

The VELUX logo consists of the word "VELUX" in a white, bold, sans-serif font, enclosed within a red rectangular box with rounded corners. The background of the entire image is a composite: the left side shows a close-up of a dark grey tiled roof with several VELUX skylights, and the right side shows a woman in a white polka-dot top and grey skirt standing by a skylight, with a young girl sitting in a chair reading a book in the foreground.

VELUX®

# Sustainability Report 2024

The VELUX Group



## Contents

### Introduction

- 3 CEO letter
- 4 2024 highlights
- 5 2024 performance
- 6 Our Model Company Objective

### Sustainability in the VELUX Group

- 7 Double Materiality Assessment
- 8 Addressing sustainability across the value chain
- 9 Strategic sustainability projects and themes
- 10 Ensuring progress and accountability

### Progress reporting

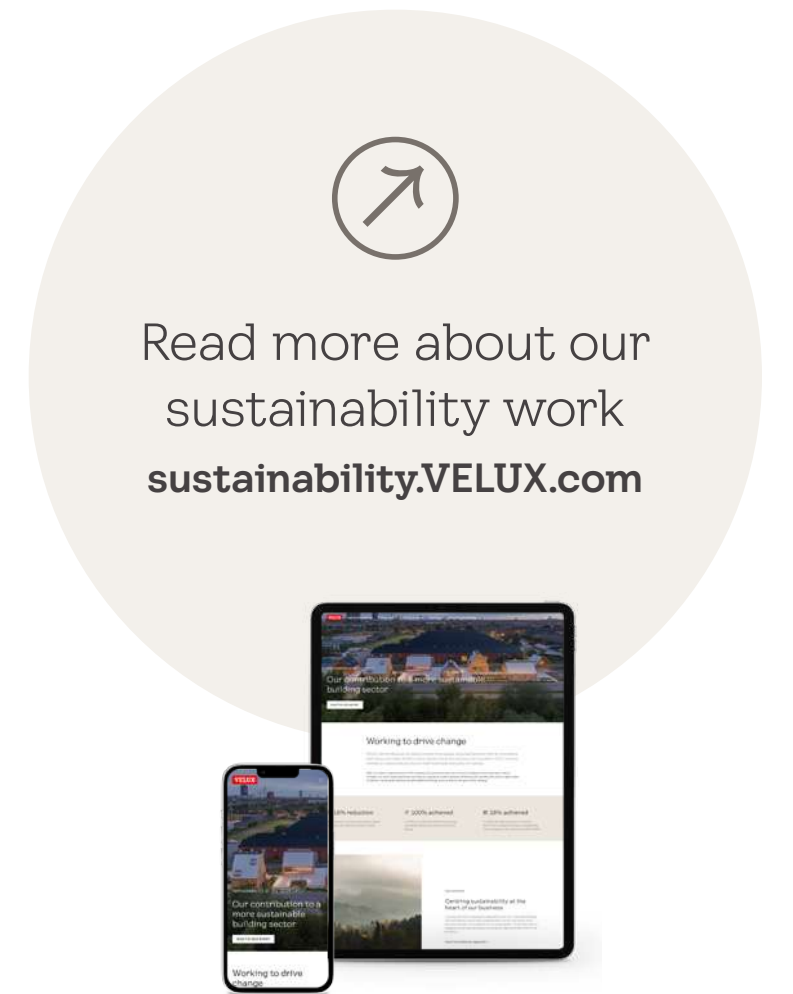
- 11 **Customer solutions**
- 12 2024 progress on strategic projects
- 16 **Climate and nature**
- 17 2024 progress on strategic projects
- 21 **Inclusive workplace**
- 22 2024 progress on strategic projects
- 25 **Responsible business**
- 27 **Governance**

### DMA, data and accounting practices

- 29 DMA methodology
- 30 ESG data and assurance
- 31 ESG accounting table
- 33 Accounting practices

### Statements

- 37 Management statement
- 38 Independent auditor's assurance report



Case study

#### Testing circular business models

Read about the pilot projects currently running in selected markets.

Learn more [→](#)



Case study

#### Paper-based packaging simplifies recycling

Read more about our transition to paper-based packaging.

Learn more [→](#)



Case study

#### Supporting biodiversity

Find out how we have taken the first steps towards improving biodiversity, starting with our own sites.

Learn more [→](#)

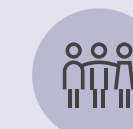


Case study

#### An invitation to nature

Discover how the VKR Employee Foundation supports new outdoor nature areas.

Learn more [→](#)



Case study

#### Children's Living Places

Read about the Children's Living Places project in Ukraine.

Learn more [→](#)



# Accelerating progress on sustainability

Our unwavering commitment to sustainability is built on decades of tradition and deeply anchored in our founding principles – our Model Company Objective. Looking back on our achievements in 2024, I am encouraged by the remarkable strides we have made and remain optimistic about progress while being mindful of the challenges that lie ahead.

We are also working closely with other suppliers in rethinking materials to create practical and scalable solutions that directly impact our customers. One example is our transition to paper-based, single-material packaging for most European roof windows.

### Embracing the circular movement

Circularity is a vital element in the transition to a more sustainable building industry. In 2024, we started expanding our take-back scheme in the Netherlands, with the aim of increasing the quality of glass recycling from our products. We also tested the refurbishment potential of older windows and started a pilot project providing an enhanced service and maintenance offer to our customers. Scaling these initiatives, however, will require broader collaboration across the industry.

Our Living Places concept has been a shining example of the value of multidisciplinary collaboration. This project demonstrates the value of low-carbon housing through innovative design and existing technologies. In 2024, we expanded the concept with new partnerships in Denmark and the Netherlands.

A personal highlight for me in 2024 was my visit to meet our fantastic VELUX colleagues in Ukraine. Meeting them and hearing their stories made a profound impression on me. It therefore makes me tremendously proud that the VELUX Group is contributing to Children's Living Places in Ukraine, a new project that will help reform the Ukrainian childcare system.

### Sustainability at our workplaces

Sustainability in the VELUX Group is also felt beyond products and operations – it encompasses how we work and the impact we have on our surroundings. We have taken important steps towards protecting nature at several of our locations through biodiversity assessments and improvement plans. Furthermore, as part of our ongoing efforts within diversity, equity and inclusion, we prioritised various initiatives, including joining the Hidden Disabilities

Transforming the building sector requires more than just ambition; it demands bold action, fuelled by innovation, transparency and collaboration at every level of the value chain. The urgency has never been greater. And we are more determined than ever before.

### Our decarbonisation journey

To achieve this much-needed change, we are firmly focused on meeting our decarbonisation targets. In 2024, we continued to invest in renewable energy, converting to bioboilers and implementing energy efficiency measures in our own operations.

Scope 3 remains our biggest commitment and challenge. Driving emission reductions across the value chain requires extensive collaboration with suppliers, industry peers and policymakers. Our most recent partnership with ArcelorMittal, securing a ten-year supply of recycled and renewably produced steel, exemplifies our approach to overcoming this challenge.



Using the Model Company Objective as our guiding star, we are committed to transforming ambition into real, lasting progress.

Sunflower programme. Through initiatives such as these, we aim to create an environment where every employee can thrive.

I am proud that our collective efforts have earned us a gold sustainability rating from EcoVadis. This is a well-deserved acknowledgement of the diligence, passion and determination that run through everyone in the VELUX Group.

As we step into 2025, we will continue to lead through innovation, adapting to the ever-evolving challenges ahead. Using the Model Company Objective as our guiding star, we are not just participants in the transition to a more sustainable building industry – we are committed to driving it forward, transforming ambition into real, lasting progress.



Lars Petersson  
CEO, VELUX Group



# 2024 highlights



66

We are happy to be able to report clear and transparent progress on the sustainability targets most relevant to our customers and stakeholders. Our work on scope 3 will continue to be challenging, and by engaging with relevant partners across the value chain we aim to secure a successful transition for the built environment, ensuring that the buildings where we live, work and play are not only healthier but also more resilient.



**Fleming Voetmann**  
Vice President of External Relations and Sustainability, VELUX Group

## Gold rating by EcoVadis

We received a gold rating from the global sustainability ratings organisation EcoVadis. This recognition, for the second consecutive year, reflects our commitment to integrating sustainable practices across our organisation.

For more information, visit [sustainability.VELUX.com](https://sustainability.VELUX.com)

## Supplier partnership

We signed a long-term agreement with ArcelorMittal to supply lower-carbon-emission steel. Metals (excluding aluminium), of which steel constitutes the main part, account for 6% of our total scope 3 emissions.

For more information, visit [sustainability.VELUX.com](https://sustainability.VELUX.com)

## Understanding our biodiversity impact

We created biodiversity baseline assessments and future potential biodiversity scores for six VELUX Group sites in Denmark, Italy, Hungary and Poland. This is part of the first steps for us to improve biodiversity at our own sites.

For more information, visit [sustainability.VELUX.com](https://sustainability.VELUX.com)

## Decarbonising our operations

We continued to make good progress on reducing our scope 1 and 2 greenhouse gas (GHG) emissions, with an overall reduction of 11% in 2024. This was driven by an ongoing switch to renewable energy sources and improvements in energy efficiency at our production sites.

For more information, visit [sustainability.VELUX.com](https://sustainability.VELUX.com)

## Women in management

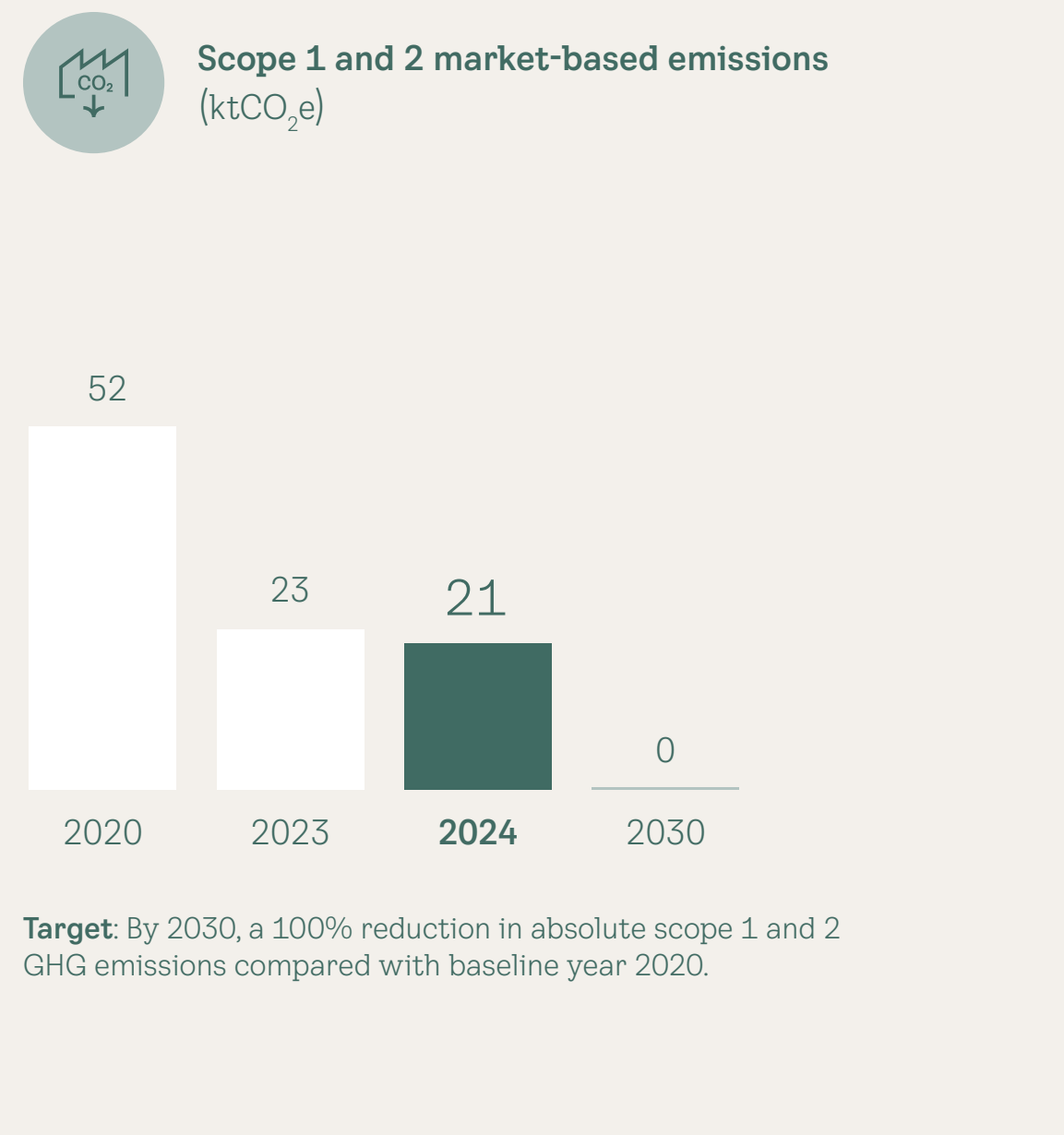
The number of women in management increased globally from 28% in 2023 to 31% in 2024. It is an integral part of our diversity, equity and inclusion efforts to employ people with different skills, backgrounds and experience.

For more information, visit [sustainability.VELUX.com](https://sustainability.VELUX.com)



# 2024 performance

For more performance indicators, please see the ESG table on pages 31-32. For details regarding definitions of KPIs, please see our accounting practices on pages 33-36.

