climate. In addition, we aim to conduct the first Life Cycle Assessment case study comparing natural ventilation with mechanical ventilation systems. This is to deliver clear datasets that can emphasize the advantages of natural ventilation. To further reinforce our impact

in the building sector, we want to investigate the possibilities to establish partnerships with e.g., BMS-, solar shading-, and heating companies for incorporating our technologies.

100% circular

Working towards circularity in our products

On a product level, WindowMaster wants to make a circular promise of becoming 100% circular in our production chain by 2030. Our products are metal-based and composed of electronic and mechanical components. When using rare earth metals, you also have an end-of-life of a certain value. Part of the activities in the sustainability strategy addresses products and how we can minimize overall impacts and increase material-efficiency. Therefore, we are looking into a take-back system of our products to reuse the materials, which will then expand the lives of our products and minimize resources. It is an important and necessary step in the direction of 100% circularity.

Fortunately, we are participating in a pilot research project managed by FORCE Technologies with participants from several universities and companies

from 2022–2024 titled 'Long live products and materials. The plan is to take back one or two batches of actuators, where we can access logged data. These actuators will be analyzed by researchers and hopefully also a group of students. The purpose is to explore business opportunities in the refurbishment of old actuators, get input for new designs or changed designs. We also hope to have better documented knowledge on overall product lifetime etc.

The research project will help gain valuable insights and give companies a significant boost towards the objective of a circular economy through sustainable product design, product lifetime optimization and extension, and re-/upcycling for the conversion of materials into new raw materials. We are excited to see what we can learn towards 2024.



Our handprint – establishing the effect from what we sell

As a company providing cleantech solutions, it is in our nature to ensure that our contribution to the planet and society is positive.

In 2020 we reported on our journey to calculate our carbon footprint. This started with the development of a GHG inventory that showed us the environmental footprint of the most significant emission factors in our value chain. While this is valuable and necessary knowledge to carry out reduction initiatives, we wanted to expand our scope even further by addressing the embedded carbon and environmental impacts of our products.

Therefore, in 2020 we started to analyze the environmental impact of our sales from 2019 looking at sold pieces, value in cost price, and weight.

One of the first learnings was a very common problem; get good and valid data. The challenges we faced was available data regarding the weight of components. However, the conclusion was that the sale of actuators and control panels represents only 30% of our turnover and therefore only reflects part of our handprint. This part is covered by our Environmental Products Declarations (EPD) – a transparent, objective report that communicates what a product is made of and how it affects the environment throughout its life cycle.

The remaining portion of our sales are to other OEMs as shown in table 1 and are not currently part of an EPD.

We then analyzed the global warming potential from our actuators and panels in a life cycle analysis (LCA), which is illustrated in the figure 6. The system boundary meaning which phases and which processes during each stage are included in the LCA was complete – the LCA included all stages described in the figure below:

Figure 6: Embedded carbon in products, 2019

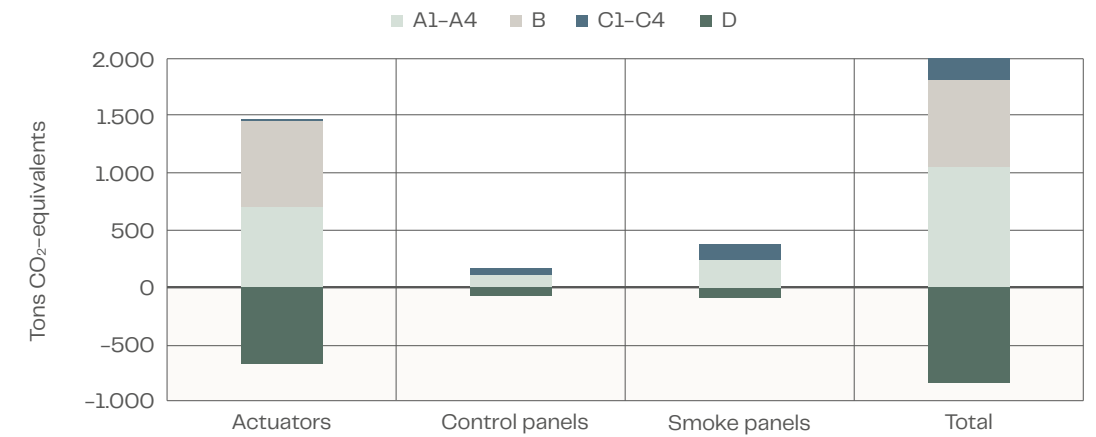
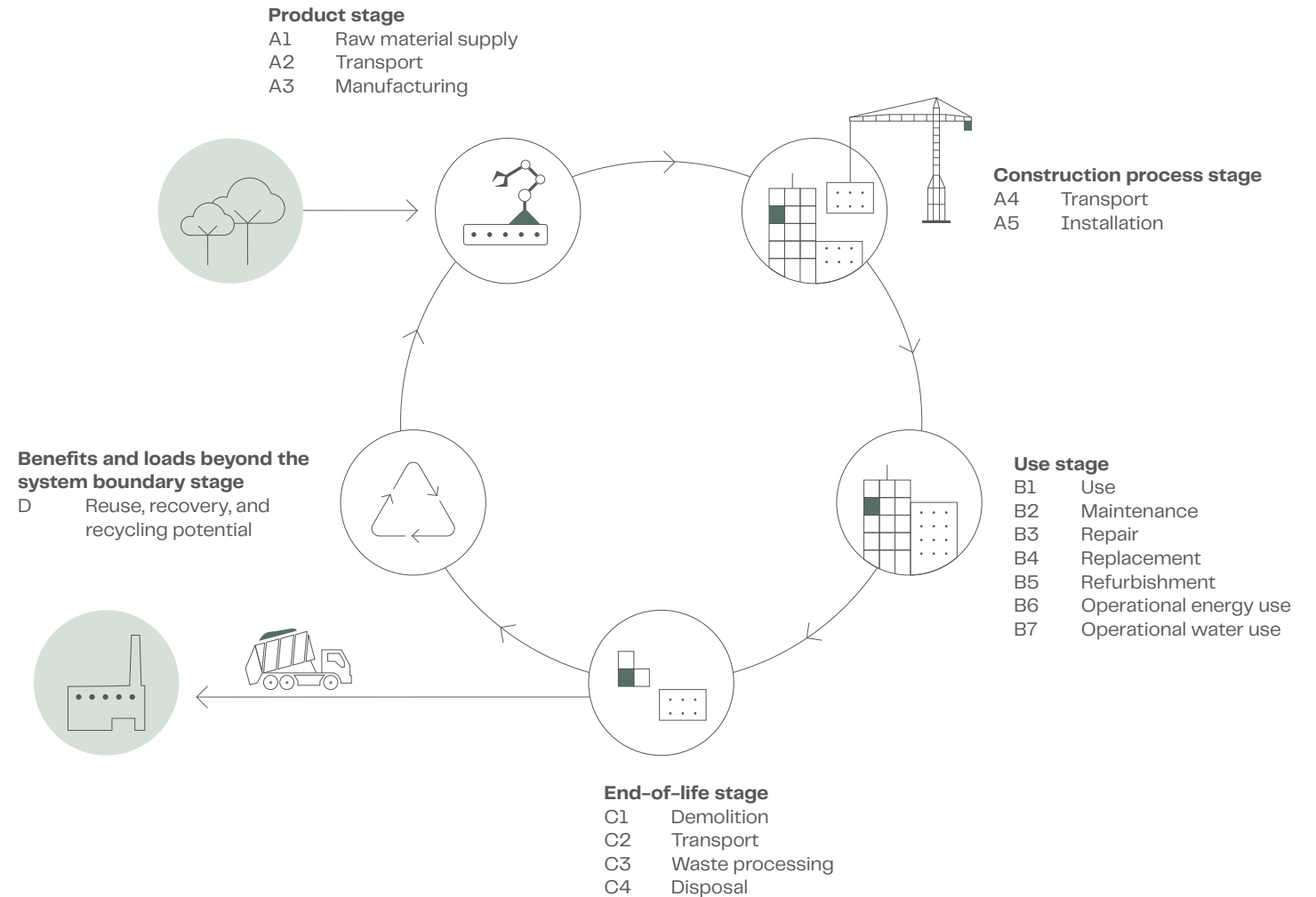


