

Corporate Social Responsibility Report

2019



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About the report

Kamstrup's corporate social responsibility (CSR) report for 2019 displays the management's account of the company's actions and goals within sustainability. The report is written in accordance with the *Danish Financial Statements Act, section 99a* and covers both Kamstrup's headquarters in Denmark, subsidiaries, representative offices and branches. An independent auditor has confirmed the reports compliance with *The Danish Financial Statements Act*.

In connection to the *UN Global Compact*, we want to be transparent in our communication about our corporate social responsibility.

Thus, the purpose of Kamstrup's CSR Report 2019 is to provide stakeholders with a clear impression of our processes concerning:

- Suppliers
- Climate and environmental impacts
- Work environment
- Human rights
- Anti-corruption.

Additionally, we assess the initiatives we take to counteract these impacts.

CEO statement



Corporate Social Responsibility (CSR) is embedded in Kamstrup's DNA. We exist to provide better ways to manage water and energy distribution all around the globe. As an organisation, we share the serious concerns regarding the way the earth's scarce resources are managed and strive to make a meaningful contribution to the promotion of greater environmental responsibility.

At Kamstrup, our intelligent metering solutions are helping organisations to run smarter, more efficient businesses. At the same time, we are helping them to make a significant impact on the conservation of natural resources by reducing water and energy loss and usage. Data has the potential to revolutionise distribution and supply networks and make a quantifiable contribution to some of the United Nation's Sustainable Development Goals (SDGs), especially goal no. 6, 7 and 12.

In some parts of the world, waste of water is a huge challenge with a water waste level up to 50 % - water that no one gets the benefits of. With technology like smart metering, we are able to reduce that number drastically, sometimes even to a level of 10 %. And when you are able to do this, you simultaneously reduce the energy consumption and thereby the level of CO₂ emission.

Our focus is to develop technology that makes an impact and provide sustainable solutions for societies all over the world. At the same time we work on minimising the use of resources for producing our products and solutions.

Our commitment

We are committed to complying with the principles of the UN Global Compact and we continuously follow up on our policies and processes to comply with these principles. We are dedicated to act responsibly in all we do and we hold ourselves and all of our stakeholders to high standards. We advocate ethical behaviour and take a zero-tolerance approach to any kind of corruption and actions that violate human rights.

Our ambition is to revolutionise the supply of clean energy and water through intelligence. I am proud to be part of a united team of highly skilled inventors and achievers, who put both hearts and heads into delivering technology and solutions that help our customers and partners succeed in a future still in the making. We always do our utmost to ensure that our team members have everything at their disposal to be healthy, happy and productive.

Our CSR 2019 report highlights our contribution within areas such as supply management, anti-corruption and bribery, climate and environment and working conditions. I hope you will enjoy reading about our sustainable responsibilities and engagements.


Kim Lehmann, CEO



Highlights

Purpose

We ensure clean water and energy to a maximum number of people

Ambition

We revolutionise the supply of clean water and energy through intelligence



Who we are...

Our smart metering solutions enable utilities and societies all over the globe to reduce water loss and increase energy efficiency. By using data from our intelligent solutions – including consumption meters, and reduction of operation cost, infrastructure, remote reading systems, analytical tools and services, our customers get insight to target their efforts, detect leakages and locate loss of heat and water. Besides optimisation of the distribution network, smart metering solutions also enable consumers to be more aware about their consumption.

With more than 70 years in the industry, our experience is extensive. However, we want to be leading in technology and therefore we continuously invest in research and development while keeping in mind that our customer's needs and challenges remain the starting point for all our product development. With fully automated production facilities in both Denmark and the US, we continue to ensure a high quality level in our deliveries to our customers.

€ 28 mill.

profit before tax

€ 320 mill.

turnover

SUSTAINABLE DEVELOPMENT GOALS



- Employees: **1,500**
- Production sites: **4**
- Sales offices, countries: **20+**
- Distributors, countries: **60+**