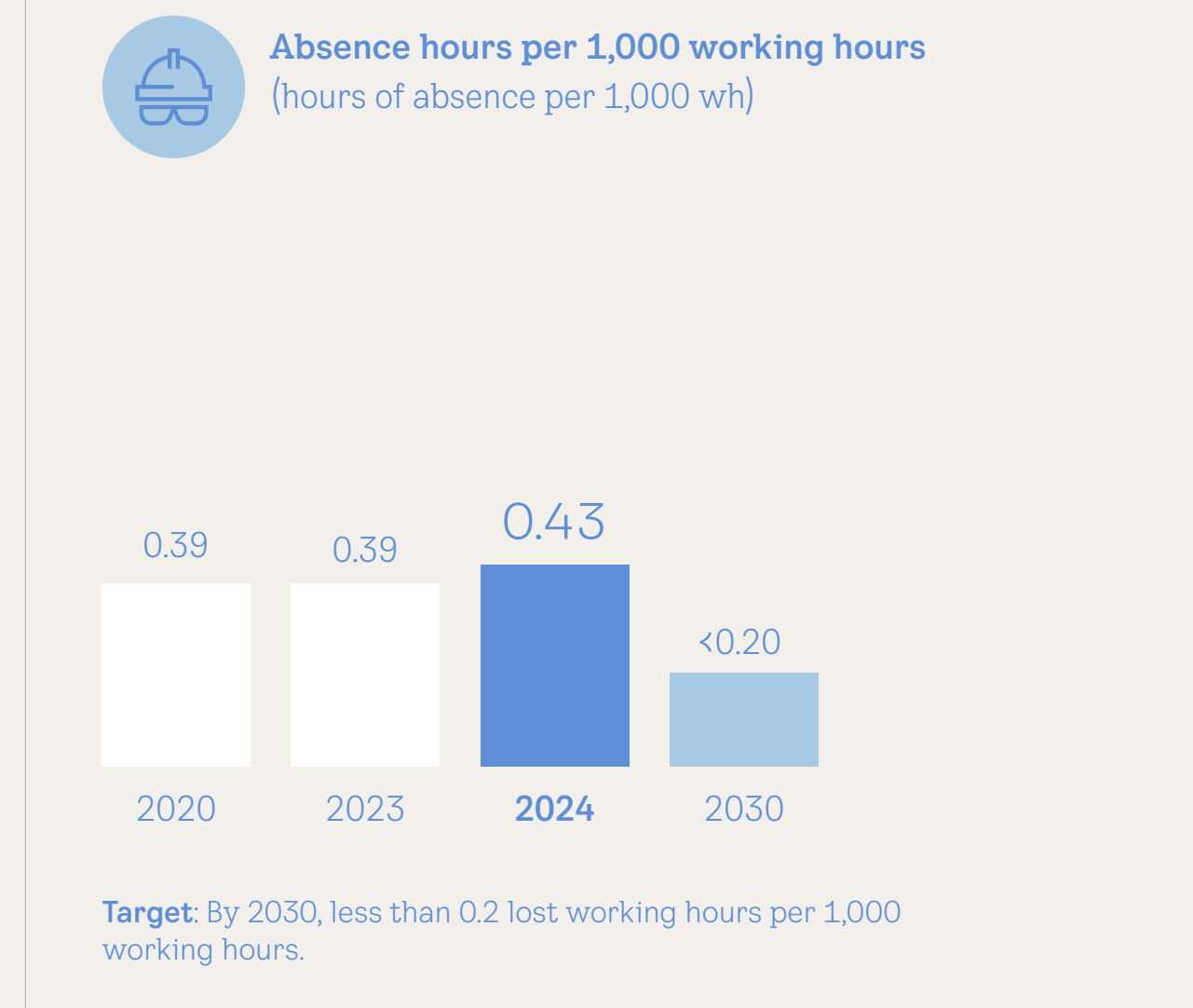
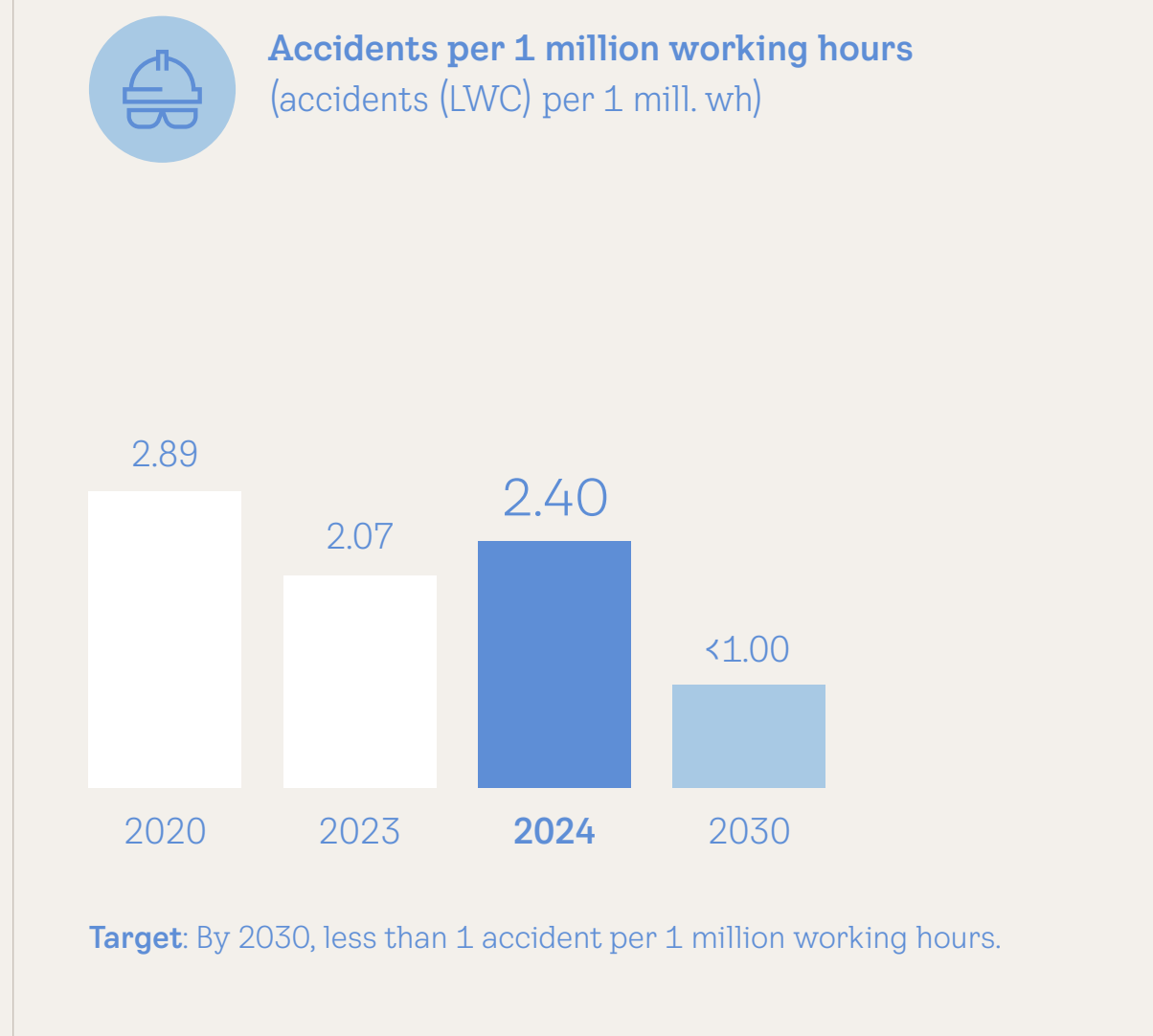
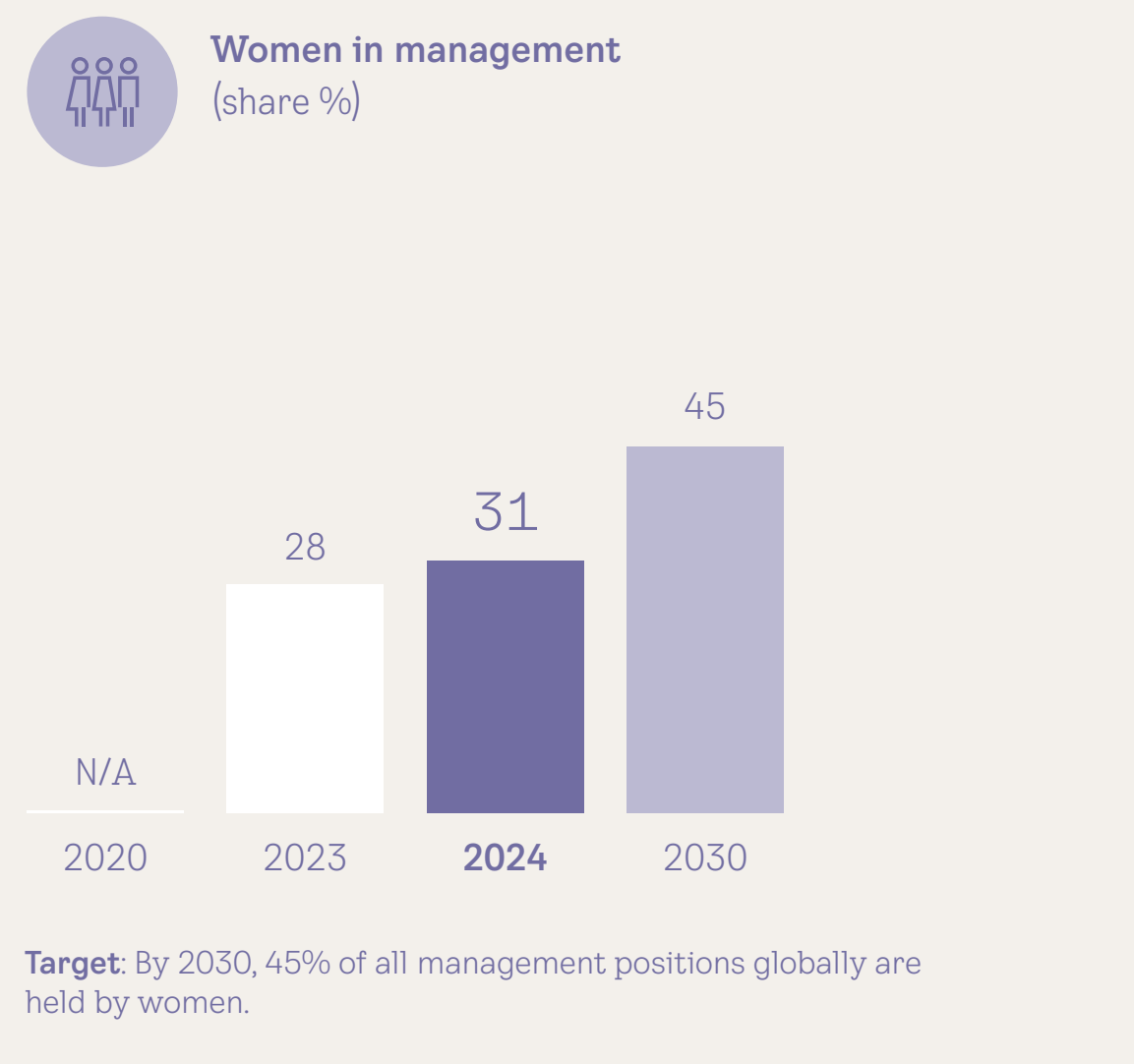


## The VELUX Group's revenue

# 22,062 (DKK<sub>m</sub>)

↑ 1.8% increase from 2023 to 2024

Revenue increased from 21,670 DKK<sub>m</sub> in 2023 to 22,062 DKK<sub>m</sub> in 2024. This is mainly due to higher windows sales and price increases.



\* Recalculation of previous years due to improved data. See accounting practices for more details.



# From the *Model Company Objective* to integrating sustainability into our corporate strategy

Ever since VELUX was founded in 1941, we have aimed to be a responsible company. This foundational value was first described in 1965 in our *Model Company Objective*. Today, it is also reflected in our sustainability efforts.

Last year, we integrated sustainability into our corporate strategy, underlining its importance across the entire company. In the VELUX Group, we focus our sustainability work through a number of strategic projects. Responsibility for each of these projects is assigned to a relevant function. Embedding sustainability across an organisation takes time, and we continue to adapt our practices and processes to make sustainability an integral part of our mindset, decisions and offerings.

The transition is supported by the entrepreneurial spirit that has been driving change ever since the company started. This is the spirit that enabled the design of the pivot hinge in the first VELUX roof window and the realisation of the *Living Places* project in 2023. We continue to strive to demonstrate the usefulness of our products by inspiring others in the building sector and raising awareness about the multiple benefits of fresh air and daylight.



66

It is the Group's purpose to establish a number of *Model Companies*, which cooperate in an exemplary manner. By *Model Company* we mean a company working with products useful to society, which treats its customers, suppliers, employees of all categories and shareholders better than most other companies. A *Model Company* makes a profit, which can also finance growth and maintain financial independence.

**Villum Kann Rasmussen**, 1965

Founder of the VELUX Group



# Double Materiality Assessment

The Double Materiality Assessment (DMA) identifies the sustainability topics that are most critical to our business, from both a financial and impact perspective. This helps us to prioritise our efforts on the issues where we can make real and tangible progress.

The DMA also acts as an essential first step towards meeting increasing regulatory requirements, including those of the Corporate Sustainability Reporting Directive (CSRD).

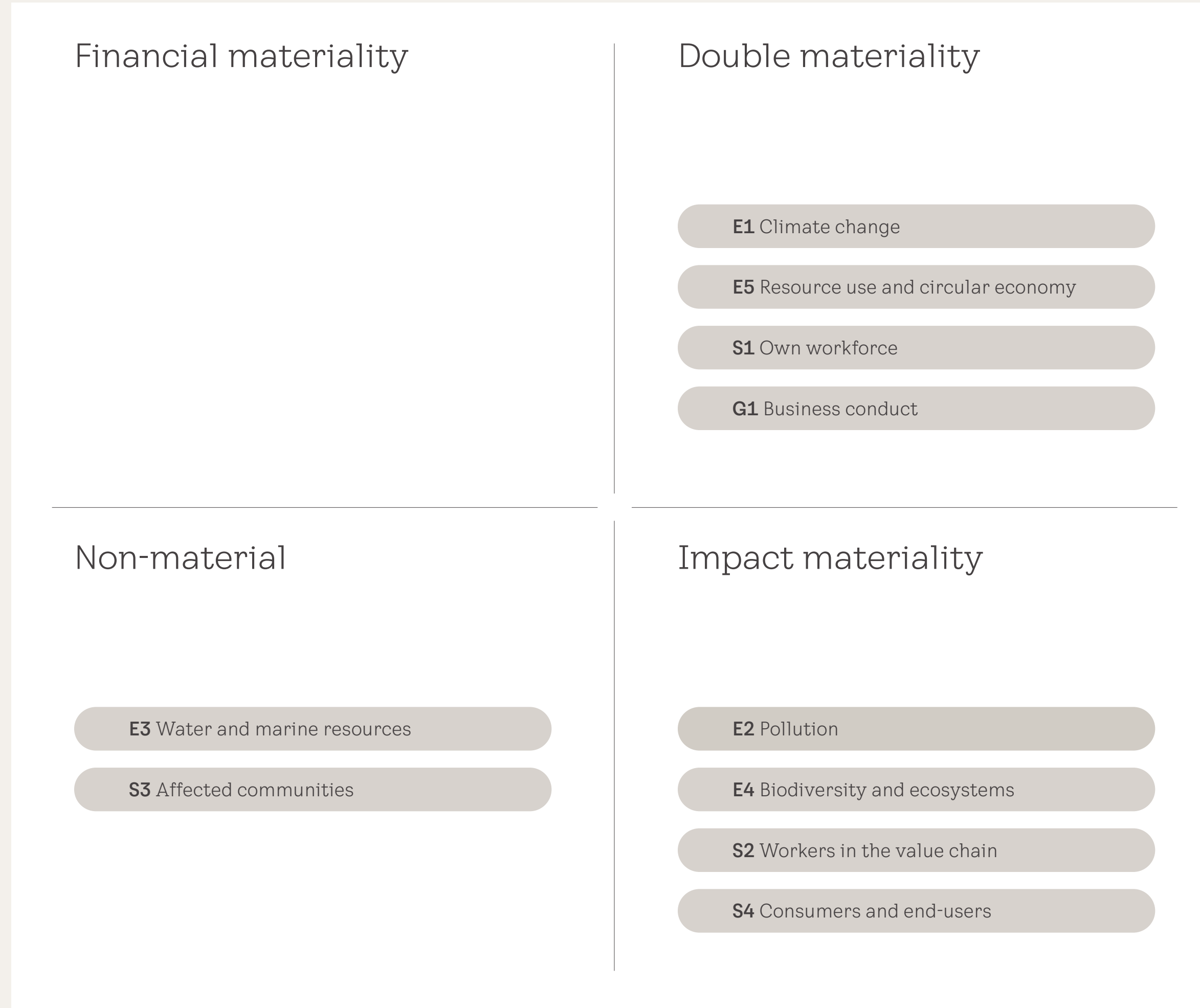
During 2024, we updated our DMA, building on the approach and results of the DMA from 2023. Our updated DMA was carried out in accordance with the requirements set out in the European Sustainability Reporting Standards (ESRS) and EFRAG IG1: Materiality Assessment Implementation Guidance.

The result of the assessment is an updated overview of material topics, which are approved by Executive Group Management and shared with the VKR Group for consolidation. We have established a watchlist of impacts, risks and opportunities (IROs) that fall just below the threshold for materiality. This allows us to monitor these potentially material IROs more closely. The watchlist will be reviewed on an annual basis.

To a large extent, the results confirmed that our sustainability approach covers the topics most critical to our business. However, the CSRD will place increased disclosure requirements on the VKR Group and consequently on us. Furthermore, some topics require a step change in approach and focus. Going forward, we are further strengthening how we integrate the requirements in our business, addressing strategy, governance and reporting.

For more details on our DMA methodology and results by subtopic, see page 29.

Financial materiality



## Part of the VKR Group

The VELUX Group is owned by VKR Holding A/S, a limited company owned by the Villum Foundation and members of the Kann Rasmussen family. VKR Holding A/S reports consolidated financial statements on all companies within the Group. It has consolidated the DMA results from the VELUX Group and other subsidiaries. The VELUX Group is not subject to CSRD disclosure requirements as a stand-alone entity, but as part of the VKR Group, which will report in line with the CSRD on behalf of the entire VKR Group from the financial year 2025.

Topics shown in the top right are material from both a financial and impact perspective, whereas those in the bottom right are only material from an impact perspective.

See more on our DMA methodology [→](#)

Impact materiality



# Addressing sustainability across the value chain

## Our purpose

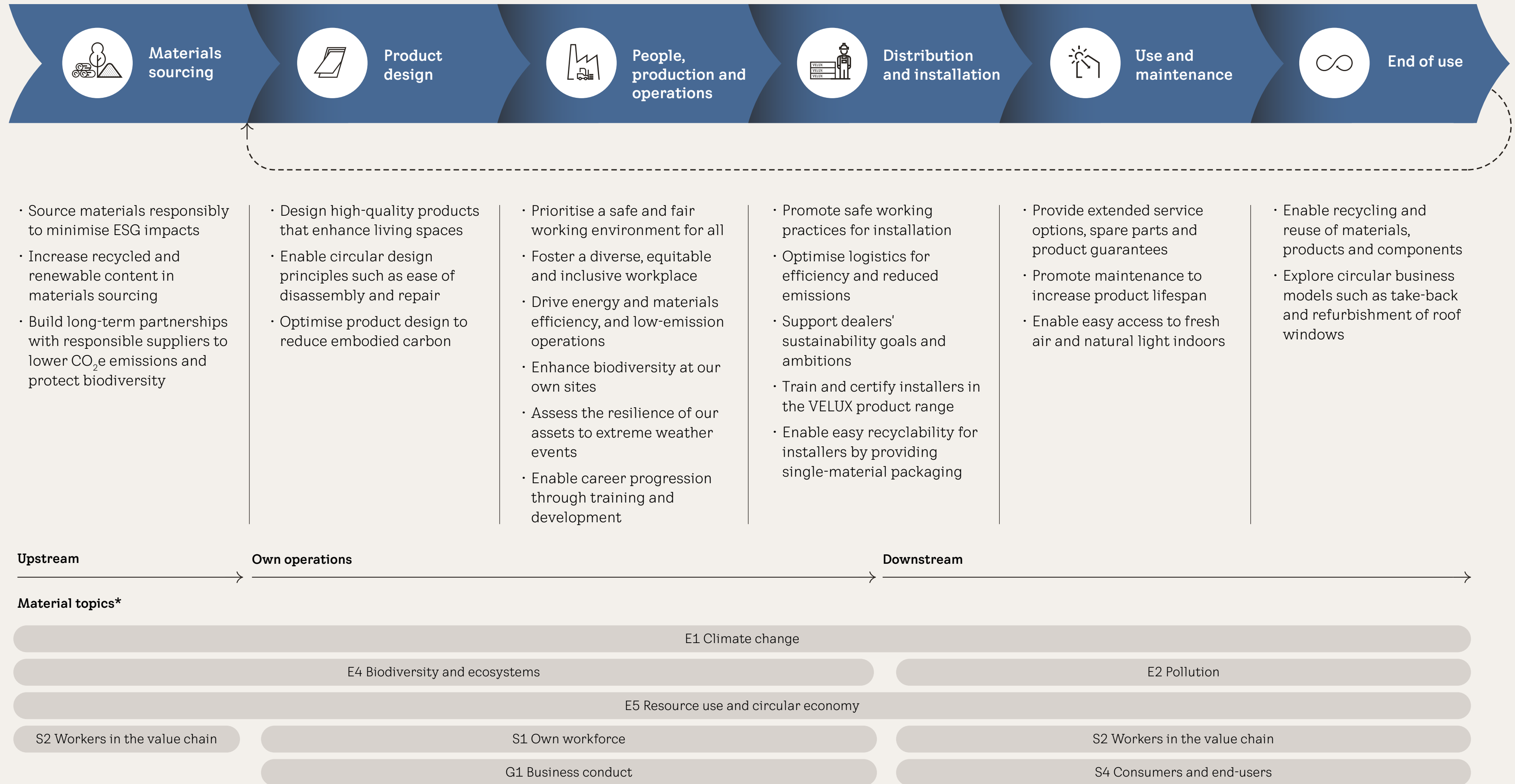
Create well-being for people and planet by transforming spaces using daylight and fresh air.