Table 1: Sales in 2019

Product	Pieces	Pieces in %	Cost price in %	Weight in kg	Weight in %
Actuators	59.076	31	19	82.686	41
Control panels	5.977		3	4.848	
Smoke panels	9.294		8	54.559	
Other products	164.590	69	70	207.170	59
Total	238.937	100	100	349.263	100

Figure 7: Life cycle stages



In 2021, based on our learnings from 2020 we asked FORCE Technology to assist us with further analysis of our handprint. We continued to base our analysis on the sales mix from 2019. However, we acknowledge that this might not be representative at all.

Therefore, we chose to analyze all products sold in quantities of more than 100 pieces as illustrated in table 2. This covered 96% of the volume of products in this group and 89% of the cost price. The data for weight were very insufficient and had not been considered at all.

The data visualized the fact that brackets to mount actuators are a large part of the products sold and should be part of the EPD for actuators to demonstrate a more complete picture.

All these learnings led to several new activities in 2022 and forward. We want to consolidate our handprint. This requires much better data, first and foremost weight on all components. Secondly more information on materials. Our next step will be an analysis of sales in the year 2019–2021.

In addition, we want to revise our existing EPDs which is valid until 2023. Our current EPDs are based on a sector EPD developed by VFE in Germany. WindowMaster has decided to do our own EPDs in 2022.

Investing in chemical compliance and improving data

In 2021 WindowMaster has assessed several solutions to handle documentation and information on chemical substances and compliance to relevant legislation.

Being able to document chemical compliance and content of certain materials is required more and more often. This has led to a decision to implement a digital solution to handle chemical compliance. In 2021 we found a solution that will be implemented in the coming years. We expect this to be the start of a journey to further improve data and detailed knowledge of our products.

Table 2: Other than actuators and control panels, and in quantities > 100 pieces

Product	Pieces in %	Cost price in %
Brackets	36	12
Manual call points	27	34
Cables	7	3
Batteries	4	6
Miscellaneous	25	45
Total	99	100



Responsible business conduct

Responsible global citizen

Our strong commitment to supporting labor standards and human rights is an integral part of our relationship with both the internal workforce and external suppliers. Standards include workers' councils, freedom of association, the abolition of forced, compulsory, and child labor, and the elimination of discrimination as well as ensuring equal opportunities for all and diversity in terms of nationality, gender, and cultural background. WindowMaster recognizes the Universal Declaration of Human Rights (1948) as well as the core labor conventions of the International Labour Organization as reflected in the Declaration on the Fundamental Principles of Rights at Work (1998). These international standards form the basis of our code of conduct, and we expect our suppliers to share our commitment to these standards. WindowMaster also endorses the guidelines and recommendations of the World Trade Organization (WTO) and will, therefore, prefer suppliers from member countries as well as members of UN Global Compact.

We aim to establish long-lasting relationships with our suppliers to our mutual benefit. We aim to implement

further supplier screenings and mapping related to geographical risk factors. This enhances both internal business risk but most importantly ensures that we are a responsible business partner e.g., in areas that do not guarantee good and safe working conditions through general regulation. In that way, we can increase our influence to uphold the highest possible labor and environmental standards and secure human rights wherever we conduct business.

In 2022, our Code of Conduct must be updated to underline our commitment to transparency and to ensure environmentally and socially responsible operations. We have set a target of Code of Conduct signatures from 100% of our suppliers in 2025 – with a milestone target of 50% measured in product-related procurement volume in 2023. Internally, we want to enhance our workplace safety and achieve zero accidents in our operations.