2019

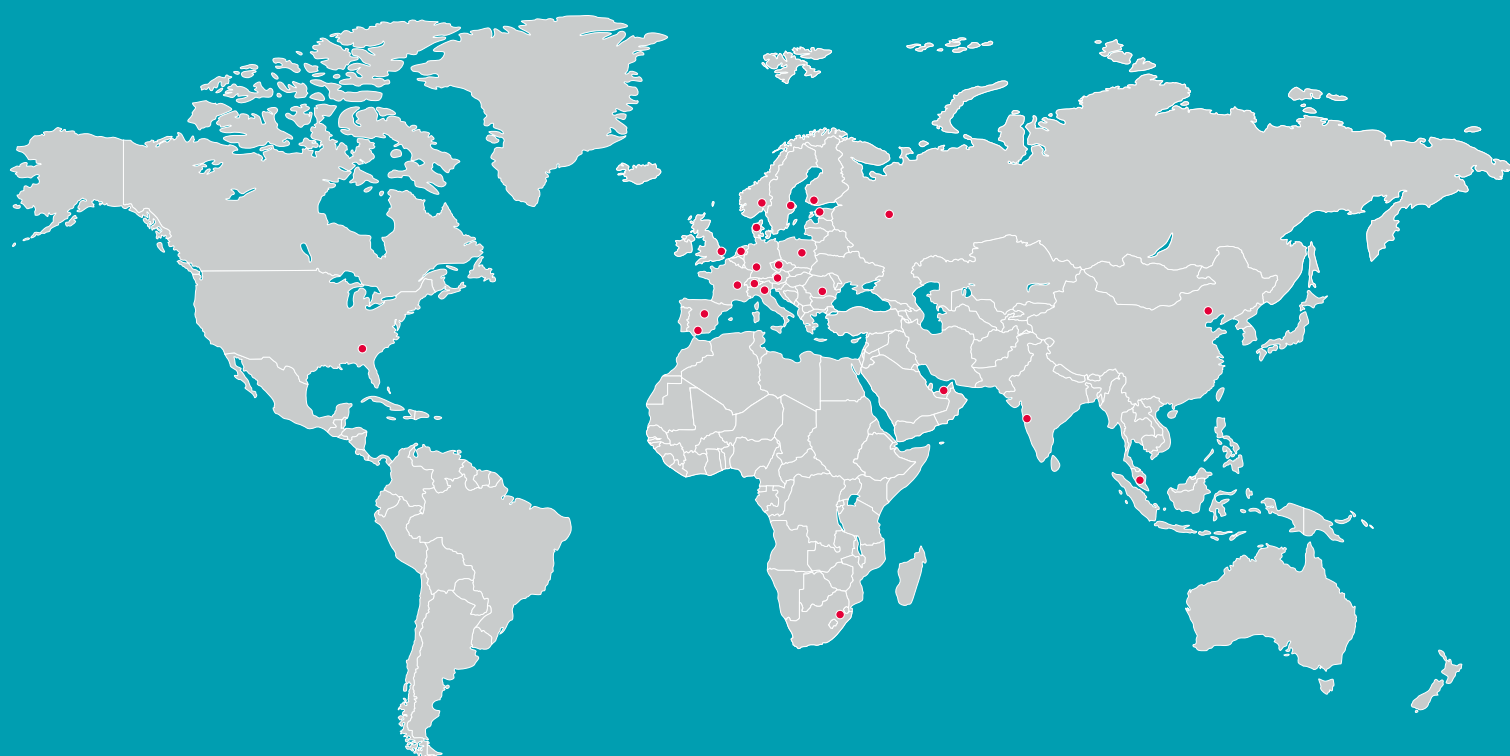


- Winner of "3F's Best workplace 2019" in Denmark
- Best internship company in Eastern Jutland, Denmark
- 60+ students joined our intern programme
- No cases of corruption
- Development of new technology for leak detection to save water and reduce energy consumption and operation costs.
- 1 out of 4 is employed in R&D in both technology and production
- Visualisation of own consumption

13,5 %

of turnover used for innovation

About Kamstrup



● *Kamstrup offices*

Striving for sustainable development

Generating impact on the global agenda through SDG

Besides the UN Global Compact, we strongly advocate the UN Sustainable Development Goals (SDG), which we perceive as a central global foundation to establish high standards towards a more sustainable world. We are committed to continuing the development of sustainable solutions and technology that help our customers reduce water loss and increase energy efficiency.

At the same time we take responsibility for minimising the use of resources for producing our solutions and for reducing waste in general. We have integrated the SDGs in our long-term strategy to ensure that they become a central part of our business. This means we have chosen to focus our contribution to goal no. 6, 7 and 12, because this is where we can create the biggest impact on the global agenda.



Clean water and sanitation

One step in the process towards a sustainable and stable water supply for all is increased transparency in the distribution network. Too much of our clean and safe drinking water disappears on the route to the consumers and too much is consumed without being metered, which makes it difficult to know when and where to take action.

Our smart metering solutions help light up the distribution network and create a continuous overview of how much water is being consumed and how much is lost through leaks and bursts. This enables water utilities to reduce Non-Revenue Water, bring down waste, limit the risk for ingress of contaminants and preserve our resources.



Affordable and clean energy

Improving energy efficiency and facilitating the transition to renewable energy sources requires a level of transparency in the energy system that can only be derived from frequent and accurate measurements.

Data and smart metering solutions enable utilities to continuously monitor, evaluate and improve the efficiency of the distribution network, the energy performance of buildings and the involvement of end users. This makes smart metering an important factor in creating an integrated energy system and utilising the opportunities that come with it. Among other things, frequent and accurate data can be used to differentiate prices to balance supply and demand according to the impact the consumption will have on the available resources. In partnership with our customers we are able to make a difference within sustainable energy and reduction of CO₂ emissions.

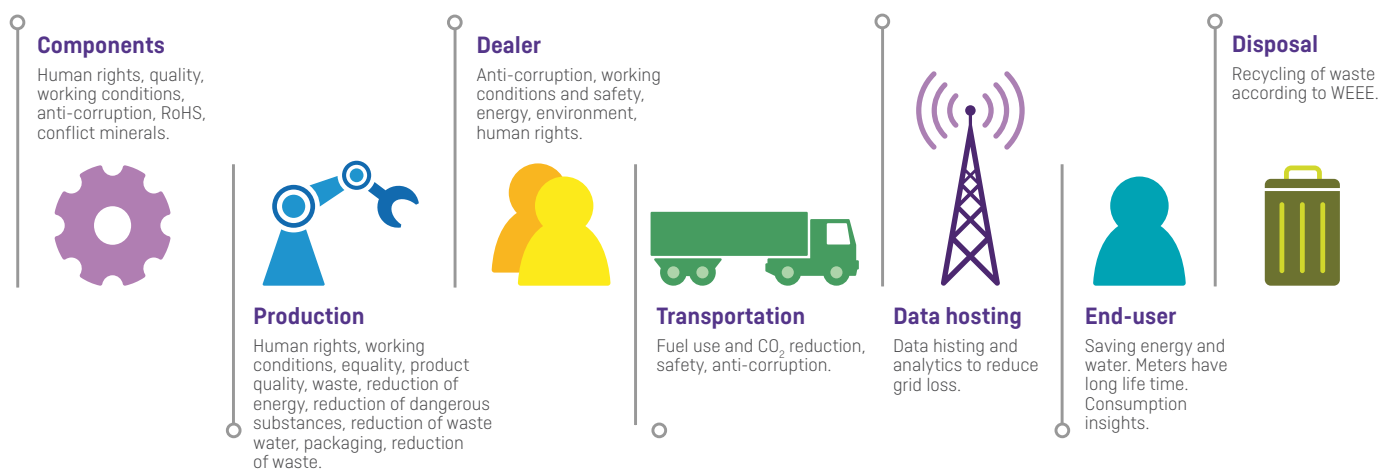


Responsible consumption and production

Our goal is to impact the surrounding environment as little as possible. We focus on optimising the energy and water consumption in our own production facilities, and we continuously identify where we can reduce waste across the company. One focus area for 2020 will be a 10 % reduction of energy consumption at our headquarters in Denmark.

Secondly, our solutions help promote responsible consumption by providing the knowledge and data needed to give consumers access to accurate information about their own use. This gives them the necessary insight to adjust their consumption pattern if needed.

Responsible solutions



Kamstrup's responsible solutions



In each of the steps in Kamstrup's model for responsible solutions, we focus on ensuring sustainability and strive to reduce the impacts caused by our production, transport, use and end-of-life treatment of our products and solutions.

Policies

CSR Policy

Based on the 10 principles of the UN Global Compact, Kamstrup has formulated a CSR policy. Every new employee is enrolled in a mandatory course and presented to the policy to ensure awareness and compliance.