We work to proactively address our environmental, social and governance impacts at every stage of the value chain. We are using the results of the DMA, including the material impacts, risks and opportunities (IROs), to further inform our work, and we are identifying actions to address these along our value chain.

For our full list of IROs, go to [sustainability.VELUX.com](https://sustainability.VELUX.com)

We address our IROs through a combination of activities, targets, policies and measurements, while at the same time building more robust governance to reflect the growing scope of the work. In the coming years, we will progressively integrate the DMA results, including the IROs, into our decision-making and strategic approach.

The value chain model highlights where and how we take actions to address sustainability along our value chain, and in which stage of the value chain the various ESRS topics are material.



\* For more details of our DMA methodology and results by subtopic, see page 29.





# Strategic sustainability projects and themes

Our sustainability work is organised in three main areas: customer solutions, climate and nature, and inclusive workplace. A number of strategic projects are grouped under each area, all of which are built upon the foundation of responsible business.

To ensure the strongest impact from our strategic sustainability projects, we are working to strengthen the alignment between the Double Materiality Assessment (DMA) and our business practices. Many of the material topics identified in the DMA are already part of our sustainability approach and ESG reporting, while other topics need additional focus.

Throughout this report, we have started to indicate which of the material topics are being addressed in the relevant chapters. During 2025 and in the coming years, we will further integrate the findings from the DMA in our sustainability work and reporting.

Together, our strategic projects will help us deliver on our sustainability goals and our overall aim of being a Model Company. The diagram shows an overview of the strategic projects and themes that contribute to sustainability, as well as the focus areas needed to secure a responsible business.

For progress on our projects, see the progress reporting from page 11 onwards.

## Customer solutions



### Build for Life

**Target:** Advocate for sustainable buildings and communities to leverage the green transition and quality of life.



### Electrification and digitisation

**Target:** By 2030, 20% of windows to include sensor-driven automation to bring daylight and fresh air into buildings.



### Promote a circular business

**Target:** Decouple resource use from value creation.



### Ensure 100% recyclable, zero-plastic packaging

**Target:** By 2030, ensure single-material packaging. Zero plastic. 100% recyclable.

## Climate and nature



### Reduce and remove the equivalent of our historical carbon footprint

**Target:** By 2041, 4.5 million tonnes CO<sub>2</sub> reduced and removed through forest and biodiversity projects equivalent to our company's carbon emissions from 1941-2041.



### Reduce our carbon footprint (scope 1 and 2)

**Target:** By 2030, a 100% reduction in absolute scope 1 and 2 GHG emissions compared with baseline year 2020.



### Reduce our carbon footprint (scope 3)

**Target:** By 2030, a 50% reduction in absolute scope 3 GHG emissions compared with baseline year 2020.



### Support biodiversity

**Target:** By 2030, all relevant sites have initiated or implemented actions that set them on path to promote and achieve the best possible impact on biodiversity.

## Inclusive workplace



### Drive engagement in DEI

**Target: Ensure diversity and an inclusive culture**  
Increase the representation of underrepresented groups with an emphasis on leadership and increase equity and inclusion in our business practices.

### Target: Increase the number of women in management positions

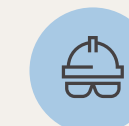
By 2030, 40% of senior management positions and 45% of all management positions globally are held by women.

### Target: Employ people with disabilities

Increase the representation of employees with visible and non-visible disabilities, including through greater accessibility in physical and virtual working environments.

## Responsible business

- Respect for human rights
- Responsible sourcing
- Ethical business conduct



### Strive for zero accidents

**Target:** By 2030, less than 1 accident per 1 million working hours. Less than 0.2 lost working hours per 1,000 working hours.



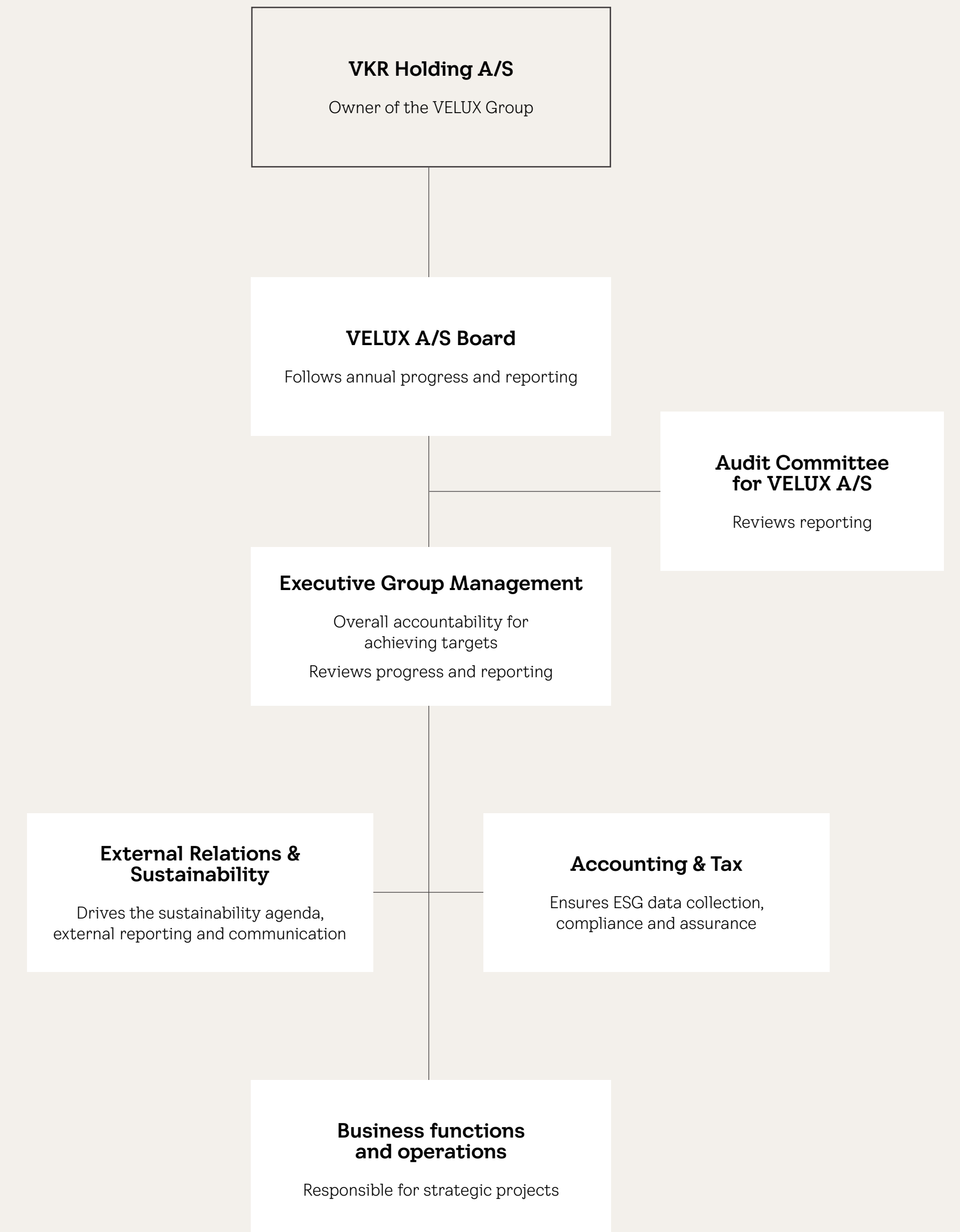
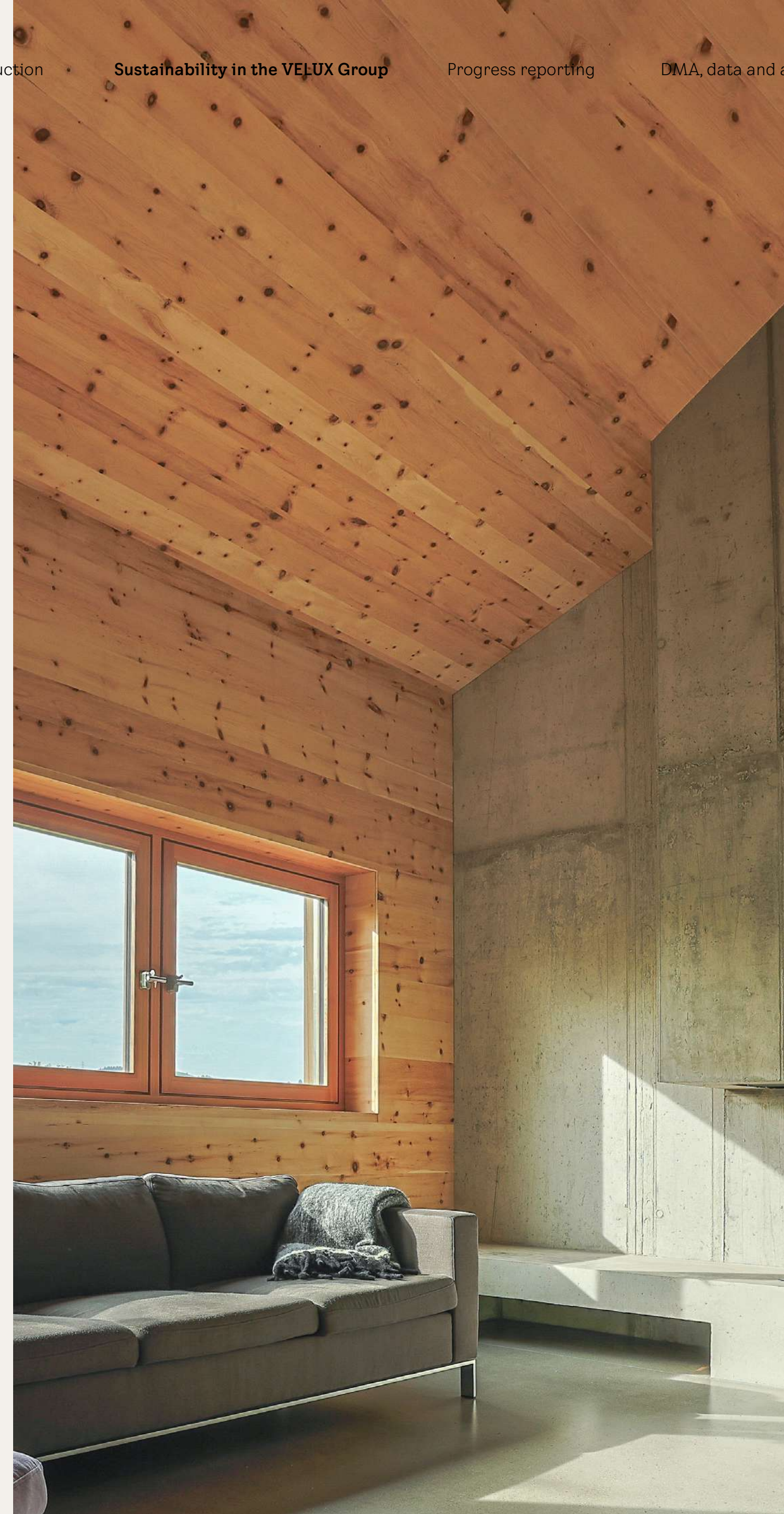
# Ensuring progress and accountability

In the VELUX Group, sustainability is integrated into the corporate strategy. It is implemented through the strategic sustainability projects, which are owned by the relevant senior managers of the designated business areas. To ensure robustness in our governance, each strategic project falls under the responsibility of a member of the VELUX Executive Group Management (EGM). Progress on the projects and towards the KPIs within these are reported to EGM each quarter.

Our full set of ESG indicators is collected on a quarterly basis and shared with EGM and the Board of Directors. In 2024, we have obtained reasonable assurance on nine indicators and limited assurance on ten indicators from external auditors.

Sustainability KPIs are included in functional incentive structures across the business, including at EGM level. During 2024, EGM members, including our CEO, were given two ESG-linked bonus KPIs related to the 'Inclusion index' (2024 target: 84 with bonus threshold of 82) and 'Decrease scope 1 and 2 GHG emissions' (2024 target: 22,186 tonnes with a bonus threshold of 24,700 tonnes). Each of these KPIs is weighted as 10% of the overall potential bonus. In 2024, the target relating to scope 1 and 2 was met. While solid progress was made on increasing women in management, the target relating to the inclusion index was not met.

The VKR Group will report in line with the CSRD on behalf of the entire VKR Group from the financial year 2025.





# Customer solutions Transforming homes and communities through daylight and fresh air

The building sector plays a pivotal role in addressing climate change. Meanwhile, one in three Europeans lives in a home with a poor indoor climate, affecting health, well-being and productivity. This dual challenge underscores the need for more sustainable, healthy and affordable buildings that enable people to thrive.

In the VELUX Group, we believe that we and our products have a crucial role to play in the green transition of the built environment. By enhancing buildings with fresh air and daylight, we can contribute to healthier indoor climates. We also work with others in the industry to support the transition to a lower-carbon built environment. By doing this, we are determined to be part of an industry-wide transformation. Our commitment is exemplified by the Living Places concept, which has showcased how it is possible to build low-carbon homes with an excellent indoor climate.

### Enabling health and sustainability

A better built environment starts with recognising its impact. Homes that promote well-being must also address the environmental footprint of materials and design.

VELUX roof windows are uniquely positioned to be part of the solution to the challenges facing the building sector. Allowing twice as much daylight into spaces compared to vertical windows of equivalent size, a roof window transforms rooms. Beyond aesthetics, our products are designed with energy efficiency in mind.

Our focus remains on reducing the embodied carbon footprint of our products while maintaining the benefits they deliver.

### Collaboration and commitment

We actively work to decarbonise our value chain while driving

66

By working with others in the industry to transition to a lower-carbon built environment, we are determined to be part of the industry-wide transformation.



**Lone Feifer**  
Director, Sustainable Buildings

innovation to enhance the benefits our products deliver. For example, we work to source materials with a higher recycled content and include circularity in the product design process. We also take circularity into account at the end-of-life stage of our value chain.

By adhering to our founding principles of ensuring our products are useful to society, we focus on core features, such as fresh air and daylight, and continue to prioritise the health and well-being

### Sustainability rating

In 2024, we received a gold rating from the global sustainability ratings organisation EcoVadis. This recognition, for the second consecutive year, reflects our commitment to integrating sustainable practices across our organisation.