Anti-corruption

Governance fostering transparency is key to our business

As a global company, WindowMaster is exposed to corruptive behavior. Therefore, we have both preventive and reactive measures in place to inhibit corruption. We adhere to international and regional legal frameworks concerned with anti-corruption and have a zero-tolerance policy for corruption, bribery, and extortion. Our manual on Business Ethics policy demonstrates our consistent and uncompromising adherence to strong moral and ethical principles. All employees and business partners who act on behalf of WindowMaster are subject to policies in place e.g., for offering and receiving hospitality, gifts, and which kind of entertainment we participate in.

To excel in good business conduct we have a whistleblower program and follow-up mechanisms in place for reporting fraud, corruption, or other corporate wrongdoing. Internationally, we have maintained a solid check and balance system over transactions. There has been no reporting of incidents this year during the last couple of years. Due diligence processes support the continuing lawful conduct of our business and operations are in place as records and transactions are checked and controlled by finance and administration.





Employee Education

In 2021, we invested 191.712 DKK in employee education across all our different markets and functions. Investing in our employees is an important part of driving our business forward.

WindowMaster has a mandatory onboarding program for new employees called WindowMaster Academy. This program aims to provide employees with sufficient knowledge to 1) ensure that they get a good start in their employment with us on a social and professional level, and 2) to gain knowledge of our products, global offices, and right tools, relationships, and information to perform in their daily work tasks.

This also applies to our global partner network. Partners around the world are continuously trained in our products and solutions to provide our customers with the best service and strengthen the collaboration with our trusted partners. This goes both ways, as we put great pride and effort into being a trusted supplier to our customers. The training of partners also involves

becoming familiar with our manual on business ethics and policy for the protection of whistleblowers to ensure governance and employee protection.



191.712 DKK
invested in education
and training of employees

Table 3: Expenditure for employee education

Market/function	2017	2018	2019	2020	2021
Nordic	111.794	81.507	57.087	43.842	113.384
DE & AT	8.160	411	820	-	817
UK & IE	2.816	1.431	6.536	12.933	9.042
CH	17.422	13.549	14.218	-	2.070
North America	45.026	1.485	8.563	33.946	31.884
Support Departments	295.495	83.745	177.873	81.055	34.515
Production	6.389	15.112	-	-	-
Total	487.102	197.240	265.096	171.776	191.712
Average per FTE	3.805	1.541	2.071	1.431	1.509

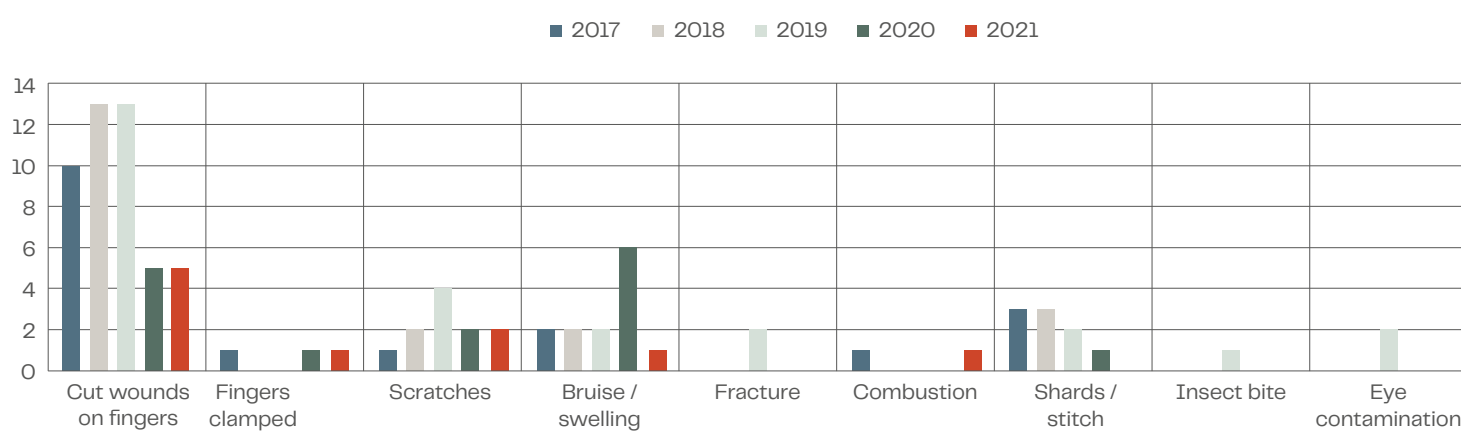


Good health, well-being, and safe working environment

A safe working environment and having healthy working conditions are key concerns to WindowMaster. We believe that the success of our company is very dependent on whether our employees and colleagues are thriving. We want our people to be both mentally and physically healthy and provide working conditions that allow them to live whole and healthy lives. In 2021, no major incidents of occupational injuries were reported on a global level. This is also the case at our production site in Germany. The figure below sums up

small incidents such as cuts and bruises from 2017-2021. We will continue monitoring and reporting this going forward.

Figure 8: Injuries at our production site



Diversity in our workforce

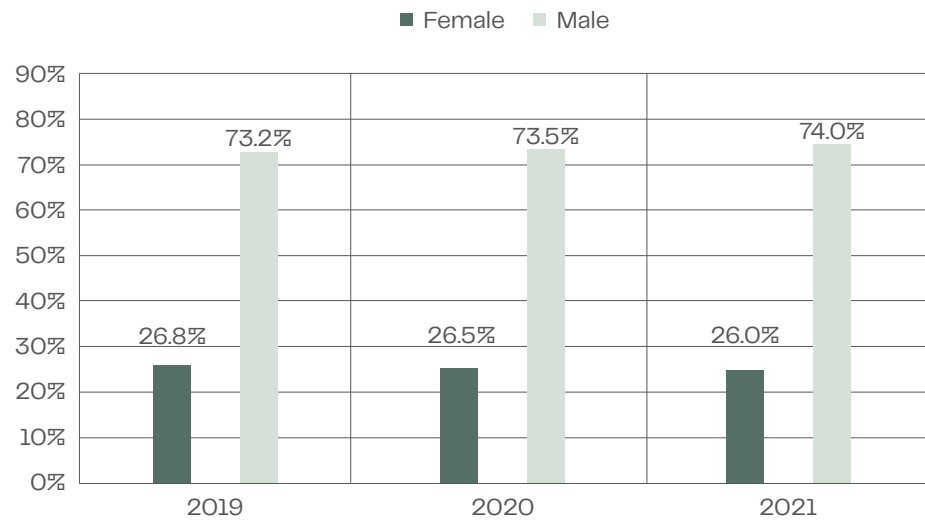
As a supplier to the construction industry, one navigates in an industry that traditionally has a majority of male employees. Nevertheless, we believe that a diverse composition of employees strengthens and contributes positively to our company – regardless of gender, ethnicity, age, religion, sexual orientation, political opinion, or disability.