In accordance with the UN Global Compact, we support and respect the protection of human rights and do our utmost to prevent being involved in human rights exploitations.

We consider all forms of forced labour including child labour as completely unacceptable and take action if we come across violation of human rights. Additionally, we acknowledge and support the freedom of association and the right to create collectives.

In respect of current and future employees, we do not discriminate in terms of age, sex, race, sexual orientation, national origin, physical or mental ability, marital status, financial or social status. Furthermore, we take pride in a precautionary approach to environmental challenges and undertake initiatives that promote greater environmental responsibility. We also encourage the development and diffusion of environmentally friendly technologies for our products. Finally, we oppose all forms of corruption, including extortion and bribery.

We are updating our level of responsibility with a Code of Conduct to be introduced in 2020.

All the above mentioned principles comprise the foundation for Kamstrup's corporate social responsibility. Our CSR policy is implemented in the organisation i.e. from our handling of suppliers to sales, production and disposal of products.

Environmental, energy and occupational health and safety policy

Apart from our CSR policy, we have formulated a policy covering environmental, energy, health and safety issues. The policy highlights that our impact on the surrounding environment must be considered when establishing new business objectives. Additionally, we focus on being a company with a high level of health, safety and well-being among employees.

Anti-corruption and bribery

Kamstrup conducts business in a fair and legal way, and we have a zero-tolerance approach towards any form of bribery and corruption. Hence, we will not pay or receive any direct or indirect **bribes**, just as we will not accept that third parties such as agents or representatives pay a bribe on behalf of Kamstrup or in the interest of Kamstrup.

We will not make **facilitation payments** intended to secure or speed up routine government actions, which you are already entitled to without the need for such payment; or to obtain unlawful preferential treatment.

Kamstrup will also not grant any **benefit or gift** which might unduly influence the decisions taken in Kamstrup or among Kamstrup's business relations.

We understand that there are situations in a grey zone area. If in doubt we urge employees to contact their manager or to reach out to our Commercial & Legal Services. We have a responsibility to ensure that all our business partners live up to our commitment to conduct business ethically.

CSR associated risks

We do acknowledge the possibility of corruption and bribery taking place, in particular when doing business related to suppliers and in sales negotiations. Also, there is a risk of employees being offered large gifts to promote business.

To mitigate these risks, we emphasise our way of conducting business to employees through a mandatory course. Additionally, we are very explicit in our way of doing business and therefore the likelihood of being involved in corruption and bribery is assessed as small.

Data security

Kamstrup protects data privacy by handling customer and employee data in a secure way. We comply with legal requirements and set a high standard when handling data and developing new products. In that regard, it is our responsibility to develop secure solutions that ensure our customers compliance with legislation and the General Data Protection Regulation.

The ISO 27001 certificate demonstrates our continuous effort and dedication to ensure confidentiality and information integrity throughout the lifecycle of valuable

information. Furthermore, we continuously update our information security to be able to handle challenges in an everchanging world.

Due diligence

Our main due diligence processes include general information to all employees about our way of conducting business without corruption and bribery. Employees working in Sales and Sourcing are informed on how to handle these situations during their introduction to Kamstrup.

In addition, Kamstrup also has a whistle blower scheme that employees can use to notify cases of misconduct. Criminal actions are an example that should be reported to either the manager, the Executive Board or the Chairman. The scheme is a reflection of the open culture we have and the way we typically handle issues at Kamstrup.

What did we do in 2019?

- We informed all employees not to accept large Christmas gifts.
- We have not have any cases of corruption or bribery in our business in 2019.

2020 and in the years ahead

- Implementing a whistle blower scheme to be handled by an external company with guaranteed anonymity.
- Setting up an e-learning session on anti-bribery and corruption for all Kamstrup employees to ensure appropriate awareness.
- Continuing our work with resisting corruption and bribery and taking the necessary action and adjustments to detect criminal aspects.

At Kamstrup, we did not have any corruption in our business in 2019.



Fighting water scarcity in South Africa



Facts

- 30,000 water meters
- 1.8 million litres of water savings in 4 months

Saldanha Bay is a municipality in a water scarce area in South Africa. During 2017 they faced one of the worst droughts on record. The municipality needed to save water and manage water differently to ensure sustainability of their supply. Along with a programme of pressure management they also decided to install a smart water metering solution. One of the focus areas was better water conservation and in a period of just 4 months during 2019, Saldanha Bay was able to save 1.8 million litres of water.

“The smart metering solution makes it possible to get real-time data of the consumption and water balances, which gives us valuable information about our distribution network. We have already seen massive improvements since we implemented the solution”

Galvin Williams, Saldanha Bay Municipality.



Water conservation at Indian schools



Facts

- 22 schools
- 6600 students

Water conservation at Indian schools

In the Indian city of Shirpur-Warwade, we launched a Water Awareness Programme for Young Citizens (WAPYC) in 2019 in close cooperation with the local utility to raise awareness of water conservation at schools in Shirpur-Warwade.

The programme made a difference in the way the citizens of Shirpur-Warwade consumed water and the young children became change agents for this progress. Little effort resulted in much greater awareness of water consumption.

Setting clear directions

Working with different suppliers all around the world raises various challenges regarding compliance with relevant regulations. We will not compromise on our policies, but instead set clear directions for the way we conduct business. Therefore, we have drawn up standards for our suppliers to mandatory comply with.

Modern Slavery Act

In accordance with the UK Modern Slavery Act, we impose strict standards and demands against compulsory labour and human trafficking.

On our website, you will find our Slavery and Human Trafficking Statement, where you can read more about how we take action against modern slavery.

Supplier responsibilities and due diligence

Kamstrup prioritises its CSR efforts and has systematised these efforts within CSR and supplier management focusing on the purchase of materials, semi-finished products, subcontracted activities and deliverables included in Kamstrup's product range.

Supplier information statement

We continuously work on reducing our impact on the environment caused by our products and services. In order to do so, we look at the entire supply chain including our

suppliers and our partners. We demand that they fully comply with our requirements and standards.

Additionally, suppliers must sign a statement covering the themes: Environment, anti-corruption, human rights, labour issues, RoHs and conflict minerals. They also have to confirm that they comply with our Code of Conduct and that they deliver products in compliance with current legislation. Finally, we oblige our suppliers to comply with health and safety requirements in accordance with the UN Global Compact principles 1-6 about human rights and working conditions.