Read more on [sustainability.VELUX.com](https://sustainability.VELUX.com) →

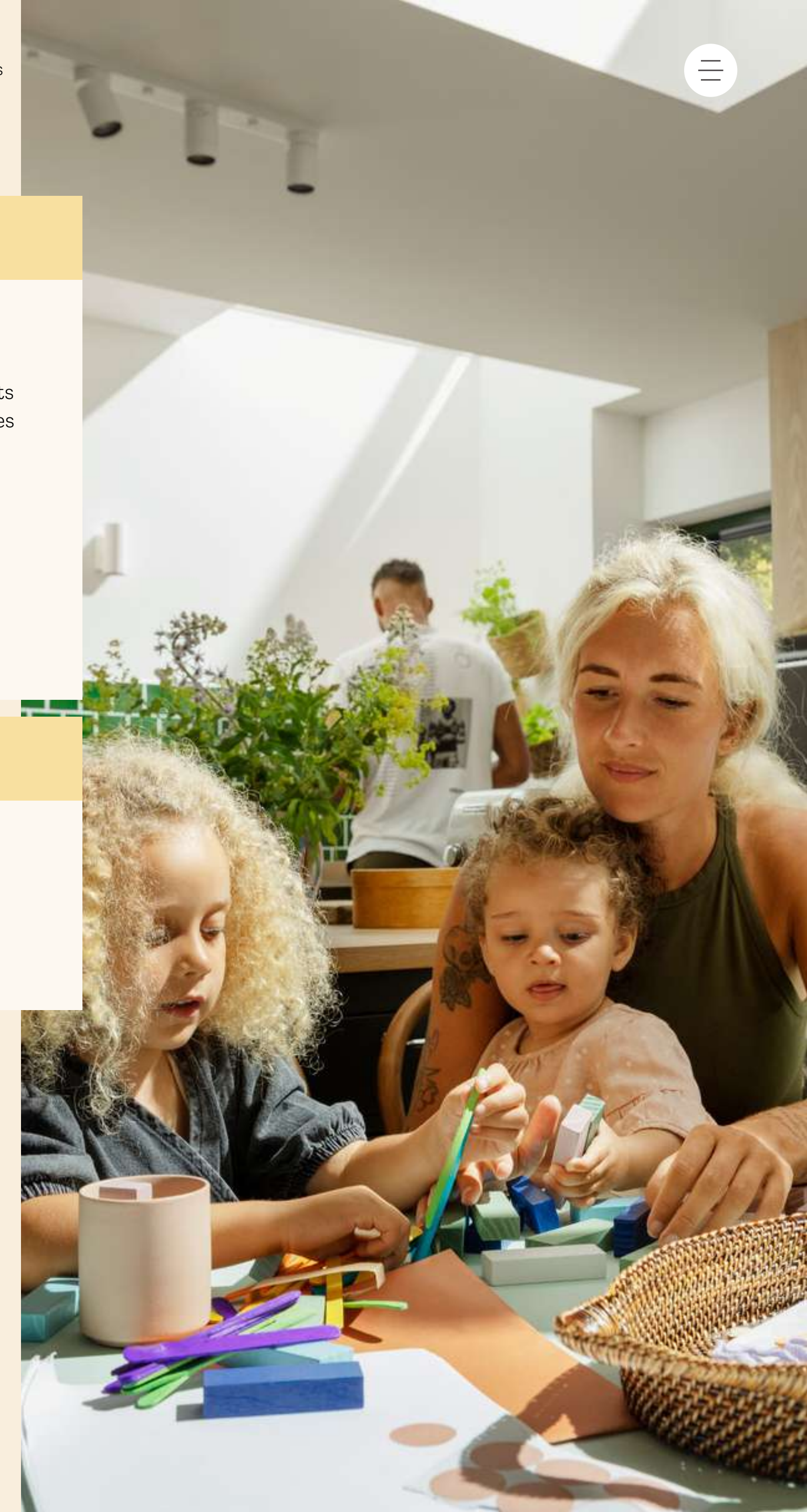
### Material topics

Covered in this section:

- S4 Consumers and end-users
- E1 Climate change
- E5 Resource use and circular economy

of the people living in the buildings. At the same time, we are introducing new solutions, including digital technologies, to support smarter, more sustainable building designs.

Our efforts are amplified through collaboration with stakeholders to drive industry-wide progress. As active participants in global sustainability dialogues, we leverage platforms like the UN Global Compact, global reporting organisations like CDP and partnerships with sustainability leaders, including the World Economic Forum and the World Business Council for Sustainable Development.





## 2024 progress on strategic projects

Customer solutions	About the project	2024 in brief	What's next in 2025?	Progress
<div data-bbox="103 446 206 555" data-label="Image"> </div> <h3 data-bbox="236 446 469 489">Build for Life</h3> <p data-bbox="236 512 519 564">Read more on <a href="https://sustainability.VELUX.com">sustainability.VELUX.com</a> →</p> <p data-bbox="103 596 586 677"><b>Target:</b> Advocate for sustainable buildings and communities to leverage the green transition and quality of life.</p>	<p data-bbox="636 446 1102 527">We want to influence the building industry to scale the design and transformation of buildings to be healthier for people and the planet.</p> <p data-bbox="636 555 1102 686">The Living Places concept has showcased how it is possible – with the materials and technologies available today – to build low-carbon homes with a good indoor climate in an affordable and scalable way.</p> <p data-bbox="636 714 1102 846">The concept holds three times lower carbon footprint than the Danish building regulations 2023, with only 3.85 kg CO<sub>2</sub>e/m<sup>2</sup>/y. The lifecycle calculation is third-party-verified by the BUILD department at Aalborg University in Denmark.</p>	<ul data-bbox="1159 446 2152 939" style="list-style-type: none"> <li>• Due to extensive interest in the Living Places Copenhagen prototypes, they were continued into 2024 and 96 individuals were invited to live in the homes as a test. The prototypes were closed down in October and disassembled for rebuilding on the next sites. This work was carefully documented for learnings and knowledge on disassembly.</li> <li>• The concept expanded through three new partnership agreements in Denmark and Ukraine, while in the Netherlands our first partner, Bouwgroep Dijkstra Draisma, opened its Living Places prototype called SMÛK.</li> <li>• It was decided not to pursue the Living Places community in the Greater Copenhagen area. Instead, resources were invested in extending Living Places Copenhagen, collecting monitoring data alongside the everyday experiences of the users to enrich the concept in proof points.</li> <li>• The Living Places principles were updated into a catalogue for new builds and for existing buildings for use in home improvement and renovation projects.</li> <li>• Work continued on the LKR Innovation House* in advance of its opening in 2025. The project has served as a learning hub for lifecycle assessments, and we held workshops and interviews to collect knowledge.</li> </ul> <p data-bbox="1159 968 2152 1014">* This new Innovation House in Østbirk, Denmark, will function as a VELUX Group hub for solution research &amp; development and other supporting functions.</p>	<ul data-bbox="2202 446 2668 780" style="list-style-type: none"> <li>• Move in and open the LKR Innovation House.</li> <li>• Continue scaling and accelerating Living Places with partners.</li> <li>• Demonstrate Living Places principles in existing homes in French pilot projects.</li> <li>• Initiate construction of the Children's Living Places project in Ukraine – a partnership project led by Children's Villages Denmark and implemented locally by Children's Villages Ukraine and local partners.</li> </ul>	<p data-bbox="2725 446 3192 695">The Living Places Copenhagen prototypes continued to attract thousands of visitors and global media attention, in particular through the Living Places Living initiative during July and August. The total number of visitors taking guided tours of the prototype exhibition during 2024 and 2025 was 11,451. At the same time, work continued on the LKR Innovation House* in advance of its opening in 2025.</p>
<div data-bbox="103 1074 206 1183" data-label="Image"> </div> <h3 data-bbox="236 1074 519 1164">Electrification and digitisation</h3> <p data-bbox="236 1187 519 1240">Read more on <a href="https://sustainability.VELUX.com">sustainability.VELUX.com</a> →</p> <p data-bbox="103 1271 569 1352"><b>Target:</b> By 2030, 20% of windows to include sensor-driven automation to bring daylight and fresh air into buildings.</p>	<p data-bbox="636 1074 1102 1206">With our digital products, the benefits of daylight and fresh air can be scheduled or automated throughout the day and over the seasons. This can enhance energy efficiency, well-being and comfort in the home.</p> <p data-bbox="636 1234 1102 1365">VELUX has been developing electric products for almost 50 years and is committed to improving our electric and digital product range to enable more convenience and a better indoor climate for our customers.</p>	<ul data-bbox="1159 1074 2152 1365" style="list-style-type: none"> <li>• The pilot in 2023 in Great Britain and Ireland, in which customers were offered a free app and a gateway, was matured and scaled up, resulting in electric ratio growth in these markets. An extended guarantee for electrical windows was offered, enhancing the appeal for homeowners.</li> <li>• Training in electric and digital products was a key focus in 2024. Over 600 employees in sales and operations were trained on the functionality of our electric and digital solutions, product operations and indoor climate benefits.</li> <li>• We continued the development of the electrical product offering for launches in the coming years. In addition, we continued maintenance and enhancement of the VELUX Active app and App-Control in preparation for further scaling up and the addition of new features.</li> </ul>	<ul data-bbox="2202 1074 2668 1446" style="list-style-type: none"> <li>• Scale up promotional campaigns in key markets by offering the free App-Control kit and extended guarantee for our electric products based on the 2024 learnings from Great Britain and Ireland.</li> <li>• Further expand the electrical product portfolio within windows and accessories, as well as updates of the VELUX Active app with new and more intuitive features.</li> <li>• Continuously expand the portfolio of training courses to make them more attractive to VELUX employees and installers.</li> </ul>	<p data-bbox="2725 1074 3192 1183">We have revised this target from 30% to 20% based on industry trends combined with our experience gained since originally setting the target in 2020.</p> <p data-bbox="2725 1211 3192 1399">While overall progress on this target has been affected by the continued decline in the construction of new housing in Europe, some markets increased sales through promotional campaigns and training. Consequently, the ratio of electric products has plateaued at 11% in line with 2023.</p>



## 2024 progress on strategic projects

Customer solutions	About the project	2024 in brief	What's next in 2025?	Progress
<div data-bbox="103 452 203 555"> </div> <p data-bbox="236 452 546 536"><b>Promote a circular business</b></p> <p data-bbox="236 564 519 611">Read more on <a href="#">sustainability.VELUX.com</a> →</p> <p data-bbox="113 649 459 705"><b>Target:</b> Decouple resource use from value creation.</p> <p data-bbox="113 724 576 836"><b>Target:</b> By 2030, we aim to send zero production waste to landfill and reduce absolute hazardous production waste by 50% compared with baseline year 2020.</p>	<p data-bbox="636 442 1076 555">In the VELUX Group, we strive to integrate circularity across our value chain to enable our products and services to be part of a circular economy.</p> <p data-bbox="636 574 1112 714">We work to source more materials with a higher recycled content and include circularity in the product design process. We are piloting new business models and engaging with partners in our industry to drive this agenda.</p> <p data-bbox="636 733 1112 846">At the same time, we are working to reduce waste in our own operations with the aim of sending zero waste to landfill and reducing absolute hazardous waste by 50% compared with 2020.</p>	<ul data-bbox="1152 442 2159 808" style="list-style-type: none"> <li>• We established circularity guidelines for product design and created an internal circularity assessment tool to help our product designers develop products with circular capabilities.</li> <li>• We carried out an analysis of circular business opportunities and used this to create four pilot projects in different markets. In the Netherlands, we initiated the scaling up of our take-back system for recycling windows. In Denmark, we investigated the feasibility of refurbishing post-consumer windows. In Germany, we started two new pilot projects to extend the lifetime of installed products by focusing on proactive maintenance, repairs and upgrades.</li> <li>• Two more European production sites stopped sending their waste to landfill; it is now utilised in waste-to-energy plants.</li> <li>• To enable greater recycling, we are working with new recycling partners to support our sites to find new solutions where recycling or waste-to-energy options are currently not available.</li> </ul>	<ul data-bbox="2202 442 2678 864" style="list-style-type: none"> <li>• Continue the pilot projects: scaling up the Dutch take-back system with a specific focus on high-quality glass recycling; promoting proactive maintenance and repair in Germany; and further exploring refurbishment options.</li> <li>• Start implementing circularity requirements in product development and measure new product development projects accordingly.</li> <li>• Explore new partnerships with customers and suppliers to support our work to promote a circular business.</li> <li>• Continue to reduce landfill waste in Europe and increase our efforts in the US.</li> </ul>	<p data-bbox="2718 442 3192 583">In 2024, work on circularity accelerated throughout the VELUX Group. We established design processes and initiated four pilot projects to test circular business opportunities relating to customer offerings.</p> <p data-bbox="2718 602 3192 714">We sent 341 tonnes of production waste to landfill, a 5% decrease compared with 2023. For hazardous waste, we reduced the amount by 6% to 958 tonnes..</p>
<div data-bbox="103 1099 203 1202"> </div> <p data-bbox="236 1099 553 1249"><b>Ensure 100% recyclable, zero-plastic packaging</b></p> <p data-bbox="236 1277 519 1324">Read more on <a href="#">sustainability.VELUX.com</a> →</p> <p data-bbox="113 1380 593 1427"><b>Target:</b> By 2030, ensure single-material packaging. Zero plastic. 100% recyclable.</p>	<p data-bbox="636 1108 1059 1183">In the VELUX Group, we have high standards for both the quality and performance of our packaging.</p> <p data-bbox="636 1211 1092 1371">We are transitioning to single-material, recyclable, plastic-free packaging that does not compromise on protection and enables disposal of all packaging in one waste stream. We are committed to completing this transition before 2030.</p>	<ul data-bbox="1152 1108 2135 1549" style="list-style-type: none"> <li>• We have initiated the switch to paper-based primary packaging for Residential flat roof products and sun tunnels in Europe. However, it remains challenging to find plastic-free alternatives for some packaging parts, such as the protective film covering the dome skins.</li> <li>• The Altaterra division made progress on the switch to paper-based packaging on the roof window production line.</li> <li>• VELUX China started the transition to paper-based packaging for roof windows and expects it to be fully implemented in two years.</li> <li>• Using the learnings from the paper-based packaging in our Nature collection of blinds, we created a roadmap for the implementation of new packaging in our Residential blinds collection in Europe, anticipated for 2028.</li> <li>• VELUX US experienced a one-year delay in the implementation of paper-based packaging for its main skylight product range. The packaging implementation has been postponed to ensure alignment with the upcoming new product launch.</li> </ul>	<ul data-bbox="2202 1108 2678 1258" style="list-style-type: none"> <li>• Continue to work on implementing paper-based packaging for the main skylight product line in the US.</li> <li>• Start delivering paper-based packaging for shutters for selected markets.</li> </ul>	<p data-bbox="2718 1108 3168 1183">In 2024, 97% of Residential primary packaging in Europe was paper-based and recyclable. This share is in line with 2023.</p> <p data-bbox="2718 1211 3192 1315">The new paper-based packaging is being adopted by other VELUX production sites around the world. Packaging solutions for other products, such as accessories, are being developed.</p>



## Case study

# Testing circular business models

“One experiment is better than 1,000 expert opinions” is a saying from the founder of the VELUX Group, Villum Kann Rasmussen, and it succinctly sums up our efforts to develop a more circular business. We are currently running pilot projects to test different circular business opportunities in our customer offerings. With the learnings and experience we gain from these projects, we hope to scale the principles and make a greater impact.

### Keeping valuable materials in use

Since 2019, we have been running a small-scale window take-back scheme in the Netherlands. When roof windows are being replaced, we collect them and transport them to a dismantling company. Here they are disassembled and the various materials recycled wherever possible.

This scheme has already created several valuable learnings, and more are expected as it progresses. We are now working to scale up the scheme and the recycling while at the same time ensuring that the recycled materials retain as high a value as possible. In particular, we are looking into ensuring high-quality recycling of the collected glass. For this to be successful, it needs to be uncontaminated by other material fragments, which requires a diligent approach to disassembly.

### Investigating the second life of windows

During 2024, we ran a small test on the refurbishment potential of windows that have been removed from roofs before they reach their optimal end of life. This involves cleaning, repairs and replacing elements that can update the window and improve energy efficiency.

The project has created valuable learnings and revealed the complexities of refurbishing older windows. As many of the tested windows left the production site up to 20 years earlier, this is only to be expected. We still have much to learn and the insights we

66

We are now working to take in even more windows, scale up the recycling and ensure the recycled materials retain as high a value as possible.



**Jeroen Proemstra**  
Market Director, VELUX Netherlands

gain will be valuable for our entire value chain, as they can impact aspects ranging from the design of new products to our service and repair offerings.

### A new type of maintenance service

VELUX has a long tradition of ongoing customer service. Our trained service technicians in Germany now offer to visit customers to check and maintain their VELUX windows. During this service, they replace any worn parts to keep the window working optimally. Maintenance is a prerequisite for a long product life, and we want to support our customers with a service solution that makes this maintenance more easily accessible.





## Case study

# Paper-based packaging simplifies recycling

In 2020, we made the decision to remove plastic from our packaging and make it paper-based for easier recycling. The new packaging material is being introduced across our products and is already delivering the results we had hoped for.

### Making waste sorting more convenient for installers

In Europe, the majority of VELUX sloped roof windows and flashing products are now packaged in paper-based material. This has made it easier for installers to handle and dispose of the packaging responsibly once the window is installed.

### Performance first

Although it might sound simple, the switch from plastic to paper-based material for our Residential roof windows has presented several key challenges. Firstly, the new zero-plastic material had to be able to deliver the performance required, protecting the products from any knocks and blows, as well as withstanding temperature changes and moisture. To ensure this level of protection, the new material underwent a series of tests – from drop tests to vibration tests – to see if it would damage or scratch the products in any way.

Secondly, the new material had to be able to work in the existing production equipment and cause minimal disruption to our production processes. To achieve this, each of the different components of the packaging was introduced and tested individually in the existing production run. When we were satisfied that it worked well, we introduced the next component.

Just like our circularity projects, the development process around the new packaging reflects an experimental approach to innovation.

In 2024, 97% of Residential primary packaging in Europe was paper-based and recyclable. We are continually working to expand

66

The VELUX paper-based packaging makes recycling much easier. We can now put all the packaging straight into the recycling container without needing to separate it into different materials.