We aim to foster a workforce where all are treated respectfully and fairly with equal access to opportunities and resources. Although we are committed to creating a diversified work environment it can be difficult to uphold. However, our commitment is mirrored in our Board of Directors where the target of a 20 percent female representation has been achieved. A new target of having 33.33–40 percent of the underrepresented gender on our Board in 2022 has been set.



Target of having 33.3–40% of the underrepresented gender on our Board in 2022

Figure 9: Gender distribution across all markets in 2021



Promoting sustainable building practices

Public Affairs: International and national level

Building level

The scene has been set and a lot of initiatives have been started, not only focusing on the green transition and sustainability but also the focus towards the indoor climate is being addressed to a large extent.

In line with global sustainability trends, the political landscape has influenced the construction industry by imposing a variety of sustainability initiatives. These initiatives have materialized in a range of regulations and directives on buildings. E.g., in 2021, the European Commission adopted a package of legislative proposals "Fit for 55" the cornerstone of the European Green Deal,

by which the EU has committed to cut greenhouse gas emissions by 55% compared to 1990 by 2030 – a key milestone in reaching climate neutrality in 2050.

To meet the EU's climate and energy targets for 2030 and reach the objectives of the European Green Deal, investments must be channeled towards sustainable projects and activities. Here the EU Taxonomy could play an important role in helping the EU scale up sustainable investment. The EU Taxonomy is a tool to help investors understand whether an economic activity is environmentally sustainable and to navigate the transition to a low-carbon economy.



Table 4: Work items proposed in the European Committee for Standardization (CEN) and International Organization for Standardization (ISO)

Technical Bodies	Reference	Residential (R) Non-residential (NR)	Indoor Air Quality (IAQ) Thermal Comfort (TC)
CEN/TC 156/WG 1	Terminology	-	-
CEN/TC 156/WG 2	Revision of EN 15665:2009 & CEN/TR 14788:2006	R	IAQ
CEN/TC 156/WG20	Technical Specification on Natural- and hybrid ventilation	NR	IAQ
CEN/TC 156/WG20	Revision of the EN-16798-3:2019	NR	IAQ
CEN/TC 156/WG21	Technical Specification on Ventilative Cooling	R & NR	TC
CEN/TC 156/	Revision of the EN-16798-1:2019	R & NR	IAQ & TC
ISO/TC 205/WG 2	Design process of natural ventilation for reducing cooling demand	NR	TC

Embodied carbon emissions from buildings are still a relatively new concept and tool that focuses on mapping and potentially also reducing greenhouse gases throughout the lifetime of the building. Methods and targets are being developed and implemented at a national level which we foresee can have a great impact on the materials and solutions selected in future buildings. We are pleased to see that Denmark has taken the lead in this field and set the agenda for the way forward. This will have an effect in many countries both in Europe but also worldwide.

WindowMaster welcomes all these initiatives as they support our core value proposition and are key to achieving the green transition. An aspect that we have a strong commitment to as well which we e.g., demonstrated by joining the SBTi.

Other sets of requirements are focusing on the indoor environment, and these are together with the before mentioned movement going to promote a greener and more sustainable outlook. This is likely to gradually

shift the industry stakeholders' focus towards greener solutions like natural ventilation and hybrid ventilation. WindowMaster is actively working to promote industry initiatives in the form of common guidelines for social, environmental, and economic practices on an international level. The goal of streamlining processes for designing buildings with natural ventilation is to make it easier for building owners, contractors, architects, engineers, and other stakeholders to understand and choose natural- or hybrid ventilation as a green ventilation solution. Equal importance is to make sure that the quality of natural- and hybrid ventilation solutions meets minimum standards that enhance building performance, lower energy consumption, and foster healthy indoor environments. Work items relevant to natural ventilation proposed in the European Committee for Standardization (CEN) and International Organization for Standardization (ISO) with scopes of making descriptive documents focusing on design aspects of ventilation systems and design processes of natural ventilation. Some of the current activities are highlighted in the table above.

On a national level, WindowMaster strives to improve the national sets of requirements for the indoor climate while pushing towards sustainable design. The key focus is our A-markets, however, due to the outreach of our solutions, we typically have to expand. The current focus has been towards Denmark, the UK, and the US as these are about to or have recently updated their national building code with relation to the ventilation and indoor climate.

Product level

WindowMaster is also actively participating in standardization and influencing product legislation in sustainability, circular economy, and eco-design. Both regulations and trends are looking into product durability, reparability, upgradeability, and recyclability. In 2021, our colleague Karen S. Andreassen accepted to become chairman for the Danish mirror committee S- 611 to CENELEC TC 111x and CEN CENELEC JTC 10.

Much of the national and EU legislation is changing, and WindowMaster is dedicating resources to participate actively in this transition. WindowMaster is a member of CENELEC TC 111x Environment and several of the working groups within the Technical Committee. TC 111x handles standardization regarding environmental issues, hazardous substances in electronics (RoHS), legislation on electronic waste (WEEE) and eco-design. The committee is also in direct contact with the EU Commission desk officers and in several coordinating boards handling the environmental and circular economy questions.