We work in 2 levels...

Level 1

Supplier information statement

- Is not complicit in human rights abuses
- Does not use any form of forced or compulsory labour
- Does not use child labour
- Does not discriminate in respect of employment and occupation
- Works against corruption in all its forms, including extortion and bribery
- Have a written policy describing quality, environment, health & safety and information security aspects
- Complies with all relevant environmental and occupational local health and safety laws
- Urges sub suppliers to comply with the above mentioned principles
- Only delivers products in compliance with the RoHS II and III directive. Furthermore is aware of the legal requirement that possibly prohibited materials and materials subject to declaration must without prior request be communicated to Kamstrup
- Only delivers products in compliance with REACH regulation, including meeting requirements for Substances of Very High Concern (SVHC). See www.echa.europa.eu for info on REACH.

- Only delivers products not containing:

1. Substances listed in the REACH Candidate List of Substances of Very High Concern for Authorisation – ECHA, as published at the echa.europa.eu website
2. "Conflict minerals" as defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act [2010]

All requirements and demands for supplier compliance are revised at least once a year.

Level 2

CSR risk-based approach

Working with suppliers, Kamstrup mainly faces risks related to human rights, labour, corruption, environmental aspects and compliance obligations. The likelihood of a risk vary from country to country and to mitigate risk, we have implemented the supplier programme described above.

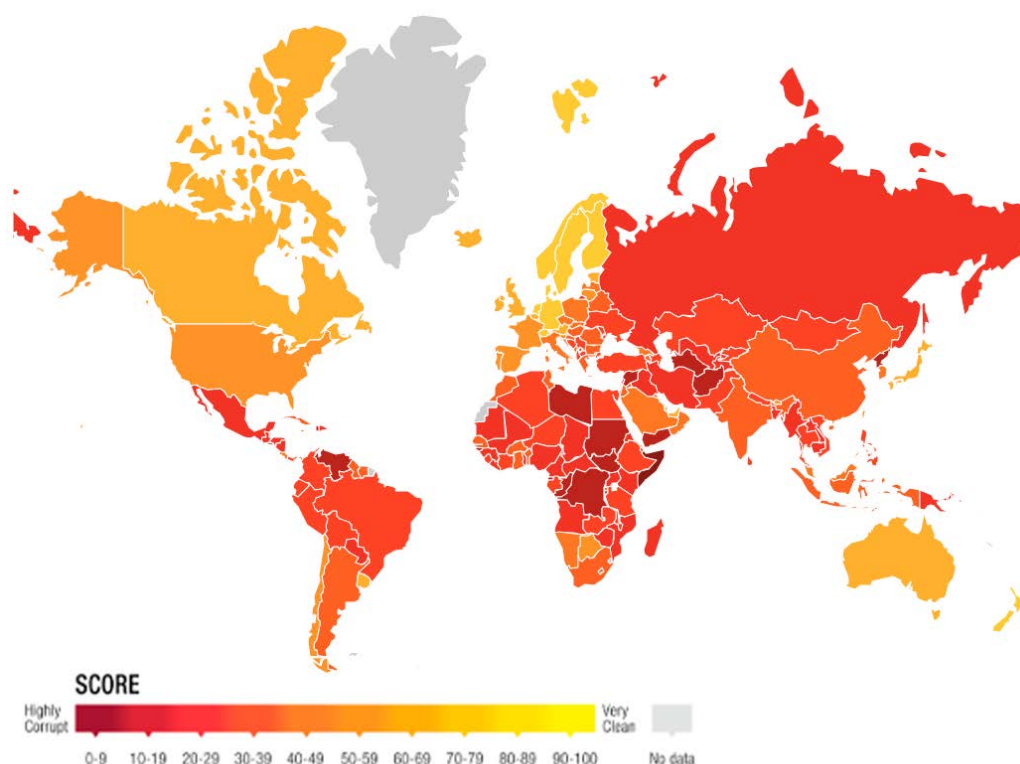
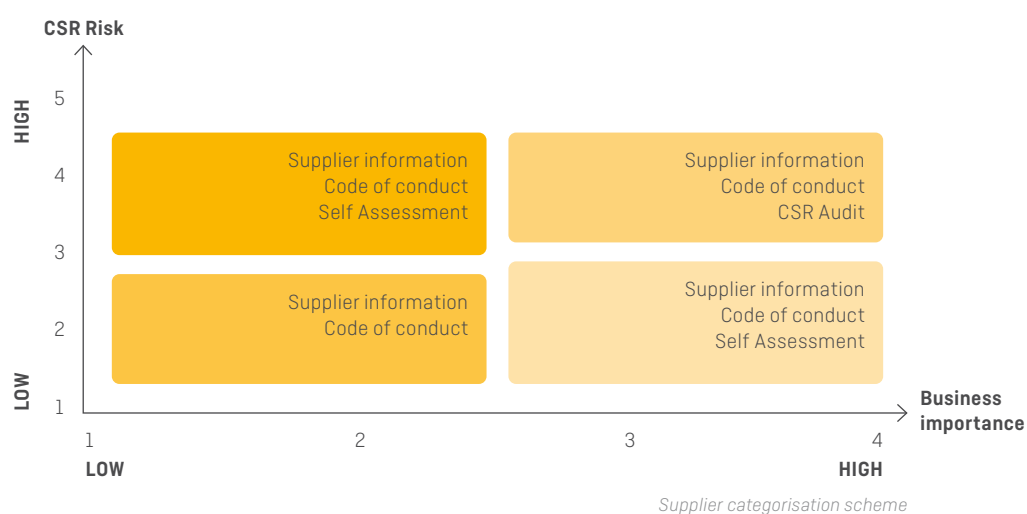
Moreover, we take a risk-based approach to our supply management. Hence, our suppliers are categorised according to their business importance and to CSR risk they represent. CSR risk refers to the Country risk based on an actual corruption perception index. See figure.

CSR Supplier risk assessment

The suppliers with low CSR risk (level 1-2) as well as with low business importance (level 1-2) can be approved by signing the CSR Supplier Information document and by confirming compliance with our Code of Conduct described in our CSR Policy.

In addition to the CSR documentation described above, suppliers within the orange coloured areas must fill out a Kamstrup self-assessment report containing various questions within human rights, environment, health and safety.