**Thies Kalina**  
Owner and installer,  
Dachdeckereri Hantzsche, Germany

the project and implement it for all our products both within and outside Europe. The full transition is expected to be completed by 2030.





# Climate and nature

## Reducing our environmental impact

We remain firmly committed to reducing emissions from our operations and from our value chain in line with climate science.

Our greenhouse gas emission reduction targets are set according to the most ambitious pathway of the Paris Agreement and have been validated by the Science Based Targets initiative. By 2030, we aim to reduce our scope 1 and 2 GHG emissions by 100% and our scope 3 GHG emissions by 50% compared with 2020.

Our membership of two global initiatives, led by Climate Group and the World Economic Forum's Alliance of CEO Climate Leaders respectively, demonstrates our commitment to decarbonisation. In 2020, we joined RE100, a collaborative initiative that brings together businesses throughout the world committed to 100% renewable power. In 2024, we also signed up to EV100, a group of companies committed to accelerating the transition to electric vehicles.

In 2024, we set a new target to reduce the energy intensity of the VELUX Group by 56% by 2030 compared with a 2015 baseline. We established this new target in order to more accurately track and manage our energy efficiency. Several initiatives, including our internal energy efficiency projects and the continued switch to electric vehicles, are contributing to our progress.

### Working to protect biodiversity

Alongside our decarbonisation efforts, we want to play a role in protecting our environment. Going forward, we will more systematically assess our direct and indirect impacts on ecosystems and integrate nature-based considerations into our

66

We are continuing to make progress on our scope 1 and 2 reductions thanks to our targeted initiatives.

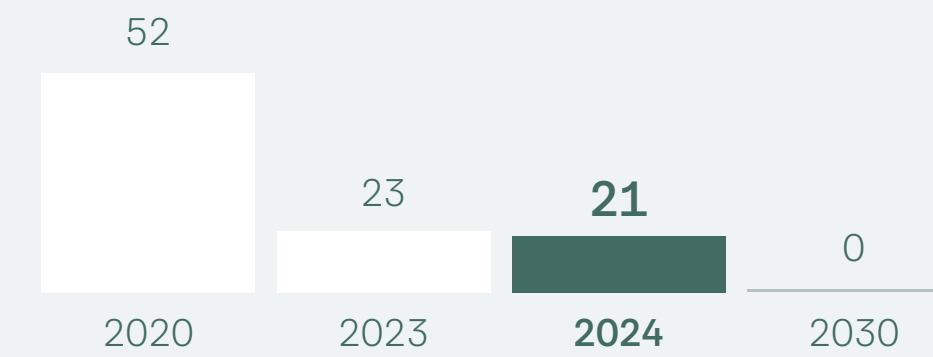


**Kim Jonas**  
Director, Global Energy & Climate

site management and also into product development and sourcing decisions. This includes collaborating with stakeholders to restore and protect biodiversity, ensuring that our business growth supports thriving natural environments for future generations.

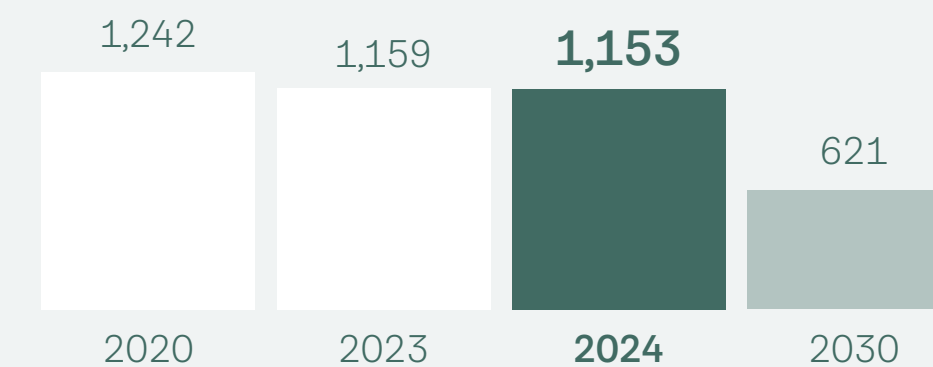
We are also going beyond our value chain by partnering with the World Wide Fund for Nature (WWF) to protect and restore forest areas in key biodiversity hotspots around the world with the aim of reducing and removing the equivalent of our historical carbon footprint (scope 1 and 2).

### Scope 1 and 2 market-based emissions (ktCO<sub>2</sub>e)\*



**Target:** By 2030, a 100% reduction in absolute scope 1 and 2 GHG emissions compared with baseline year 2020.

### Scope 3 emissions (ktCO<sub>2</sub>e)\*



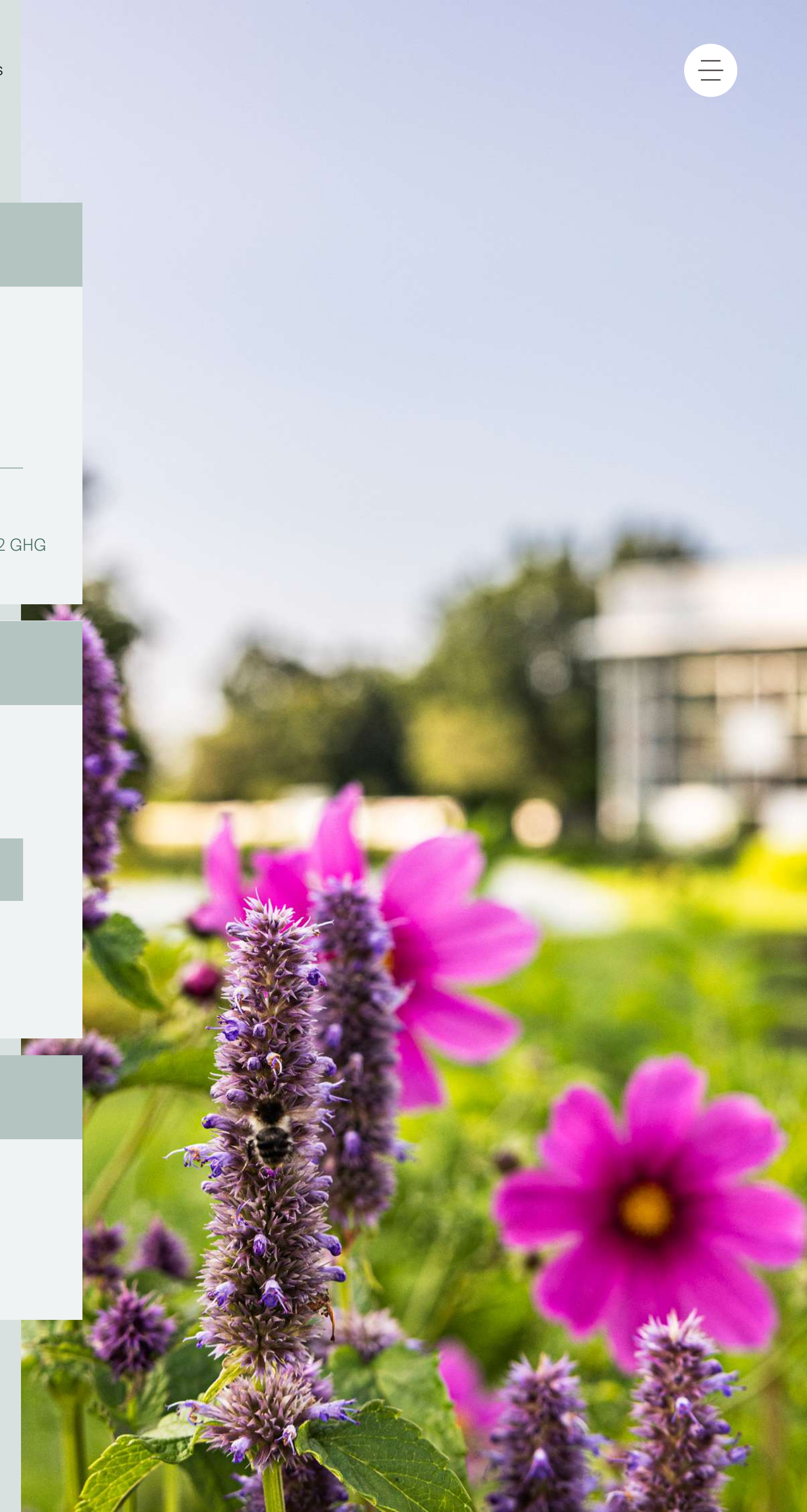
**Target:** By 2030, a 50% reduction in absolute scope 3 GHG emissions compared with baseline year 2020.

### Material topics

Covered in this section:

- E1 Climate change
- E4 Biodiversity and ecosystems

\* For more performance indicators, please see the ESG table on pages 31-32. For details regarding definitions of KPIs, please see our accounting practices on pages 33-36.







## 2024 progress on strategic projects

Climate and nature	About the project	2024 in brief	What's next in 2025?	Progress
<div data-bbox="103 452 209 559"> </div> <div data-bbox="236 446 543 596"> <h3>Reduce our carbon footprint (scope 1 and 2)</h3> </div> <div data-bbox="236 615 519 671"> <p>Read more on <a href="https://sustainability.VELUX.com">sustainability.VELUX.com</a> →</p> </div> <div data-bbox="103 699 559 784"> <p><b>Target:</b> By 2030, a 100% reduction in absolute scope 1 and 2 GHG emissions compared with baseline year 2020.*</p> </div> <div data-bbox="103 802 579 859"> <p><b>Target:</b> By 2030, reduce energy intensity by 56% compared with baseline year 2015.</p> </div>	<p>We are committed to reducing our scope 1 and 2 GHG emissions by 100% by 2030 through switching to renewable energy, 100% renewable electricity, electric vehicles and greater energy efficiency.</p> <p>As reported in our Sustainability Report 2023, we concluded that a 100% reduction is currently not possible from a technical point of view. We are looking into the most efficient way to address our residual emissions. We are also investigating long-term net zero targets.</p>	<ul style="list-style-type: none"> <li>• Our Fuel Switch to Renewable Heating Programme continued. During 2024, two production sites experienced their first full year of operation using new renewable energy systems. Four other projects at production sites started up and are expected to be operational in 2025. The remaining seven production sites in scope plan to implement between 2026 and 2029.</li> <li>• We set a new target to reduce the energy intensity of the VELUX Group by 56% by 2030 compared with a 2015 baseline. We established this new target in order to more accurately track and manage further energy efficiency improvements.</li> <li>• The global energy monitoring system that tracks energy usage has now been implemented at 17 of a total of 22 production sites. This provides detailed energy data as well as an overview, and enabled us to harvest immediate energy savings, for example by reducing idle loss.</li> <li>• The first of two solar PV plants in Spain based on power purchase agreements became operational. In addition to supplying renewable electricity to the local power grid, the park in Alhendín integrates a Solar Plant Symbiosis concept combining renewable power production with agriculture, improved biodiversity measures and local social engagement activities.</li> <li>• We made progress on transitioning to electric vehicles and improved the charging infrastructure at our sites. At the end of 2024, almost one in five company cars owned or leased by VELUX was electric. In Germany, a pilot project started to test the feasibility of electric vans. This year, we also joined EV100, an initiative run by the international non-profit Climate Group organisation for companies committed to accelerating the transition to 100% electric vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to replace fossil fuels with renewable energy at production sites, with four projects expected to be operational in 2025.</li> <li>• Continue to reduce the VELUX Group's energy intensity by improving our energy efficiency.</li> <li>• The second of our solar PV parks based on power purchase agreements – Gerena II in Spain – is scheduled to be commissioned in 2025.</li> <li>• Expand the adoption of electric vehicles and ensure that all company benefit cars ordered from 2025 are electric.</li> </ul>	<p>We continued to make good progress on reducing our scope 1 and 2 GHG emissions throughout the VELUX Group. We reduced our emissions by 2,426 tonnes, an 11% decrease compared with 2023.</p> <p>We reduced our energy intensity from 91 MWh/EURm (net sales) in 2023 to 87 MWh/EURm (net sales) in 2024, a 5% decrease.</p> <p>100% of our electricity was certified renewable, in line with 2023.</p> <p>In 2024, 17.87% of our car fleet was electric, an increase of 8.74% points.</p>
<div data-bbox="103 1121 209 1228"> </div> <div data-bbox="236 1116 543 1266"> <h3>Reduce our carbon footprint (scope 3)</h3> </div> <div data-bbox="236 1285 519 1341"> <p>Read more on <a href="https://sustainability.VELUX.com">sustainability.VELUX.com</a> →</p> </div> <div data-bbox="103 1369 579 1453"> <p><b>Target:</b> By 2030, a 50% reduction in absolute scope 3 GHG emissions compared with baseline year 2020.*</p> </div> <div data-bbox="103 1660 559 1735"> <p>* Wording of the targets has been updated from previous years in order to more adequately reflect our SBTi commitments.</p> </div>	<p>We are committed to halving our scope 3 GHG emissions by 2030. In the VELUX Group, more than 98% of our carbon footprint relates to scope 3 emissions, mostly from the materials used in our products.</p> <p>Our work to decarbonise across the value chain is a joint effort that involves all parts of our organisation, from product design to procurement and logistics, as well as our suppliers.</p>	<ul style="list-style-type: none"> <li>• We sourced lower-carbon glass and are establishing a strategic partnership on glass. This is taking longer than expected due to evolving technological requirements and our desire to include circularity as an objective for a partnership. Within steel, we strengthened our supplier partnership by entering into a long-term agreement with guaranteed access to lower-carbon material. We continue to develop our existing partnerships within aluminium and to implement the new materials while at the same time working closely with suppliers to reduce the carbon footprint of specific components.</li> <li>• To show planned carbon reductions, we created innovation roadmaps for major product categories. We also developed an idea catalogue and a process for how to design and construct future products with a lower carbon footprint.</li> <li>• We set specific decarbonisation expectations for our suppliers and took the first steps to integrate these expectations into procurement processes, such as sourcing processes and contracts.</li> <li>• We continued to optimise our product design to reduce environmental impact. For example, we removed a steel cover in our flat roof window design to reduce the amount of material used and improve the customer journey when installing accessories.</li> <li>• We founded the Danish Green Freight Network together with the LEGO Group and Danfoss. This network consists of large Danish companies dedicated to making an impact on decarbonising transportation and to addressing the challenge of maturity of the industry and infrastructure.</li> <li>• To improve accuracy in the carbon reporting of our logistics activities, we replaced spend-based methodology with activity-based methodology (applying for category 4b). For all categories except category 12, we have integrated financial spend data from all parts of the business that was previously estimated based on net sales.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue and expand existing upstream partnerships to ensure a continuous pipeline of carbon reduction activities.</li> <li>• Establish partnerships with suppliers to source larger volumes of lower-carbon glass from 2025.</li> <li>• Incorporate decarbonisation requirements into procurement contracts where suitable as part of the supplier selection process and supplier performance management.</li> <li>• Reduce materials used in the design of our flat roof windows, such as glass and aluminium, and introduce recycled PVC for specific components.</li> </ul>	<p>Our Scope 3 GHG emissions decreased slightly to 1,153 kt. GHG emissions, a 0.53% decrease compared with 2023.</p> <p>We are seeing some carbon reductions in the sourcing of raw materials for VELUX Residential, including aluminium, steel and glass, as we collaborate with strategic suppliers to lower emissions in our value chain. The reductions are also reflected in the decreased emissions per product. The non-product-related procurement of goods and services has experienced a slight increase.</p>



## 2024 progress on strategic projects

### Climate and nature

### About the project

### 2024 in brief

### What's next in 2025?

### Progress



## Reduce and remove the equivalent of our historical carbon footprint

Read more on [sustainability.VELUX.com](https://sustainability.VELUX.com) →

**Target:** By 2041, 4.5 million tonnes CO<sub>2</sub> reduced and removed through forest and biodiversity projects equivalent to our company's carbon emissions from 1941-2041\*

We are committed to reducing and removing CO<sub>2</sub> equivalent to our historical carbon emissions (scope 1 and 2) since our foundation in 1941 and up until 2041 – our 100th anniversary. To help us deliver on this commitment, in 2020 we entered a 20-year partnership with the World Wide Fund for Nature (WWF). Read more on [wwf.panda.org](https://www.panda.org)

Through this partnership, we are financing forest protection and restoration projects in some of the world's most biodiverse landscapes where forests are most under pressure. The projects are designed to halt deforestation, avoiding the release of CO<sub>2</sub> stored in trees, and to restore natural forests, which sequester and store additional CO<sub>2</sub> from the atmosphere as they grow. In addition, the forest projects are designed to improve biodiversity and support local communities.

The forest projects are developed and delivered by WWF, and implemented in collaboration with local authorities, communities and civil society organisations in each country.

To quantify the impact of the projects, a carbon credit is issued for each tonne of carbon dioxide either avoided through deforestation prevention or removed from the atmosphere through forest restoration. The projects' impacts on climate, community and biodiversity will be third-party-verified every three years in accordance with internationally recognised standards for forest carbon projects managed by Verra, a world-leading greenhouse gas crediting organisation.

The partnership aims to contribute the verified carbon credits to the host countries' national climate targets under the Paris Agreement. The credits will not be traded or used for offsetting by the VELUX Group or any other organisation.