CEN CENELEC JTC 10 is a Joint Technical Committee that covers methodologies to measure material efficiency such as durability, reparability, upgradeability, and recyclability.



Sustainable Building Frameworks

As specialists in natural, hybrid, and smoke ventilation, we can help our clients achieve their sustainable and healthy building objectives, as well as contribute positively to the total Life Cycle Assessment (LCA) of the construction.

Today, the majority of DGNB-certified experts can be found in consulting firms. In recent years, some sustainability departments have been expanded significantly and have recruited new employees who specialize in DGNB and other areas.

However, when we talk to our customers, we notice that there is a shortage of certification experts and that some projects are put on hold for this reason. To prevent bottlenecks and take a proactive approach to the shortage, WindowMaster is gradually having its employees trained to become DGNB experts.

The company is thus seeking to help ensure that more buildings will receive a sustainability certificate in the future – thanks to both the additional consulting capacity and the use of systems for controlled

natural ventilation such as those WindowMaster provides. These systems score highly during the DGNB certification process, particularly in the socio-cultural and functional quality as demonstrated in figure 10 below. This includes factors such as indoor air quality and thermal and acoustic comfort. We believe that we and other manufacturing companies in construction have a duty to accelerate the pace towards climate protection and bring the construction industry closer to green transition more quickly. This also includes establishing comparable sustainability standards with suitable certificates.

Carbon balance at the press of a button

The WindowMaster DGNB experts are not only able to provide comprehensive advice to architects and planners. They are also currently working on creating a tool that can be used to effortlessly calculate the carbon footprint of planned buildings where the concept is to use natural ventilation at the press of a button. The aim is to make different ventilation systems and solutions comparable with each other regarding their CO₂ emissions.

Figure 10: DGNB: Where we contribute

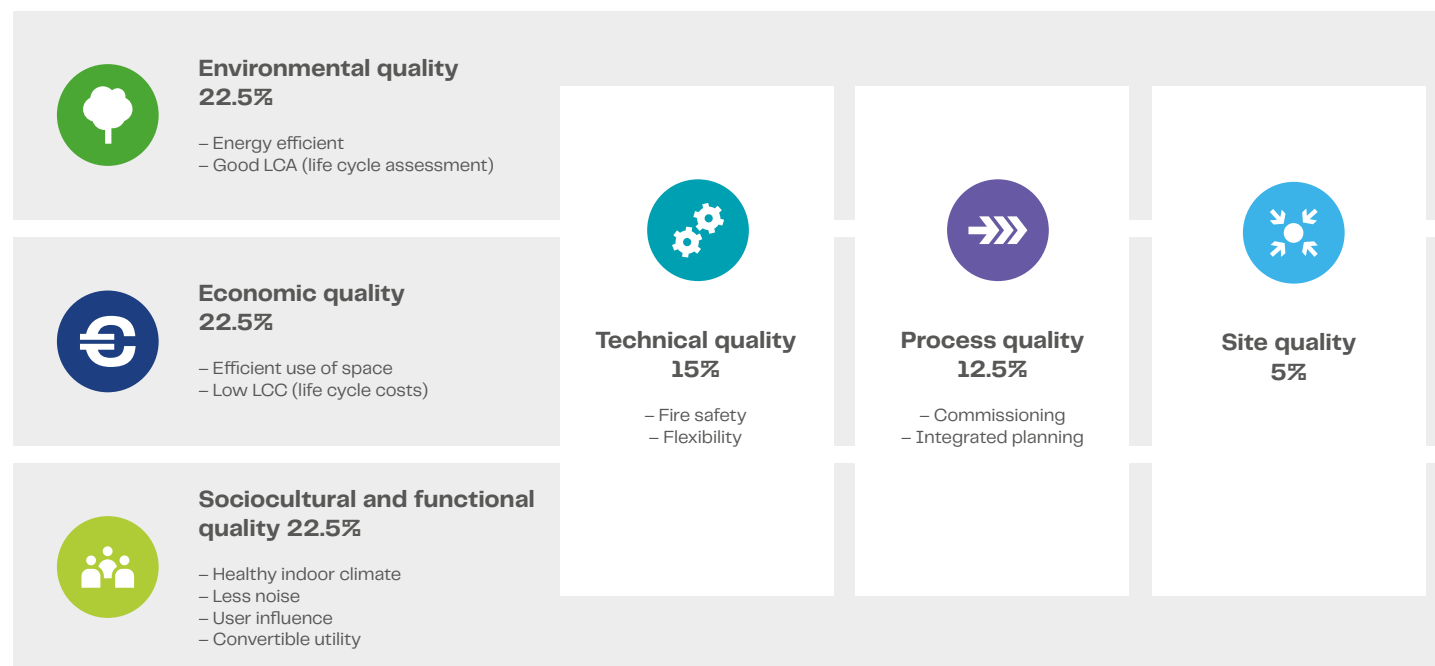
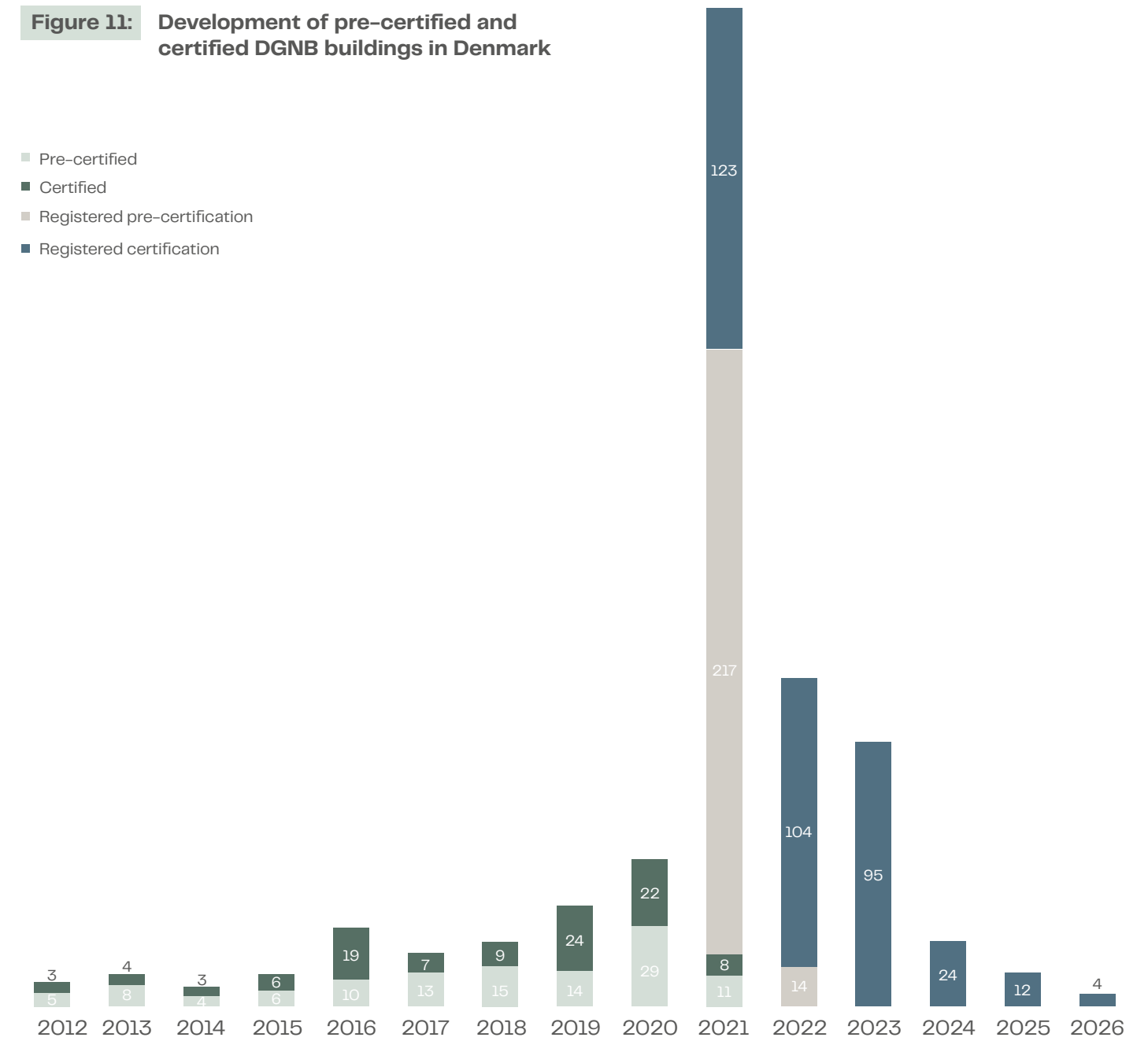