If the self-assessment report is satisfactory, the supplier will be approved. However, if the self-assessment report is unsatisfactory, a CSR audit will be carried out. Also, if both the CSR risk and the business importance scores are high, a CSR audit will also be conducted.



Corruption perceptions index 2019. Source: www.transparency.org

CSR audits

All results from CSR audits are handled and evaluated the same way as quality audits and Segregation of Duties (SoD), ensuring that no purchaser is able to implement a new supplier single-handedly.

To obtain a professional and objective evaluation according to local law and practice, we have formed a partnership with an external company to perform audits of suppliers. The purchase department at our headquarters coordinates all audits performed by the external auditing company.

In addition, a Kamstrup employee will act as an observing party and coordinator between participating parties before, during and after the audit. If an audit results in a workplace assessment, the supplier has to formulate an action plan and perform on-going evaluation of the action plan for findings. This will ensure that all Kamstrup's partners provide a safe working environment for all employees.

What did we do in 2019?

- Implemented our updated CSR procedure
- Established KPI for returning updated and signed supplier information
- Included CSR as a topic in our audits for both new and existing suppliers
- Established further resources in Asia to strengthen the level of follow up on CSR findings from suppliers
- Updated reporting documents on conflict minerals including all the tin smelters

What do we expect in 2020?

- Improve KPI result from 2019
- Follow up on CSR audit findings
- Continue to ensure that materials comply with ROHS
- Apply a more systematic control of drinking water approvals
- Update reporting on conflict minerals, and include gold on the smelter list

To obtain a professional and objective evaluation according to local law and practice, we have formed a partnership with an local consultant to perform audits of suppliers. We use these in our supplier follow-ups.



Climate and environment



Striving for a sound climate and environment

In accordance with our policy regarding energy and environment, we aim to find ways of minimising our negative impact on the climate and environment. One of our primary contributions to reducing climate impact is through continuous optimisation of energy usage and product materials (SDG 12). Hence, we take a proactive approach to reduce our impact.

Likewise, through our business and products we collaborate with and help water and energy distributors to secure a green integrated energy supply and with energy users to secure reduction in usage (SDG 6 and 7).

Type of impact	Stilling, DK (incl. production)	Atlanta, US (incl. production)	PL and FR (incl. product services)	Sales offices
Electricity	High	High	Low	Low
Heating	Medium	Low	Low	Low
Water	High	High	Low	Low
Waste water	High	Low	Low	Low
Waste	High	Medium	Medium	Low
Materials	High	Low	Low	Low
Emissions to air	Low	Low	None	None
Visual, noise and vibration	Low	Low	None	None
Fuel	Medium	High	Medium	Medium

Environmental impact from Kamstrup's locations

High impact: Impact originating primary from production units and improvement activities are ongoing.

Medium impact: Significant impact in a level we take action to reduce. **Low impact:** No significant impact in a level we do not handle.

CSR associated risk

Our main CSR risks include:

1. Excess use of utilities (water, electricity, heating)
2. Negative impact on waste water from process and chemical spills
3. Wrong waste handling
4. Excess use of materials for products and buildings
5. Negative impact from process emissions
6. Negative impact from external noise, vibrations and visual
7. Excess impact from transport

The risks are shown in the table below with their respective consequence and likelihood. The green area indicates risks with no action points, risk in yellow areas require action whereas risks in red area must be handled immediately.

The risks in the yellow area are all being mitigated through the Energy Group who works on implementing actions to reduce excess use of utilities. The materials for our products are constantly selected according to the functionality and the material consumption. Handling of chemicals take place according to procedures, but in 2019 we experienced one spill. Climate impact from excess transport is primary mitigated through promotion of carpooling and use of video meetings to minimise travelling.

	Likelihood					
		> 10 yrs	<10 yrs	Yearly	Monthly	Daily
Consequence	1 None	6	4			
	2 Little	5	3	2,7		1
	3 Medium					
	4 Major					
	5 Severe					

Risk matrix showing Kamstrup's CSR associated risk. Numbers refers to list above.

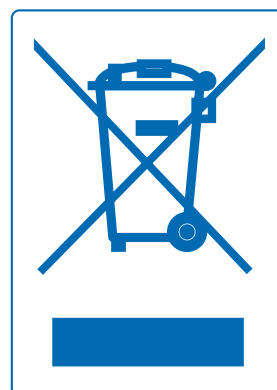
Kamstrup impacts and processes

Materials and technology

During our development and production of products, we balance the selection of materials with the required functionality of our products.

We focus on:

- Using a small number of different materials and components and if possible use recyclable materials.
- Having available information about the type of material at disposal and according to legislation by printing the information on plastic material.
- Developing new generations of meters with reduced electricity/battery usage.
- Where possible, designing meters for recycling so that components are easy to take apart.
- Packaging material having a printed code referring to the type of material to ensure correct disposal after installation.
- Designing products with a lifetime up to 20 years without power supply and else even longer lifetime. In addition, some heat meters have a self-monitoring function so the meter can be used for the whole time it measures legally correct and not scrapped prematurely.
- Using the crossed-out bin symbol on our products to ensure reuse of materials according to legislation. Additionally, we offer to take back used meters.



Processes

We monitor and evaluate environmental performance enabling us to take action if irregularities occur. As an example, in 2019 Kamstrup's emergency plans were used for alerting authorities due to a chemical spill, a false fire alarm and evacuation drills. It had no impact on Kamstrup's facility and emergency plans were followed. Minor changes to evacuation plan were made subsequently.

In every aspect we aim to minimise our environmental impact, and we continue to optimise our processes according to SDG 12.

Furthermore, our water meters are designed in compliance with strict regulation related to drinking water. Instructions on disposal of worn out products can be found in either the technical description or in the data sheet for the product.

Certification and due diligence

Since 1997, Kamstrup's headquarters has been ISO 14001 certified. Today our offices in Norway and Sweden are also certified due to customer requirements. Kamstrup's requirements to non-certified locations are similar to those being certified. At our headquarters we also make annual energy mappings and reviews complying with part of ISO 50001.

Being ISO 14001 certified, we work according to the model Plan-Do-Check-Act. We make goals and action plans, implement, check and follow up. Our main due diligence processes include goal setting, action plans, audits and an annual management review. In particular, we work with due diligence processes related to compliance with legislation, reduction of energy and water usage, registration of

accidents, handling of waste and measurement of metals in waste water.