Each forest project will deliver nature-based solutions for climate mitigation aligned with WWF's Blueprint for High-Quality Interventions that Work for People, Nature and Climate. These guidelines ensure nature-based solutions that deliver measurable benefits according to best practices.

- In Uganda, restoration of 1,376 hectares commenced with the planting of approximately 540,000 trees. The concrete pillars and markers that define the forest boundary line were extended to 96 km. Alternative livelihood activities continued and impacted 1,150 people during the year.
- In Madagascar, restoration of 500 hectares commenced with the planting of approximately 1.5 million trees. The project has received approval for early implementation, with government and community agreements in place.
- In Viet Nam, the forest project is in its early stages. The project team worked with local authorities and communities on agreements and received government approval for early implementation.

- Submit the Project Design Documents for validation following the updated Verra methodology.
- Start forest protection and restoration activities in Viet Nam with the involvement of local authorities and communities.
- Continue forest protection, restoration and community activities in Uganda and Madagascar.
- Expand the forest project portfolio with remaining forest projects.

The first three forest projects are under way in Uganda, Madagascar and Viet Nam.

Three years into the project in Uganda, the process of restoration of more than 1,376 hectares of natural forest has begun (approximately half of the expected restoration area). Native trees were planted in between the remaining and naturally regenerating trees in the project area. The project team initiated several alternative livelihood activities to support the local communities, including forest protection and restoration activities, beekeeping, mushroom growing and climate-smart agriculture.

The forest project in Madagascar concluded its first year of implementation, commencing the restoration of 500 hectares of mangroves in the Manambolo-Tsiribinha landscape. The active restoration sites are composed of highly degraded areas in which little or no vegetation remains. Communities are getting management responsibilities, and a temporary fishery reserve was established with local authorities, protecting existing mangrove forests.

The project in Viet Nam is still in its inception phase and received government approval for implementation.

While work continued on all three projects, validation according to Verra's Verified Carbon Standard (VCS) and Climate, Community & Biodiversity Standards (CCB) for impact verification was delayed. This was due to a revised and more robust methodology launched by Verra in 2023 and 2024. Consequently, the first verified carbon impact figures will become available in 2026.

\* The projects are designed to include a 25% buffer, bringing the total potential emission reductions and removals to approximately 5.6 million tonnes of CO<sub>2</sub>.



## 2024 progress on strategic projects

### Climate and nature

### About the project

### 2024 in brief

### What's next in 2025

### Progress



## Support biodiversity

Read more on [sustainability.VELUX.com](https://sustainability.VELUX.com) →

**Target:** By 2030, all relevant sites have initiated or implemented actions that set them on path to promote and achieve the best possible impact on biodiversity.

Biodiversity is essential to the health of the ecosystems that provide the critical services on which our business depends, such as carbon sequestration, water filtration and pollination. In line with the UN Convention on Biological Diversity (CBD) and following the Science Based Targets Network (SBTN) and the Corporate Sustainability Reporting Directive (CSRD), we are initiating projects designed to promote biodiversity across our operations and supply chain that can contribute to long-term resilience and value creation for our business and society at large.

All data collected in this project will enter the Global Biodiversity Initiative Framework (GBIF). This international network and data infrastructure provides open access to data about all types of life on earth that can be used to support evidence-based decision-making to enhance biodiversity.

Alongside our work to measure and improve biodiversity, we are investigating whether the efforts we make to promote biodiversity have a derived impact on employee well-being.

- We used our biodiversity methodology to run site assessments at six VELUX direct operations sites in Denmark, Poland, Italy and Hungary.
- We created a Biodiversity Initiative Catalogue with a range of project ideas that can be implemented to improve biodiversity and attract native wildlife.
- The different sites started work on activities to promote biodiversity. For example, at our site in Hørsholm in Denmark, we created small, interlinked habitats to support different native species.
- We created a Maintenance Guide to support VELUX employees and relevant contractors in promoting biodiversity and nature when managing our sites.

- Carry out site assessments at additional VELUX Group sites.
- Continue to implement biodiversity improvement actions to enhance biodiversity at our own sites.
- Carry out an impact, dependencies, risks and opportunities assessment of our value chain to identify the potential for improving biodiversity with our suppliers.

In 2024, we developed a comprehensive methodology for assessing the state of biodiversity at our sites. This uses many of the mechanisms from an existing tool developed by the Society for Ecological Restoration. The methodology was used at six VELUX sites to create a baseline score and a future potential score. To support sites with this project, we created a Biodiversity Playbook, an Initiative Catalogue and a Maintenance Guide for site managers.



# Case study Supporting biodiversity – starting with our own sites

In 2024, we stepped up our work on our strategic project to assess and improve biodiversity and created baselines at the first six VELUX Group sites in Denmark, Italy, Hungary and Poland.

Following the assessment, the team in Namysłów are making plans for some of the larger initiatives. They have also started working on projects that can be realised in the coming year. This includes the area at the front of the factory that is used by employees during breaks. Here the team wants to create a butterfly garden. They also plan to make the biodiversity project part of the annual employee family picnic. This can further raise awareness and inspire others to make changes.

### Involving the local community

Beyond the site, the project has also made waves. The local mayor of Namysłów attended the start-up meeting. Furthermore, the team has been in contact with the local design and architecture college to involve them in preparing the design of the production site area using the biodiversity principles.

Michał Ksel is excited about the change that this project is going to initiate. “We’ve already learnt a lot and seen how biodiversity is about more than just planting. Our mindset has changed 180 degrees.”

### Viewing the site through the biodiversity lens

The baselines were the result of a two-day biodiversity site assessment, which started off with a walk and talk around the site with a biologist. This gave the local employees a chance to get involved in the project and understand why it is important.

Facility Manager Michał Ksel was part of the assessment process at the Namysłów site in Poland. “It was an inspiring experience. This site has a large area around the factory that until now has been maintained traditionally with grass and some trees. I had always thought that if you plant something green, it’s good. But the biologist showed us how we need to start thinking about the ecosystem we want to create and the species we want to attract.”

### Inspiring others

Internally, the project has sparked a great deal of interest among employees, as another team member QHSEE Manager Lukasz Rasztar experienced. “After the first meeting, we got great feedback and lots of interest from colleagues who said that they would like to get involved in the project.”



66

I had always thought that if you plant something green, it’s good. But the biologist showed us how we need to start thinking about the ecosystem.



**Michał Ksel**  
Facility Manager,  
Namysłów

66

Involving our colleagues in this project has already generated a great deal of pride and enthusiasm.



**Lukasz Rasztar**  
QHSEE Manager,  
Namysłów



# Inclusive workplace Creating a culture where everyone can thrive

We strongly believe that creating a more diverse workplace with greater equity and inclusion will not only benefit our employees but also accelerate innovation and support our overall performance.

That is why we aim to foster a diverse, equitable and inclusive workplace that enables everyone to thrive, develop and perform at their best.

We continually work to promote an inclusive working culture and have a number of policies and procedures to support this alongside our 'VELUX values'. These describe the main principles of ethical behaviour and the way we expect VELUX employees to behave towards each other. We want to create a workplace where everyone is treated with dignity and respect, and where employees feel safe reporting any offensive and discriminatory behaviour.

To create an inclusive working culture based on respect for everyone, we encourage open dialogue with managers and the HR team. We also have a Whistleblower Programme that enables anyone to raise concerns if they become aware of illegal or unethical business conduct. During 2024, we ran a global campaign to raise awareness of this programme.

66

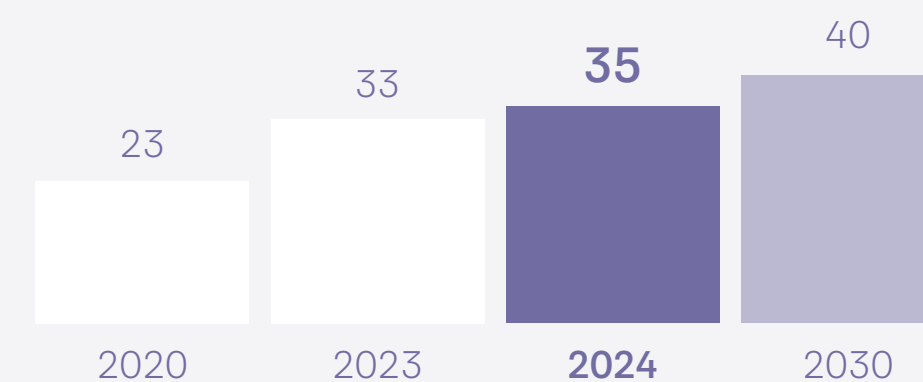
We want to create a workplace where everyone is treated with respect and where all employees feel safe to speak up and share their true opinions, also if they experience any offensive or discriminatory behaviour.



**Sine Martinussen**  
Senior Manager, DEI & Engagement

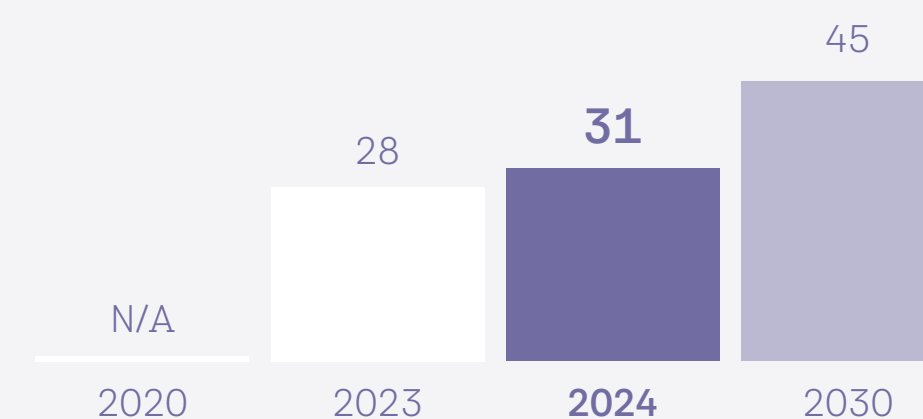
Read more about our Whistleblower campaign on page 27 [→](#)

## Women in senior management (share %)\*



**Target:** By 2030, 40% of senior management positions globally are held by women.

## Women in management (share %)\*



**Target:** By 2030, 45% of all management positions globally are held by women.

## Material topics

Covered in this section:

- S1 Own workforce
- S2 Workers in the value chain
- G1: Governance

\* For more performance indicators, please see the ESG table on pages 31-32. For details regarding definitions of KPIs, please see our accounting practices on pages 33-36.





## 2024 progress on strategic projects

### Inclusive workplace

### About the project

### 2024 in brief

### What's next in 2025?

### Progress



## Drive engagement in DEI

Read more on [sustainability.VELUX.com](https://sustainability.velux.com) →

#### Target: Ensure diversity and an inclusive culture

Increase the representation of underrepresented groups with an emphasis on leadership and increase equity and inclusion in our business practices.

#### Target: Increase the number of women in management positions globally

By 2030, 40% of senior management positions and 45% of all management positions globally are held by women.

#### Target: Employ people with disabilities

Increase the representation of employees with visible and non-visible disabilities, including through greater accessibility in physical and virtual working environments.

We aim to foster a diverse, equitable and inclusive (DEI) workplace that enables everyone to thrive, develop and perform at their best. We believe everyone has the right to be treated equitably, regardless of their background, culture and experience. Building a more diverse and inclusive company will support our overall progress and innovation objectives.

We are committed to ensuring a diverse and inclusive culture, increasing the number of women in management to give a more balanced gender distribution globally that reflects the surrounding society and increasing the representation of employees with visible and non-visible disabilities.

- We initiated a Transparent and Equal Pay project and analysed gender pay gaps. Among other things, the project will prepare for the individual's right to pay information, disclosure of job architecture and salary ranges, and external reporting on potential gender pay gaps.
- We carried out a global survey among hiring managers to identify diversity in applicants and actions taken to mitigate biases during the recruitment process. We found that the majority of hiring managers had read our guide on how to reduce bias and had taken action. Analysis of the survey results highlighted opportunities to strengthen and improve our efforts to further reduce bias in recruitment.
- We raised awareness of our employee learner journey of 'How to be an inclusive colleague', which consists of several training programmes. In 2024, we worked with the first step of the journey, psychological safety.
- We joined the global Hidden Disabilities Sunflower programme. This promotes the use of a discreet symbol that can be worn voluntarily by employees living with an invisible disability to encourage inclusivity, acceptance and understanding from colleagues.
- We continued to develop a more structured framework around Employee Inclusion Communities (EICs), also known as Employee Resource Groups. EICs are voluntary, local/regional employee-led networks that typically focus on underrepresented identities in respect of gender, disability, LGBTQIA+ status, ethnicity or culture. Membership is open to all employees, including those who identify with the respective group and allies. The EICs promote psychological safety, cross-functional and cross-regional collaboration related to DEI and the proactive development of inclusive working environments. We continue to work to address the challenge of remaining open to everyone while still remaining a safe space where members can discuss issues of concern.
- We have started local DEI Ambassador networks to raise awareness and promote DEI topics locally in collaboration with regional DEI partners. Our actions included facilitating three awareness days.

- Continue work on our Transparent and Equal Pay project.
- Continue the employee learner journey of 'How to be an inclusive colleague' with additional training topics.
- Roll out a Psychological Safety Workshop programme.
- Continue the creation and promotion of new Employee Inclusion Communities (EICs).
- Create and collaborate with DEI Ambassador Networks to create awareness of DEI topics locally.
- Provide a concept and technical solution for reporting on employees with disabilities, including a self-identification solution through our HR platform (Workday).
- Pilot a project on hiring and onboarding neurodiverse people and test how AI tools can support performance for employees with dyslexia and other neurodiverse conditions.

Throughout the VELUX Group, we have implemented initiatives to increase diversity and provide greater support for employees with disabilities.

In 2024, the share of women in senior management was 35%, a 3%-point increase compared with 2023. For women in management, the share was 31%, a 3%-point increase compared with 2023.



## Case study

# An invitation to nature

### Projects supported by the Employee Foundation of the VKR Group

In today's fast-paced world, where individuals spend around 90% of their time indoors, the importance of natural light and fresh air has never been more critical. VELUX and all other companies within the VKR Group have consistently worked to bring daylight and fresh air into living and working spaces, recognising their vital roles in promoting health and happiness.

To celebrate the Employee Foundation's 30th anniversary in 2021, an ambitious initiative was launched, allocating 6 EURm to fund innovative projects aimed at creating more green areas and outdoor recreational facilities. This programme, Green Areas and Outdoor Life, encouraged employees and communities to submit their creative ideas, resulting in the support of 14 projects near VKR Group locations.

In 2024, a number of these new green areas opened across Europe. In Poland, for example, recreational parks in Gniezno and a graduation tower in Raszyn close to VELUX Group facilities now give employees, their families and local residents a great opportunity to spend time outdoors. The Employee Foundation also financed outdoor nature areas close to VELUX Group workplaces in Sonneborn, Germany, and Østbirk, Denmark. These new spaces have been designed to support biodiversity and give people the opportunity to reconnect with nature.

These are just some of the projects that have been realised based on employees' ideas and dreams. This is solid proof of their dedication and passion for daylight and fresh air. It also demonstrates our culture of giving back to society through close collaboration with local authorities and like-minded organisations.

66

These projects could never happen if it wasn't for the commitment of the local site employees.



**Lotte Kragelund**  
Executive Director,  
Employee Foundation of the VKR Group

### The VKR Employee Foundation

The VELUX Group is part of the VKR Group, which encompasses over 17,000 employees across 38 countries. Established in 1991, the Employee Foundation was created to offer financial assistance to VKR Group employees, their immediate families and local communities. Since its inception, the Foundation has focused on improving the lives of employees and their immediate families globally, giving more than 11,000 grants totalling over 34 EURm and benefiting over 8,000 employees. Support has been provided for various projects, including outdoor area development, senior clubs, educational assistance for employees' children and volunteering opportunities.





## Case study

# Children's Living Places Ukraine

The Danish NGO SOS Children's Villages Denmark (SOS DK) has initiated a new project to help rebuild and reform the childcare system in Ukraine. The VELUX Group has joined the coalition of partners who support the project and is contributing with its Living Places concept, while VELUX Ukraine will donate windows to the project. The project, called Children's Living Places, will build new care environments for children without parental care and contribute to the rebuilding of Ukraine, where more than 10% of the building stock has been damaged or destroyed by the war.

The new care environments will be built following the Living Places concept developed by the VELUX Group, EFFEKT architects and Artelia engineers. This concept demonstrates how affordable homes can be constructed with a significant reduction in CO<sub>2</sub> footprint and an excellent indoor climate.

### Integrated in the local community

The low-carbon buildings will be built in clusters across three locations in Ukraine. Each cluster will have homes for foster families, as well as shared recreational and social spaces for both inhabitants and local communities. The clusters will be built within existing local neighbourhoods to better integrate the new families into the surrounding communities. In addition to the physical infrastructure, the project includes the provision of comprehensive support services, such as mental health and social support.

### A blueprint for low-carbon building

The Children's Living Places project follows the five key principles from the Living Places concept: that homes should be healthy, adaptive, simple, shared over time and scalable. In the longer term, the ambition is to inspire Ukrainian local and national authorities, provide an easy-to-follow, sustainable blueprint for low-carbon building, and help move the childcare sector towards de-institutionalisation.