Figure 11: Development of pre-certified and certified DGNB buildings in Denmark



Source: DK-GBC, march 2021

Contributing to client sustainability

ZEB Laboratory in Trondheim



'The World's Most Sustainable Construction' was used as headline for this impressive construction in connection with its opening back in March 2021.

The 2000m² building is spread over four floors and located in Trondheim, Norway. In the main part of the building, hybrid ventilation has been established, where automatically controlled windows complement the mechanical CAV systems. ZEB stands for Zero Emission Building.

Most sustainable construction in the world

The ZEB Laboratory was at its opening, the most sustainable construction in the world with documented CO₂e report. Its main purpose is to investigate, develop and demonstrate new and innovative materials and solutions in the field of 'zero-emission technology'.

The ZEB Laboratory is funded by NTNU, SINTEF, the Research Council of Norway and Enova, and has been developed in a collaboration between NTNU, SINTEF,

Orion, Veidekke Entreprenør, Link Arkitektur, Siemens, Vintervoll, Bravida, Multiconsult and Aas-Jakobsen.

Natural ventilation leads to energy savings

To minimize the building's annual energy consumption, natural ventilation is used via automatically controlled windows located high in the facades. The windows are used as a supplement to mechanical ventilation and contribute to a sustainable fine-tuning of the indoor climate. The windows are installed in all areas with a façade facing the outdoors, e.g., in canteens, presentation rooms, offices, test rooms, etc.

WindowMaster has delivered a total of 43 window actuators and 6 MotorControllers with the unique MotorLink® communication technology. The products are integrated in the BMS system via BACnet.

Testing the ventilation concepts of the future

In the building, several different types of mechanical ventilation have been established, e.g., underfloor air

distribution system. It provides a unique opportunity to test different mechanical and natural ventilation concepts separately, and in interaction (hybrid ventilation). It is possible to set these areas in 'research mode' and create your own algorithms.

Two of the rooms in the building are identical test rooms, which also can be used as office space. In addition to the automatically controlled windows at different heights above the floor, a shaft has been established at the back of both test rooms functioning as extract for the natural ventilation. This makes it possible to test various natural ventilation principles, including stack ventilation. It is also possible to test several mechanical and hybrid ventilation concepts in these test rooms.

The many test opportunities will benefit the sustainable buildings of the future.

CO₂ emissions are compensated by energy production

The construction itself meets the requirements of ZEB-COM, which means that CO₂ emissions from production and transport of materials, construction of the building and operation over a 60-year period are compensated by energy production on the building. The energy production comes from solar cells, which are estimated to produce more than twice as much energy as the building uses.



MECD – Manchester Engineering Campus Development



MECD is Manchester University's brand-new, state-of-the-art Engineering Campus. MECD provides world-class sustainable research facilities, alongside flexible and innovative teaching and learning spaces and houses a community of 8,000 students, researchers, academics and services staff. It is a seven-year project and is one of the largest construction projects undertaken by any higher education institution in the UK at present.

Actuators can communicate to BMS with MotorLink®

WindowMaster MotorLink® technology was specified for the actuators and panels for the natural ventilation solution through Arup, who were the mechanical consultants for the project.