Compliance obligations

We follow relevant legislation and contract agreements with stakeholders and we constantly work towards compliance. Our headquarters in Denmark is regulated by two waste water permits and works in close collaboration with Skanderborg municipality to ensure low impact on the local surroundings from our production.

Likewise, our subsidiaries review local compliance obligations yearly.

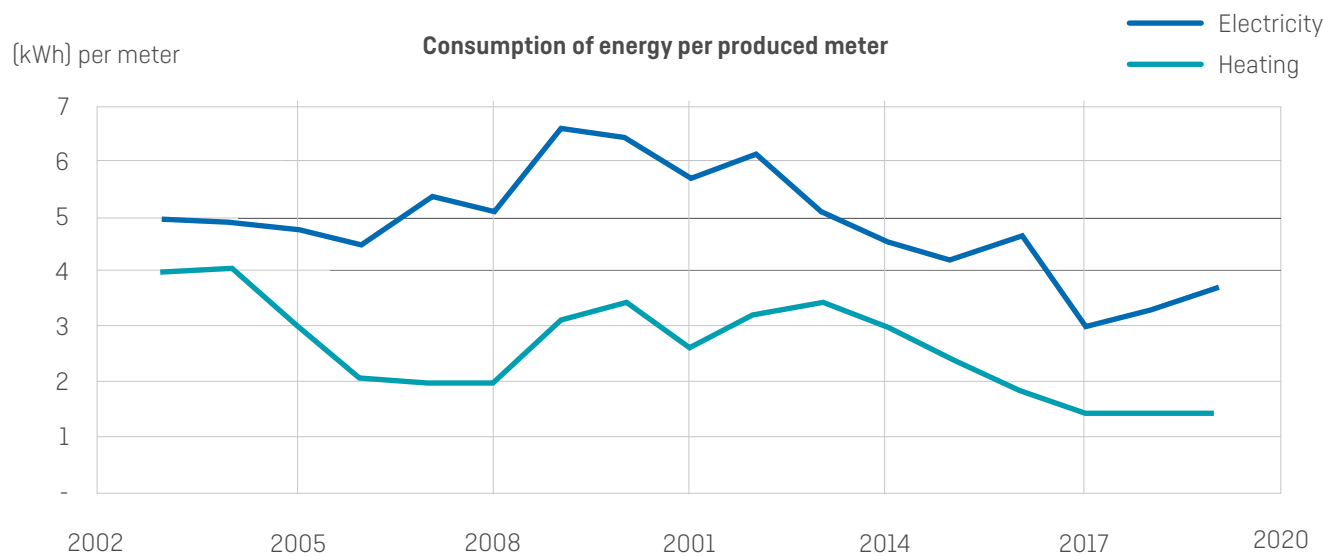
Energy

The Energy Group, founded in 2017, is still active and working on proactive ways to coordinate and initiate activities reducing use of energy and water waste at our headquarters .

We use electricity for both production, administration and in the canteens. In 2019, our total electricity usage per product for the headquarters had increased slightly compared to the usage in 2018. This was primarily due to construction, use of our new administration facility and additional personnel.

Our production in the USA used less energy totally in terms of gas and electricity per manufactured meter. This can be explained by a smaller facility associated with only assembling production.

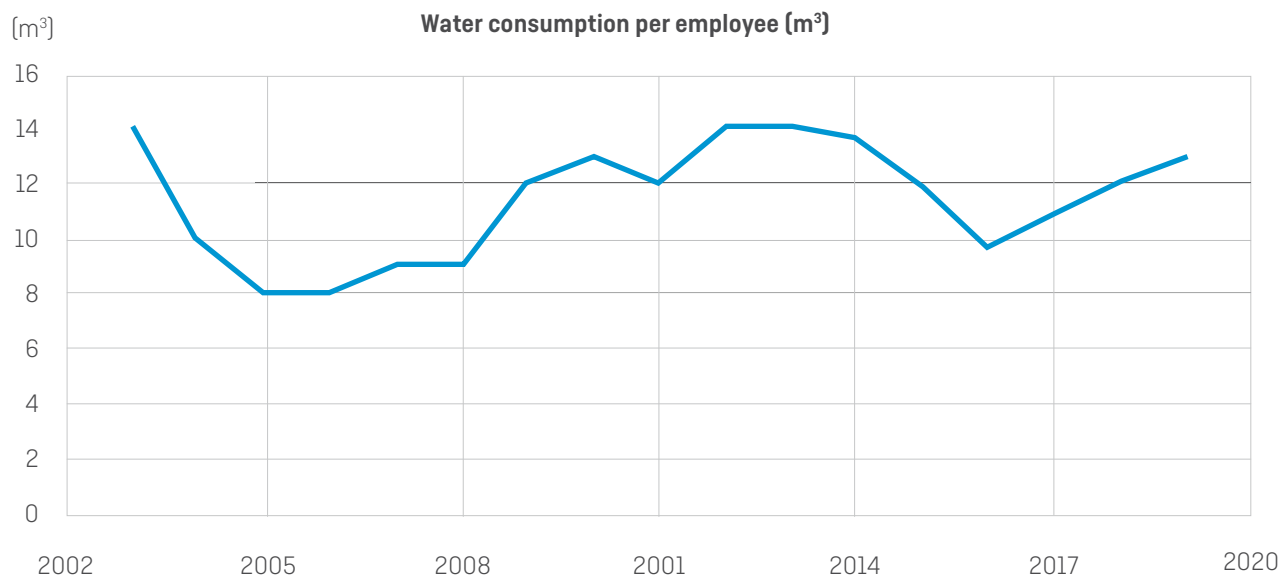
Our total heat consumption per product for 2019 was similar to that in 2018. In 2019, our heat was primarily used for heating, cooling and ventilation. This is illustrated below:



Water

Kamstrup's main water consumption at the headquarters comes from testing our products, humidification in the production and for sanitary use.

In 2019, the consumption of water had increased due to new test facilities and a higher production efficiency according to number of employees. This is illustrated below:



Waste water

Our waste water mainly originates from test benches used in our production of meters and from sanitary usage. Our waste water contains small amounts of remains from our meters tested with water.

We analyse our waste water yearly to monitor and act on the results. In 2019 we complied fully with our waste water permits.