The new care environments will be built in partnership with SOS Children's Villages Ukraine (SOS UA), the Villum Foundation, the

66

The Living Places concept and Children's Living Places are fundamental projects seen from a Ukrainian perspective, as they offer a solution to many of the needs and challenges that Ukraine faces when it comes to rebuilding the country after the war. There is an urgent need for more affordable and healthy homes that are built with a much lower CO<sub>2</sub> footprint than the current housing stock.



**Yuri Tkachenko**  
Market Director, VELUX Ukraine

Viessmann Foundation, the Grundfos Foundation, Bitten & Mads Clausen's Foundation, the Somfy Foundation, DOVISTA, Flügger, VELUX Ukraine, Kromann Reumert and the Export and Investment Fund of Denmark (EIFO).



SOS Children's  
Villages Ukraine

Visualisation:  
EFFEKT Architects







# Responsible business

## Our commitment to human rights

The VELUX Group is committed to respecting human rights in line with the UN Guiding Principles for Business and Human Rights, both in our own operations and in our value chain. We take a clear stance against forced labour, human trafficking and child labour in and beyond our value chain. We also recognise our responsibility to respect freedom of association and collective bargaining, and to ensure proper working conditions, non-discrimination and diversity throughout our organisation.

The VELUX Group Sustainability Policy, Code of Conduct and Basic Working Conditions for Suppliers, Code of Conduct for Employees, DEI Policy and the new Anti-harassment Policy guide our approach and set out our position and requirements connected to human rights and working conditions. Our policies have been developed based on the principles set out in the International Bill of Human Rights and the core labour conventions of the ILO, and with reference to the principles of the UN Global Compact and the UN Sustainable Development Goals.

### Modern Slavery Act

We are committed to respecting human rights and preventing any form of modern slavery, forced labour, child labour and human trafficking in our own business, as well as in our supply chain. We take great care to avoid infringing the rights of individuals, groups and communities through our business activities and relationships. We communicate our preventive actions in the annual Modern Slavery Act statement.

## Supplier due diligence

We have in place a number of policies, standards, processes and codes of practice that support our efforts to run a responsible business with sustainability as the cornerstone. Our way of doing business has always been guided by our Model Company Objective. This was formulated in 1965 by our founder, Villum

Kann Rasmussen, and requires us to engage respectfully with the people we work with across the value chain and to run our business in a way that sets a positive example. This responsibility extends beyond our own business, and we expect our suppliers and business partners to live up to the same standards.

### Ready for upcoming legislation

In the coming years, new legislation will both directly and indirectly require us to review and update our business procedures. This includes the EU Corporate Sustainability Reporting Directive (CSRD), the Regulation on Deforestation-free Products (EUDR), the EU Battery Directive, the Corporate Sustainability Due Diligence Directive (CSDDD) and the Digital Product Passport. Once these have been implemented, we will need to be able to access a wide variety of new information and data points from across our supply chain in a transparent and reportable way.

To meet these new legislative requirements, we are taking a holistic approach to creating a policy framework that can align our policies globally. Furthermore, we are coordinating our processes so we can approach suppliers in a uniform way. At the same time, we are continuously working to improve our due diligence processes.

### Supplier Code of Conduct

The VELUX Group Code of Conduct and Basic Working Conditions for Suppliers (hereafter referred to as the Supplier Code of Conduct) sets out our expectations for suppliers. It is based on the principles underlying the United Nations Global Compact and the United Nations Sustainable Development Goals (SDGs). The Supplier Code of Conduct includes: our standpoint against forced labour, human trafficking and child labour; how we expect our suppliers to respect freedom of association and collective bargaining; and how we expect them to ensure proper working conditions, non-discrimination against employees and their employees' right to privacy. It also covers our requirements for and expectations of suppliers on climate and environment, resource use and circular economy.

The Supplier Code of Conduct is reviewed annually. In January 2024, it was updated with a stronger focus on vendor sanctions and embargoes.

All direct material suppliers and indirect suppliers with a contract with VELUX Residential are obliged to sign up to our Supplier Code of Conduct. The VELUX Group also reserves the right to monitor and audit, by mutual consent and as appropriate, our suppliers' subcontractors.

The Supplier Code of Conduct also refers to the VELUX Group Speak Up whistleblower system. This can be used to raise concerns anonymously. The Speak Up channel is available across 40 countries, in multiple languages and can also be accessed using a QR code. Read more on page 27.

### Our supplier approval process

Before new suppliers can work with us, they must undergo an approval and screening process that includes ESG topics. By integrating ESG into this process, it has become an important tool for decision-making in supplier relationships, in line with other parameters such as quality, delivery and value.

All new suppliers of direct materials go through the three steps of the Supplier Evaluation and Approval Process (SEAP). Firstly, they must undertake a self-assessment, which includes elements of our Supplier Code of Conduct. Secondly, the independent third-party Prewave platform screens the supplier for ESG compliance. Finally, an on-site assessment is conducted, which includes confirmatory checks of our Supplier Code of Conduct.

In 2024, we made all policies relevant for suppliers available in one framework on a supplier-specific part of our website: [velux.com/suppliers](https://velux.com/suppliers)

### Managing supplier risk

Although we have many standard policies to guide our relationships with suppliers, we can never fully eliminate risk. We

work to continuously strengthen our approach to risk assessment and screening in line with upcoming EU mandatory due diligence directives. As part of this work, our risk mitigation assessment for human rights violations is included in our supplier assessment programme.

To work more proactively with ESG risk management, we use the Prewave platform and other market intelligence systems. These systems monitor risk across the supply chain and send alerts when risk is detected in connection with any of our suppliers. Any significant risks detected are escalated to our internal Risk Forum, which reviews the risk and determines appropriate actions and potential remediation on a case-by-case basis. This procedure allows us to react fast and support our suppliers to implement the required changes.

Furthermore, each year we carry out an audit of selected suppliers who are highlighted as having the most significant quality and ESG risks. These audits entail an on-site visit that results in an action plan to improve their ESG scores. If necessary, we will visit the supplier the following year to follow up and ensure that action has been taken. This has resulted in cases where we identified opportunities to improve health and safety best practice and suppliers acted on our recommendations and improved employee conditions. Other suppliers who have demonstrated significant quality and ESG risks are sent a quality and ESG self-assessment questionnaire. Once reviewed, we can take action if required.

### Substance compliance for suppliers

The VELUX restricted substance management standard outlines the legal requirements regarding substances used in our products that we and our suppliers must meet. It informs our suppliers of the substances that must be completely excluded from our products and the threshold values regarding other chemicals or materials.



## Responsible business

### Certified wood sourcing

Wood materials for our products are subject to detailed specifications regarding quality and environmental impact. We support responsible forest management and require our wood suppliers to be certified under recognised schemes such as FSC and PEFC. Our sourcing and handling processes are strictly defined, allowing us to detect any irregularities. This year, we found that a limited portion of a few batches of wood from a single supplier did not meet certification standards. Some wood had entered our production, but once the issue was identified, deliveries in the pipeline from the specific supplier were stopped.

### Engaging with suppliers on ESG

To support our suppliers in complying with our policies, we regularly host supplier events to support ongoing dialogue. For example, in 2024 we held six carbon reduction workshops with suppliers in China, Europe and the US to support their decarbonisation programmes and data collection.

Furthermore, every two years we invite our suppliers to the VELUX Group Supplier Day. This event rewards high-performing suppliers with a number of awards. In 2024, over 70 suppliers attended and we included a new award for sustainability that recognises exceptional achievement. The theme of this year's event was decarbonisation and how it can be achieved across the supply chain.



# An ongoing focus on safety

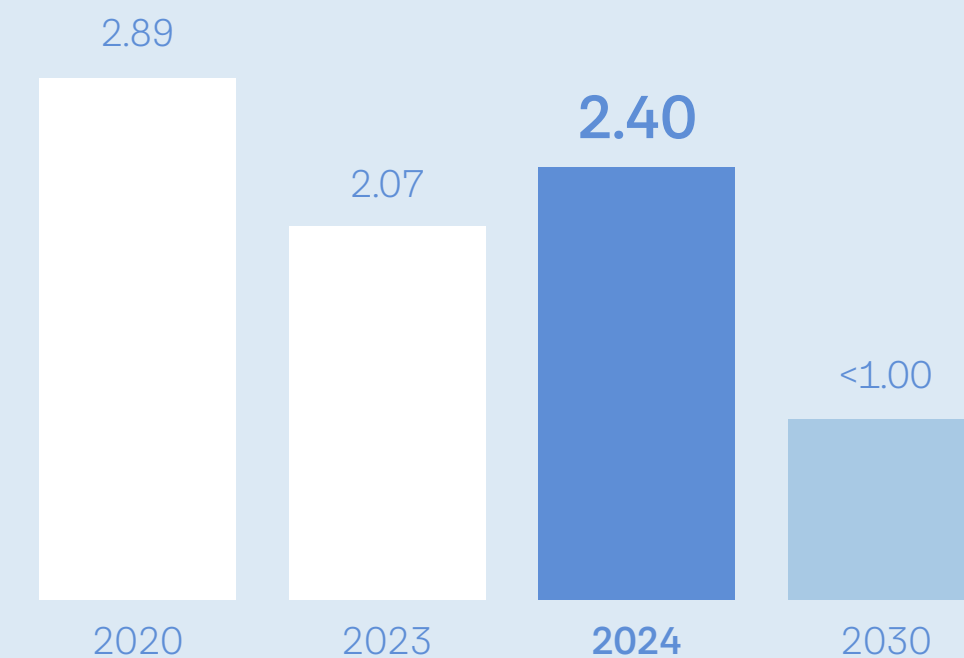
As a production company, we have a strong focus on safety and an overall vision of zero accidents. Our target is to have less than one accident per million working hours, and less than 0.2 lost working hours per 1,000 working hours by 2030.

We are proud of our safety record and continually strive to raise awareness and promote greater safety in all our workplaces. However, in 2024 we had an increase in our lost workday case rate and hours of absence. Even though the increase was only small, we are treating it seriously and taking action to improve our performance, allowing for the different maturity levels within our organisation. During the year, we launched and ran pilot tests of a new reporting system with real-time dashboards in our Residential supply division. This system also supports our increased focus on proactive safety through hazards reporting, facilitating a process involving the direct manager in handling the report and in any follow-up action. Additionally, the system helps us analyse trends and patterns more effectively, thereby enabling us to react to current trends and plan global safety initiatives and programmes. This system will be rolled out to the rest of the business starting in 2025.


This is just one of the new initiatives that are planned to strengthen our focus on safety. For example, moving forward we will work to implement a new and improved process for risk assessment when starting a new non-routine operation. We are firmly

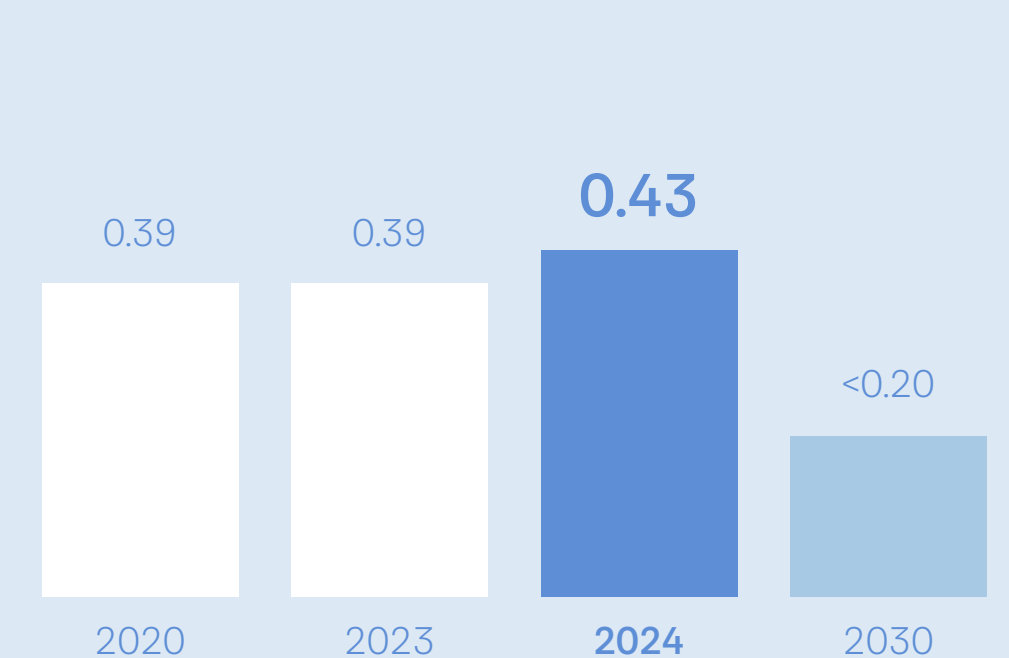
committed to achieving our safety target and will maintain our focus on training and activities that increase safety leadership and awareness of the importance of safety at work across the VELUX Group.

 **Accidents per 1 million working hours**  
(accidents (LWC) per 1 mill. wh)



**Target:** By 2030, less than 1 accident per 1 million working hours.

 **Absence hours per 1,000 working hours**  
(hours of absence per 1,000 wh)



**Target:** By 2030, 0.2 lost working hours per 1,000 working hours.

# Governance

The VELUX Group is committed to upholding exemplary corporate governance practices. This commitment is strongly aligned with the Model Company Objective, which requires us to act responsibly towards all stakeholders while ensuring profitability and continued business growth. As part of the VKR Group, a large part of our profits goes to charitable foundations that support projects within science, environment, social projects and culture.

## Policy governance and structure

The VELUX Group is owned by VKR Holding A/S, a limited company owned by the Villum Foundation and members of the Kann Rasmussen family. The VELUX Group's financial results are incorporated into VKR Holding's consolidated financial statements. From the financial year 2025, VKR Holding A/S will report on behalf of the entire group in compliance with the CSRD.

During 2024, we revised the VELUX Group governance framework for policies and procedures to strengthen the alignment to VKR Holding A/S and as preparation for the new CSRD reporting. The resulting policy governance framework details all of our documents, their review and approval processes, and ownership. This framework is managed by the VELUX Group and aligned to the VKR Group's policy structure. Policies are revised at

least biannually and approved by the VELUX Policy Committee. Executive management is responsible for implementation of and compliance with policies, while the VELUX Group Board of Directors is accountable for policy compliance.

Our corporate governance documents, including our policies, are designed to ensure that our business is run and managed in an ethical way. They guide our daily activities and ensure that we conduct business based on respect and integrity and in a compliant manner.

## Whistleblower Programme

Within the VELUX Group, we encourage an open dialogue on all compliance issues related to VELUX business practices, our Codes of Conduct for both suppliers and employees, internal policies, and laws and regulations. The Whistleblower Programme is designed to enable anyone, including employees and suppliers, to raise concerns if they become aware of illegal or unethical business conduct or of serious violations of internal rules and policies. We are committed to using the information gathered from concerns raised to take appropriate actions and make necessary improvements.

In 2024, we introduced a new operating model and standard operating procedure for handling whistleblower cases. The process is now managed by the Whistleblower Committee, which consists of representatives from the VELUX Group and VKR Holding A/S. Based on input from the Whistleblower Committee, the Head of Compliance in the VELUX Group reports to the VELUX Audit Committee, which has an oversight role.

When a concern is reported, the system sends an email notification to the Whistleblower Committee that a new case has been logged. The Committee assesses the case within two working days to initiate the case handling procedure.

The concern is investigated using a standard process flow. However, the specific investigation will depend on the nature of

66

We have changed the system's name to the Speak Up channel because we believe in creating a positive, inclusive space where everyone feels comfortable coming forward. Speaking up isn't about pointing fingers – it's about contributing to a healthy and ethical workplace for all of us.



**Sofie Kamph Eismark**  
Senior Director, Global Compliance

the case and can naturally be realigned depending on the interim results obtained and further case developments.

Any reported concern results in a formalised conclusion presented to the Audit Committee and, if appropriate for the case, a recommendation for further action based on the findings. If a case relates to Executive Group Management, the VELUX Board

of Directors or a member of the Whistleblower Committee, a procedure is in place to ensure that they are not involved in processing the case.

In 2024, we rebranded the Whistleblower Programme as the Speak Up Programme and ran an internal campaign to raise awareness of the importance of reporting suspected illegal, unethical or non-compliant behaviour. The campaign gave examples of the types of issue that can be reported and clear guidance on how to make reports. It also highlighted its ease of use and reminded employees that it is available in 40 countries, in multiple languages and can be accessed using a QR code scanned by a mobile phone. In addition, anyone reporting an incident can choose to remain anonymous.

The campaign was fully backed by Executive Group Management, which provided a clear 'tone from the top' and encouraged employees to use the Speak Up channel when in doubt.

In 2024, the whistleblower system recorded 64 reports, of which 23 were classified as in scope and handled by the Whistleblower Committee. Three in-scope cases were substantiated and corrective actions taken. Two cases remain open and under investigation at year-end.