MotorLink® is a communication technology which ensures seamless integration between the BMS and window automation system. It also provides the benefit of reduced cabling, precise position control and visualization of openings, as well as a quiet operation.

To control the window automation and connect the actuators to the BMS, WindowMaster delivered 128

MotorController panels across four buildings with 2,000 actuators all together. The four buildings in the project include MEC Hall, Upper Brooke Street, York Street, and Oddfellows Hall.

A productive and low carbon learning environment

Natural ventilation is established in halls and classrooms to provide an optimized and comfortable indoor climate while lowering the building's overall energy consumption.

The automatically controlled windows are placed at a higher level in the façade with 400 ventilation zones in total. In each ventilation zone, temperature and CO₂ levels are measured. The BMS-system then controls the opening or closing of the windows based on this data and outdoor conditions to ensure a comfortable and healthy indoor climate.

The solution also includes manual override switches throughout the building, making it easy for occupants to open or close the windows on demand. After 30 minutes, the system changes back to automatic control.





Photo: Dansk Industri

Membership of associations

Partnering and participating in different organizations, projects, and alliances is an important part of developing the business of WindowMaster and its role as a responsible global citizen. WindowMaster is part of several councils, associations, and networks to promote and influence the development of sustainable building practices – both on a national and EU level.

Among others we are participating in the following councils, associations, and networks:



vvs- og eltekniske leverandørers brancheforening

Green Building Council Denmark

U.S. Green Building Council

State of Green – Denmark

SYNERGI (a member of the board)

Confederation of Danish Industry

- Federation of Danish Building Industries
- DI Chemical network
- DI Circular Economy network
- DI Eco-design network (founding member)
- DI Digital (follow activities)
- Orgalim (access through DI)
- Construction Products Europe CPE (access through DI)

Other organizations

- Science-based Target initiative
 - VELTEK
 - CIBSE Natural Ventilation Group
 - FORCE Technology EMC Club
 - Smoke Control Association UK
 - Verein für Fensterautomation und Entrauchung (Germany)
 - Minergie Switzerland
 - Proptech
 - LCAByg Advisory group (SBI with BPST)
 - BACnet
 - KNX
-

Our newest membership: Proptech

The association is a non-profit interest organization whose purpose is to promote innovation and technology within real estate, the construction industry, and the built environment as a whole in Denmark to further innovation and growth – therefore, the name "Proptech".

"We are pleased to become part of the Proptech community and see this membership being a valuable fit to the activities of WindowMaster. We are very active in the digitalization transformation of the building industry and see this as an enabler to deliver sustainable solutions to the market. This agenda requires the strong cooperation of actors throughout the value chains. We hope to bring forward valuable insight, know-how and to learn from a skilled and innovative network."

Nicolaj Shabtai Rasmussen,
CPO at WindowMaster International A/S



ESG key figure overview

Our ESG key figures are based on the ESG methodology prepared in collaboration between Finansforeningen / CFA Society Denmark, FSR – Danish auditors and Nasdaq Copenhagen. More information can be found on Nasdaq’s ESG Data Portal. We strive to continuously improve the quality, standardization, and comparability

of our data. We came a long way with getting our 2019-baseline third-party verified. Our strategic initiatives will increase the level of data availability, which will be added to our GHG Inventory when available.

Scope, data, and accounting principles for GHG emissions

WindowMaster compiles data on GHG emissions from our subsidiaries and performs calculations on a corporate level. Thus, the organizational boundary applied to consolidate our emissions was the financial control approach. No sales subsidiaries have been excluded from the inventory boundary over the reporting period. A significant amount of the emission is calculated based on actual consumption data. Emission factors are gathered from multiple sources e.g., supplier invoices, International Energy Agency, DEFRA, and the Danish Business Authority’s CO₂ calculation tool. We strive to use the most recently published emission factors.

Scope 1 GHG emission

Activity data and emissions include on-site stationary combustion of fossil fuel burning equipment (e.g., heating boilers) and company-owned vehicles.

Scope 2 GHG emission (location-based)

Activity data and emission include the consumption of electricity, cooling, and district heating. The accounting followed the location-based emission hierarchy in Scope 2 Guidance from the GHG Protocol.

Scope 2 GHG emission (market-based)

Activity data and emission include the consumption of electricity, cooling, and district heating. The accounting followed the market-based emission hierarchy in Scope 2 Guidance from the GHG Protocol.

Scope 3 GHG emission

Activity data and emissions include emissions from business travel followed the distance-based method described in the GHG Protocol and outsourced distribution.