Waste

We optimise our waste disposal by sorting waste in more than 70 categories. We co-operate closely with a waste handler to find new ways to sort and recycle our waste.

In 2019, a large fraction of our waste originated from one customer with whom we agreed to take back used meters. This increased our total amount of waste and resulted in more waste for deposit. Our site in the USA produced waste related to transportation only.

See table below.

Waste from production facilities at Kamstrup headquarters and life expired returned meters

Waste	2011	2012	2013	2014	2015	2016	2017	2018	2019
Recycling (%)	49	52	61	50	74	69	72	64	60
Incineration (%)	50	47	38	49	25	31	27	32	37
Deposit (%)	1	1	1	1	1	0	0	4	3
Total ton	256	289	336	296	541	568	532	649	582*

* In addition, in 2019 we handled 480 tons of returned meters from one big customer.

Greenhouse gas emissions

Greenhouse gas emissions

Greenhouse gas emissions from our facilities in Denmark and the USA are calculated by converting greenhouse gasses to metric tons expressed in CO₂-equivalents as CO₂e. Kamstrup makes standard climate calculations based on the Greenhouse Gas Protocol that includes scope 1 and scope 2. Scope 1 comprises direct emissions derived from the consumption of fuel from company cars and trucks and gas used for heating at our office in the USA. Scope 2 includes indirect emissions from purchased electricity and heating.

Scope 1	Total CO ₂ e 2019
Gas, heating, US	38
Gas, truck	1
Petrol and diesel	225
Total scope 1	264
Scope 2	
Electricity	1248
District heating, DK	293
Total scope 2	1541
Total CO₂ from Kamstrup's production units in DK and US ton CO₂	1805

Greenhouse gas emissions from our production facilities in Denmark and the USA. Source: www.klimakompasset.dk.

The table above illustrates the numbers of individual sources of energy contributing to the global carbon footprint. Electricity and district heating from scope 2 account for more than 70% of Kamstrup's total emissions. The CO₂ footprint has increased slightly compared to last year primarily due to expansion of sales activities in USA resulting in increased fuel usage.

Greenhouse gasses related to scope 3 deriving from waste, materials, employee transportation, shipping and actual use of product during lifetime are not included above. We calculate greenhouse gas emissions based on the product itself. This we state as carbon footprint of the product.

Greenhouse gas emissions from locations without production are not included due to a small impact totally, primarily from heat and electricity usage in smaller office units.

Greenhouse gas emissions from our products

We calculate the carbon footprint of Kamstrup's products by using the internationally recognised programme SimaPro.

	Electricity meters	Heat and cooling meters	Water meters
Carbon footprint Ton CO₂eq per product depending on product size	0,04- 0,14	0,025- 0,08	0,02- 0,054

Carbon footprint of our selection of products based on the raw materials, phase to end-of-life and disposal phase, packaging material, 12 years of operation and 500 km.

What did we do in 2019?

Our environmental goals include energy reduction through activities at our headquarters in Denmark

We have saved energy and reduced our environmental impact by:

- Saving of 15.000 liter fuel yearly by
 - carpooling
 - mounting of locked bike sheds
- Saving 250 MWh by
 - LED lighting
 - mounting of switches at workstations
 - Repair of leaks in pipes with pressured air
 - new ventilation equipment
- Development of meter with leak detection and the system Analytic helping utilities to save water and energy

Other environmental initiatives included

- Detailed mapping of consumption at our headquarters in order to reduce usage at relevant places
- Vegetarian menus served in the canteen to inspire meat-free dishes and thereby reduce CO₂ emission
- Donating excess food delivered to Kamstrup at a running event to different shelters serving more than 500 people
- Achieved Krårnmarkt by Swedish Vatten AB

What do we expect in 2020?

In 2020, we will continue to measure and map our energy usage across our facilities with the aim of saving 10% electricity and heating compared to 2019 levels at the headquarters.

We are planning to

- React proactively on deviating on-line data of energy and water
- Install new ventilation system in the heat/cooling production to save heat and electricity
- Install LED lighting in the heat/cooling production
- Maintain and repair leaks in pipes with pressured air
- Create awareness to stakeholders about Kamstrup's energy usage through monitors
- Reduce scrap in production





Saving energy through meter data



More frequent meter data has created great results for the Danish utility Næstved District Heating. By using hourly values from intelligent meters, the utility has reduced their heat loss with 8 %. They have also lowered the temperature of the water that runs between the consumers and the utility with 5 and 10 degrees, respectively. At the same time, supply customers have saved up to 10 % on their district heating bills.

With the installation of smart metering, Næstved District Heating has reduced the environmental impact and invested in a more sustainable solution.

Reducing our energy consumption



2020 goal

- Reducing our energy consumption with 10 %.

We continuously work to reduce our own energy consumption and both district heating, electricity, water and cooling have our attention. Especially at our production sites where we have the highest consumption. In 2019 we made an investment to replace an older ventilation system with a new energy efficient ventilation system resulting in noticeable energy reduction with 70 %. Another example is our in-house Energy Group, who identifies potential activities such as carpooling and new ways to promote awareness of water and energy usage.

“Measuring our energy consumption is the solution to save more energy. Our goal for 2020 is to reduce our energy consumption with 10% at our headquarters in Denmark”.

Allan Søgård, Facility Manager.

Working conditions



Employees

In accordance with our Occupational, Health and Safety Policy, we aim at a high level of health, safety and well-being for all employees. We work hard to accomplish that by preventing damages, work-related illness and accidents related to our activities.

Globally, Kamstrup employs people with different sex, sexual orientation, age, ethnicity and religion. We also employ people with special needs. All employees age 60 and older are offered a talk with their manager in order to get an individual plan going forward until retirement. Colleagues who retire from Kamstrup can be part of an active senior club in Denmark with a variety of activities and have access to training facilities free of charge. We compensate employees for extra or atypical working hours according to local law, and where possible we offer flexitime and remote work options.

In this section, you can read about our accomplishments from 2019, our goals for 2020 and more details about our efforts to accommodate UN Global Compact principles on working conditions.

Providing a healthy and safe environment

We strive to ensure that employees are provided with a healthy and safe working environment through a certified occupational health management system.

Furthermore, our policy contributes to working conditions in compliance with relevant legislation and monitors applicable legislation and regulations.

CSR associated risk

Our main CSR risks include

1. Lack of qualified resources
2. Lack of risk awareness among employees
3. Stress caused by organisational changes
4. Incidents caused by driving

The green area indicates risks with no action points, risk in yellow areas require action whereas risks in red areas must be handled immediately.

	Likelihood					
		> 10 yrs	<10 yrs	Yearly	Monthly	Daily
Consequence	1 None					
	2 Little					
	3 Medium			1	2, 3	
	4 Major		4			
	5 Severe					

Risk matrix showing Kamstrup's CSR associated risk. Numbers refers to list above.

The risks referred to in the yellow area are all being mitigated: HR Department and The Health and Safety Organisation constantly make campaigns and advertisements to get qualified staff. Lack of risk awareness is handled through campaigns, analysis of accidents and focus from management. To mitigate stress we have introduced courses in stress management and leadership education. Safe driving is handled locally.

All employees are given the opportunity to develop skills required to handle their tasks and to seek future career options in Kamstrup. We train employees in risk and good workmanship practices.



Certification and due diligence

We acquired the recertification of OHSAS 18001 in November 2016. Being OHSAS certified ensures approval from the Danish Work Environment Council.

Being OHSAS 18001 certified at our headquarters means that we work according to the model Plan-Do-Check-Act.

We make goals and action plans as well as implement, check and follow up on these. Our main due diligence

processes include goal setting, action plans, audits and a yearly management review. In particular, we work with due diligence processes related to well-being, education and development of employees, registration of near misses and accidents.

In 2019, the OHSAS 18001 standard to been replaced with ISO 45001.

Safety

We have based our production processes on precautionary measures to ensure that there is no special risk of harm from unforeseen incidents.

Towards the end of 2016, we started increasing our focus on recording near miss incidents at the headquarters. We have continued to focus on recording accidents and near misses as seen in 2019. The table below shows the collected totals

from when we started collecting data more frequently. In 2015, we changed focus from finding near misses to focusing on preventing accidents.

Benchmarking with other companies of lost time in incident frequency (LTIF) is not comparable and available.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Accidents per 1,000,000 working hours (LTIF)	8	3	3	12	6	6	5	4	5	6
Near miss incidents	6	1	1	6	7	22	50	47	45	109

Collected totals.

The purpose of conducting safety assessments is to prevent unsuitable indoor climate, noise and stress. Safety assessments are carried out regularly, and help us significantly reduce heavy lifting, pushing and pulling.



Employee development

In 2019, we employ approximately 1500 in 60 countries and close to 1200 at our headquarters in Denmark.

Employee satisfaction surveys

The employee satisfaction survey has been conducted since 2010. Countries participating are Denmark, Sweden, Norway, Germany, Austria, Switzerland and the USA.

The results for 2019 are showing a high level of overall satisfaction from the organisation and there has been improvements in almost all areas compared to 2018. However, there are always practices to improve, and in 2020 we will focus on top management visibility and communication.

Health and well-being

It is of the utmost importance to have a healthy working environment. Good health equals happier and more productive employees, which in the end leads to a better working environment. Therefore, we encourage employees to take advantage of the activities we offer at Kamstrup's own premises such as dentist, fitness and health clinic.

As part of our well-being initiative, we offer all employees at our headquarters the opportunity to get a free health check, free use of health clinic and free use of fitness centre. We believe that both employees and Kamstrup benefit from a good health. Subsidiaries and branches choose relevant benefits to suit their needs.

We should also consider the benefits as rewarding outside working hours – a good health also benefits the employees outside work.

Educating and motivating employees

It is essential to have a skilled and well-educated workforce. Therefore, all new Kamstrup employees in all countries go through an introduction programme when they join. Additionally, all employees can attend in-house courses and educate themselves further. In Denmark we also continued a project for all employees in the production, testing their basic skills in reading, writing and IT. If the test displayed deviations we offered training during work hours to ensure a basic level of academic competence as the foundation for future learning and development. Moreover, we ensure individual development and career plans for all employees.

Job rotation

At Kamstrup, we welcome job rotation and consider it part of our corporate identity. We believe that applying for a job elsewhere within Kamstrup is a token of loyalty. Job rotation provides an opportunity to learn and help us stay innovative and agile.

Every manager at Kamstrup ought to support job rotation internally and should contribute to the development of the employees through rotation and the capability to generate value in other departments.

Being a dynamic company with a wide range of opportunities for career development is the key to hold on to skilled employees when they seek new challenges.

Thus, job rotation gives the opportunity to learn new skills and gain experiences in new positions. It is important for us to be open to this kind of development because we want to keep our skilled employees when they search for new challenges.



What did we do in 2019?

Our overall goal for 2019 was to continue to develop employees and our organisation according to Kamstrup's growth and needs.

Accomplishments in 2019

- Winning the price for the "Best workplace in Denmark" by the union 3F
- Winning the price for Best Internship company in Eastern Jutland, Denmark
- Completing safety walkways in all production areas together with work environment counsellors
- Carrying out the physical workplace assessment, via questionnaire
- Enrolling 60+ students for our intern programme in 2019 divided across the divisions and functions at Kamstrup headquarters
- Organising 50+ courses for employees designed to improve required competences
- Establishing an intern Leadership Development & Training function
- Supporting health and sports activities in local communities through various sponsorships
- Participating in the initiative "Girls' Day in Science", which aims at motivating women to become engineers and software developers, to promote job possibilities at Kamstrup
- Receiving and handling +10,000 job applications with respect for applicants and through a transparent recruitment process
- Handling all applications in compliance with GDPR
- Participating in running and walking event focusing on health and socialising across departments and sponsored homeless shelters with excess food
- Arranging social events for employees and their families
- Fire education at Kamstrup Sweden
- Running groups at Kamstrup Sweden
- Flu vaccine for employees at Kamstrup Norway

What do we expect in 2020?

It is our ambition to provide a healthy and safe working environment for all of employees. In addition, we continue expanding our company in terms of acquiring talented people that can develop and push Kamstrup forward.

Our 2020 goals are

- Attract top candidates within natural science e.g. IT, technology and development to support future business
- Offer more tailor-made courses to help employees meet future challenges
- Continue to plan social and cross-functional events promoting teamwork, health and social respect
- Define and describe in which projects, and when, it is required to involve the Health, Safety and Environmental organisation
- Define, implement and communicate escalation plan for work accidents
- Increase focus on health and safety, by generating at least four health and safety campaigns in 2020



Think forward

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