Figure 12: Scope Overview

● Scope categories included in our carbon accounting

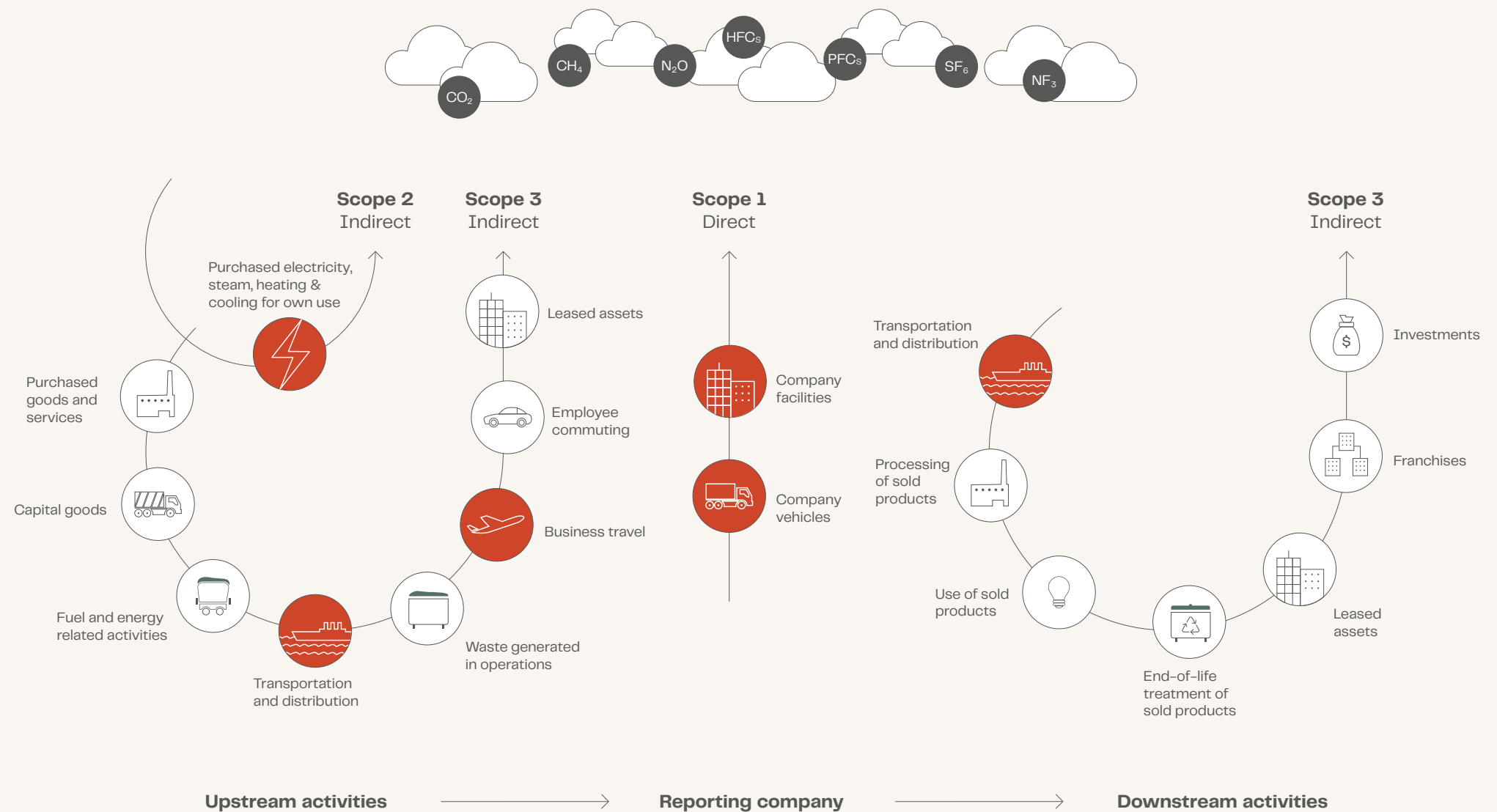
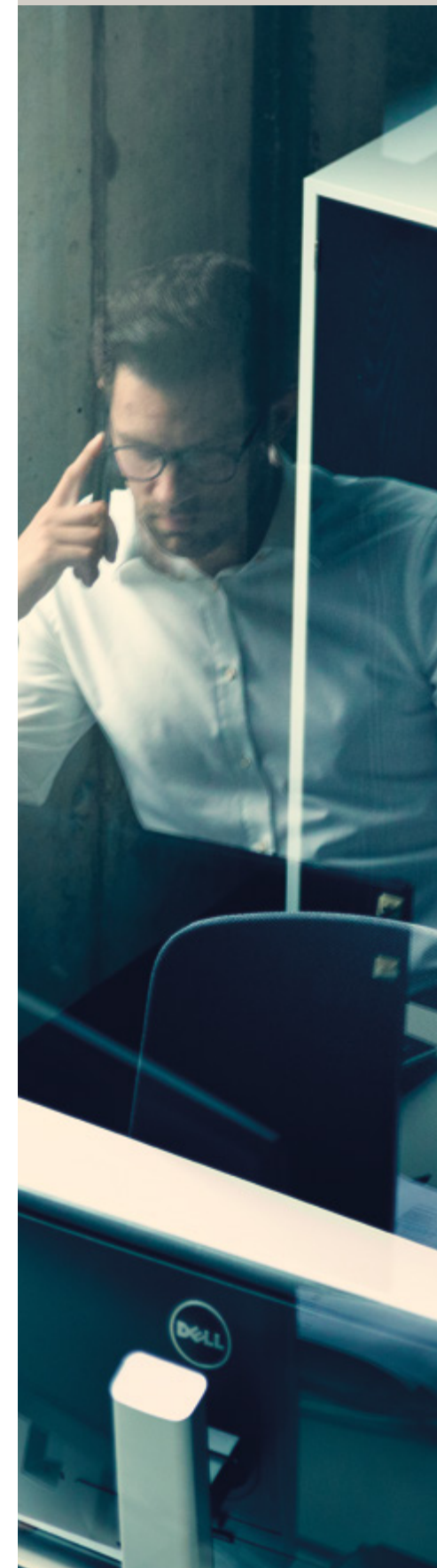


Table 5: ESG key figure overview

	Unit	2019	2020	2021	Target in 2025
Environmental data					
CO₂e, Scope 1	Metric tonnes	260.7	269.44	271.59	90.6
CO₂e, Scope 2 (location-based)	Metric tonnes	70.3	63.47	63.02	0
CO₂e, Scope 2 (market-based)	Metric tonnes	29.7	13.24	13.89	0
Energy Consumption	GJ	2718.18	2934.24	3176.12	
Renewable Energy Share	%	33	30	27	
Social data					
Full-Time Workforce	FTE	119.12	119.2	127.08	
Gender Diversity	%	27.6	26.5	26	
Gender Diversity, management	%	0	0	0	
Employee Turnover Ratio	%	6.2	7.3	6.9	
Sickness Absence	Days per FTE	3.17	2.16	2.2	
Customer Retention Ratio	%	49	59	62	
Governance data					
Gender Diversity, Board	%	0	20	20	
Board Meeting Attendance Rate	%	100	100	100	

* Our 2019 baseline has been subject to third-party assurance by Deloitte. The GHG inventory covers the reporting period 1. January 2019 to 31. December 2019.

** The GHG Inventory 2021 has a number of emission factors from 2020 as these are the most recent



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

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

windowmaster.com