## Fair competition

As the market leader within our category, the VELUX Group takes our responsibility towards fair competition seriously and always strives to live up to the Model Company Objective. The VELUX Group Legal Policy and the VELUX Group Competition Law Compliance Policy describe our approach to customers and competitors, as well as our approach to mergers, acquisitions and other relevant matters. The VELUX Group runs a comprehensive competition law compliance programme to ensure that all our companies adhere to international and national regulations to prevent any form of anti-competitive behaviour.

## Trade sanctions

In 2022, the VELUX Group closed our operations in Russia



## Governance

and Belarus due to Russia's invasion of Ukraine. As part of our commitment to complying with EU, UN and US sanctions, and to support our decision to discontinue trade in these two countries, we cannot accept that dealers resell our products to Russia or Belarus, or to companies or persons who might be sanctioned. To follow up on this, we require all dealers in certain geographical areas to sign a Sanctions Compliance Declaration. We also monitor sales numbers in countries bordering Russia and Belarus, as well as other countries that are known to have close trading relations with the two countries.

In addition to the programme to monitor for sanctions diversion risks as described above, the VELUX Group also has a sanctions screening programme in place to ensure that our suppliers and counterparties are not sanctioned or have beneficial ownership ties to sanctioned individuals.

### Tax

The VELUX Group acts with integrity and transparency in tax matters. We follow the VELUX Tax Guidelines and the Group Tax Policy, which applies to employees as well as consultants and advisors involved in tax issues. The policy mandates acting with a commitment to being a good corporate citizen, while also remaining conscious of the need for profitability to ensure continued growth. Tax implications cannot always be isolated to the VELUX Group, for which reason the overall responsibility for tax in the Group lies with VKR Holding A/S.

We are committed to respecting both the wording and spirit of tax legislation, and to properly reflecting our commercial and organisational reality in the tax we pay in each of the countries where we operate. We do not engage in artificial non-business-driven transactions or business structures solely for the purpose of reducing tax. Our cooperation and communication with the tax authorities is timely, honest and appropriate.

### Data privacy and ethics

The VELUX Group respects and protects individuals' privacy and handles personal data with care. The VELUX Privacy Policy describes how we treat data provided on or collected via our

digital platforms. Our policy complies with the EU General Data Protection Regulation 2016/679 (GDPR) and Danish law.

In 2024, we implemented new compliance software designed to enhance data protection through a platform specifically tailored to meeting data privacy requirements. This platform enables us to optimise our data privacy governance processes.

### Anti-corruption and bribery

We apply a zero-tolerance approach to corruption. The VELUX Anti-corruption and Bribery Policy guides employees in their everyday work and requires Management to ensure that bribery does not occur by formulating local guidelines concerning the receipt of gifts, entertainment and the avoidance of facilitation payments. In 2024, approximately 250 employees at director level or above completed e-learning training designed to raise awareness of our Anti-corruption and Bribery Policy (the anti corruption e-learning completion rate can be found in the ESG accounting table).





# DMA methodology

During 2024, we conducted a Double Materiality Assessment (DMA) with reference to requirements set out in the European Sustainability Reporting Standards (ESRS) and recommendations prepared by EFRAG (IG1).

The 2024 DMA process builds on the approach and results of the first DMA conducted in 2023.

We developed the step-by-step process shown below to conduct our DMA. During the first two steps of the process, we defined the scope and boundaries for the assessment. This included methodology considerations, such as scoring, thresholds and time horizons, as well as developing a high-level mapping of the value chain and identifying key stakeholders.

For the identification and assessment of impacts, risks and opportunities (IROs), we used insights from internal subject matter experts from across our business, supported by desktop research of both internal and external sources. All identified IROs were

mapped to their relevant ESRS topics and sub-topics, and assessed from a time horizon and value chain perspective.

We held workshops with internal subject matter experts with the aim of scoring and calibrating the potential and actual IROs. Where possible, we used quantitative assessments and aligned DMA risks with the corresponding risks identified as part of our enterprise risk management process. For assessing impact materiality, we used a five-point scoring system for scale, scope, irremediability and likelihood. Similarly for financial materiality, we employed a five-point scoring system for financial extent and likelihood.

During the consolidation stage, we applied a maximum consolidation approach to determine the materiality score of topics and sub-topics, meaning that the highest-scoring IRO within a sustainability topic determines the score of the aggregated topic. Following consolidation, we applied a threshold for materiality, resulting in a preliminary list of material topics that were validated by a group of senior leaders from across the business. The final resulting list of 13 material sub-topics was approved by Executive Group Management.

The VELUX Group DMA results are shared with VKR Holding A/S for consolidation.

For our full list of IROs, please see [sustainability.VELUX.com](https://sustainability.velux.com)

## The VELUX Group DMA process



## Material sub-topics

ESRS sub-topic	Value chain	Impact materiality	Negative/positive impacts	Financial materiality	Risk/opportunity
<b>Environmental</b>					
<b>E1: Climate change mitigation</b>	Upstream, own operations, downstream	Material	Negative	Material	Risk
<b>E1: Climate change adaptation</b>	Own operations	Not material	N/A	Material	Risk
<b>E1: Energy</b>	Own operations	Material	Positive	Not material	N/A
<b>E2: Substances of concern and very high concern</b>	Downstream	Material	Negative	Not material	N/A
<b>E4: Direct impact drivers of biodiversity loss</b>	Upstream, own operations	Material	Negative & positive	Not material	N/A
<b>E5: Resource inflows</b>	Upstream, own operations	Material	Negative & positive	Material	Opportunity
<b>E5: Waste</b>	Downstream	Material	Negative	Not material	N/A
<b>Social</b>					
<b>S1: Working conditions (own workforce)</b>	Own operations	Material	Negative & positive	Not material	N/A
<b>S1: Equal treatment and opportunities for all</b>	Own operations	Material	Positive	Material	Opportunity
<b>S2: Working conditions (workers in the value chain)</b>	Upstream	Material	Negative	Not material	N/A
<b>S4: Information-related impact for end-users &amp; consumers</b>	Downstream	Material	Positive	Not material	N/A
<b>Governance</b>					
<b>G1: Corporate culture</b>	Own operations	Material	Positive	Material	Opportunity
<b>G1: Political engagement &amp; lobbying activities</b>	Own operations	Material	Positive	Not material	N/A



# ESG data and assurance

Sustainability is integral to the VELUX Group's strategy. As part of being a Model Company, we decided in 2020 that all ESG-related figures and statements are to be verified by an independent external assurance service provider.

In an assurance engagement, the level of risk is reduced by the auditor examining the indicator, taking samples, performing reconciliations to other data, performing analyses, and assessing and reviewing our internal controls. The assurance engagement follows an annual process. We conduct an interim audit after Q2 with a focus on processes and controls, a subsequent hard close around Q3 auditing the year-to-date reporting, and finally the year-end audit after Q4.

Our ESG KPIs are externally audited with combined assurance: some KPIs obtain limited assurance, while others achieve reasonable assurance. Limited assurance entails fewer tests and smaller samples than reasonable assurance, but enough to express that the auditor has found nothing to suggest that the KPI does not follow the accounting practice. Reasonable assurance offers the highest level of assurance, with extensive sampling and testing of controls to verify that the KPI follows the accounting practice in all material respects. Our end goal is for our sustainability data to be subject to the same level of scrutiny as our financial data.

To achieve this goal, the KPIs in the ESG table are subject to the level of assurance appropriate for the maturity of the underlying data. Since 2022, we have had reasonable assurance on seven

indicators in the ESG table and limited assurance on a further 11 indicators. In 2024, we achieved reasonable assurance for scope 1 and 2 emissions for the first time, reflecting our ongoing work to improve the quality of emissions data. All other existing KPIs maintained their assurance levels. Furthermore, a new KPI – whistleblowing – was added to the ESG table in 2024, achieving limited assurance. The VELUX Group Audit Committee continuously discusses the progress of the ESG assurance plan.

Throughout 2024, ESG data has been included in our quarterly reporting to Executive Group Management and the Board of Directors. The indicators are increasingly part of how we measure progress in the VELUX Group.

## The progression from internal reporting to reasonable assurance



**Internal reporting**  
No external assurance

- Compilation of relevant data and information on a frequent basis.
- Reporting to communicate and inform people in the organisation.



**Limited assurance**  
Limited degree of external assurance

- Key verification procedures performed: analytical procedures and inquiries, interviews with data owners.
- The objective is for the auditor to conclude that nothing came to attention that could lead to the conclusion that the information in the ESG accounting table on pages 31-32, marked with a 'limited assurance icon' has not been prepared, in all material respects, in accordance with the VELUX Group's accounting practices.



**Combined assurance**  
High degree of external assurance related to some KPIs and limited degree of assurance related to others

- Combined assurance is a combination of limited assurance for some KPIs and reasonable assurance for others.
- The conclusion is two-fold: one conclusion regards figures subject to reasonable assurance and the other conclusion regards figures subject to limited assurance.



**Reasonable assurance**  
Highest degree of external assurance

- Verification procedures performed: substantive procedures, including interviews with data owners, site visits and sample testing.
- The objective is for the auditor to conclude that the information in the ESG accounting table on pages 31-32, marked with a 'reasonable assurance icon' has, in all material respects, been prepared in accordance with the VELUX Group's accounting practices.



# ESG accounting table

Limited assurance

Reasonable assurance



Note	Environmental	Unit	Target	Assurance level	2024	2023	2022	2021	2020
	<b>Reduce our future carbon footprint:</b>								
1.1	Scope 1 emissions	000 t CO <sub>2</sub> e	100% reduction (2030)		<b>20</b>	<b>22</b>	<b>26</b>	<b>28</b>	<b>24</b>
1.1a	Biobased emissions (outside of scopes)	000 t CO <sub>2</sub>			<b>15</b>	<b>17</b>	<b>16</b>	<b>14</b>	<b>16</b>
1.2	<b>Scope 2 emissions:</b>								
	Scope 2 emissions (location-based)	000 t CO <sub>2</sub> e			37	37	41	45	42
	Scope 2 emissions (market-based)	000 t CO <sub>2</sub> e	100% reduction (2030)		1	1	2	9	28
1.3	<b>Scope 3 emissions (total):</b>	000 t CO <sub>2</sub> e	50% reduction (2030)		<b>1,153</b>	<b>1,159</b>	<b>1,455</b>	<b>1,455</b>	<b>1,242</b>
	Category 1a: Purchased goods and services (product) <sup>a</sup>	000 t CO <sub>2</sub> e			702	723	943	975	802
	Category 1b: Purchased goods and services (non-product) <sup>a</sup>	000 t CO <sub>2</sub> e			129	110	118	116	106
	Category 2: Capital goods <sup>a</sup>	000 t CO <sub>2</sub> e			36	37	32	21	25
	Category 3: Fuel and energy-related activities	000 t CO <sub>2</sub> e			14	16	21	16	13
	Category 4a: Upstream transportation (product) <sup>a</sup>	000 t CO <sub>2</sub> e			36	38	51	52	43
	Category 4b: Upstream transportation (non-product)	000 t CO <sub>2</sub> e			51	54	66	66	59
	Category 5: Waste generated in operations	000 t CO <sub>2</sub> e			1	2	2	3	2
	Category 6: Business travel <sup>a</sup>	000 t CO <sub>2</sub> e			22	19	18	11	9
	Category 7: Employee commuting <sup>a</sup>	000 t CO <sub>2</sub> e			5	4	5	5	4
	Category 8: Upstream leased assets <sup>a</sup>	000 t CO <sub>2</sub> e			3	3	2	2	3
	Category 9: Downstream transportation <sup>a</sup>	000 t CO <sub>2</sub> e			4	5	6	6	5
	Category 11: Use of sold products <sup>a</sup>	000 t CO <sub>2</sub> e			10	10	12	11	14
	Category 12: End of life treatment of sold products <sup>a</sup>	000 t CO <sub>2</sub> e			140	138	179	171	157
1.4	<b>Share of renewable electricity</b>	%	100% (2030)		<b>100</b>	<b>100</b>	<b>98</b>	<b>78</b>	<b>39</b>
1.5	<b>Reduce our product carbon footprint</b>	kg CO <sub>2</sub> e per window	50% reduction (2030)		<b>97</b>	<b>111</b>	<b>120</b>	<b>119</b>	<b>117</b>
1.6	<b>Switch to zero-emission cars</b>	%	100% (2030)		<b>17.87</b>	<b>9.12</b>	<b>2.19</b>	<b>2.23</b>	<b>0.26</b>
1.7	<b>Share of certified wood</b>	%	100% (2030)		<b>99</b>	<b>100</b>	<b>96</b>	<b>96</b>	<b>95</b>

Figures in the ESG table are rounded, while figures elsewhere in the report are calculated using unrounded figures.

a) Restated; see details in the accounting practice.

Continues >

## ESG accounting table

 Limited assurance
  Reasonable assurance

Note	Social	Unit	Target	Assurance level	2024	2023	2022	2021	2020
2.1	<b>Full-time equivalent (FTE)</b>	FTE		●	11,777	11,409	12,608	12,211	11,160
2.2	<b>Headcount (HC)</b>	HC		●	12,039	11,641	12,861	12,493	11,511
2.3	<b>Employee turnover</b>	HC %		●	12	17	15	13	8
2.4	<b>Age distribution:</b>								
	<30 years	HC %		●	13	13	15	17	15
	30-50 years	HC %		●	54	54	54	53	55
	>50 years	HC %		●	33	33	31	30	30
2.5	<b>Increase the number of women in management positions:</b>								
	Women in senior management	f %	40% (2030)	●	35	33	30	28	23
	Women in management	f %	45% (2030)	●	31	28	26	26	-
	Women in total	f %		●	36	35	36	35	35
2.6	<b>Strive for zero accidents:</b>								
	Work-related accidents	Accidents (LWC) per 1 mill. wh	<1.00 (2030)	◐	2.40	2.07	1.63	2.58	2.89
	Accident-related absence hours	Hours of absence per 1000 wh	<0.20 (2030)	◐	0.43	0.39	0.45	0.49	0.39

Note	Governance	Unit	Target	Assurance level	2024	2023	2022	2021	2020
3.1	<b>Gender diversity in the Board of Directors</b>	f % / m %		●	33/67	29/71	33/67	29/71	33/67
3.2	<b>Supplier quality audits completed at year-end</b>	# completed audits		◐	85	69	71	76	80
3.3	<b>Code of conduct for supplier signatures</b>	%		◐	100	100	98	100	100
3.4	<b>Anti-corruption e-learning completion</b>	%		◐	99	89	77	76	86
3.5	<b>Whistleblowing</b>	# cases in scope		◐	23	14			





# Accounting practices

## About this report

This Sustainability Report covers the period 1 January to 31 December 2024, following the calendar year-end aligned with our financial reporting. The ESG figures can be either consumption or year-end at 31 December 2024, which is stated under each indicator.

The strategic indicators cover the issues identified as material to the VELUX Group in terms of importance to our business and to stakeholders. In addition, we report on our 'running indicators', which are important measures that we track continuously. For an overview of our ESG indicators and 2024 progress, please see the ESG table. Currently, some of the strategic targets described in the report are not easily quantifiable or measurable. For this reason, they have not been included in this year's ESG table. All the strategic and running indicators that are quantitative and computationally mature are included in the ESG table and the calculation methods are described in the specific accounting practice; see the note reference in the ESG table.

All figures in the ESG table have been examined by external auditors and have been given either limited or reasonable assurance for 2024. The two different assurance levels are indicated by different icons.

Maturing our data collection process and going from limited to reasonable assurance means that some of our ESG figures need to be restated. These restatements reflect improvements in data, scope and quantification methods. We refer to the specific accounting practices for further details regarding data that has been restated. In 2024, restatements have been implemented in scope 3 categories 1a, 1b, 2, 4a, 4b, 6, 7, 8, 9, 11 and 12.

## Organisational scope

Unless otherwise stated, indicators consist of data from the entire VELUX Group, i.e. both Residential and Commercial divisions as

well as administration, warehouses, and sales & marketing offices under operational control. Operational control is interpreted as having the authority to de facto implement changes to energy-related operations, such as implement a change of energy source or implement energy efficiency measures. Residential refers to products primarily sold to private households, while Commercial refers to customised products such as VELUX Modular Skylights (VMS) sold to large clients, including companies and public institutions.

## Environmental

### 1.1 Scope 1

Organisational scope: VELUX Group

Assurance level: Reasonable

Scope 1 emissions in our operations result from the combustion of energy, i.e. natural gas, gas oil, propane, fuel for company cars and biomass. Biobased CO<sub>2</sub> emissions from biomass and the share of biobased fuel in diesel and petrol are not included in scope 1 and reported separately. See also '1.1.a Biobased emissions (outside of scopes)'. Energy consumption is based on invoices and/or meter readings and is registered in Resource Advisor and covers consumption from material activities within operational control, i.e. production, warehousing, administration and sales & marketing. Emission factors for the respective energy types are the most recent (2024) from DEFRA.

#### 1.1.a Biobased emissions (outside of scopes)

In line with the Greenhouse Gas (GHG) Protocol, direct CO<sub>2</sub> emissions resulting from the combustion of biobased fuels are reported separately. This includes wood chips (a by-product of the production) used in our bioboilers and the share of biobased fuel found in petrol and diesel. The share of biobased emissions is accounted for by assigning relevant emission factors from

DEFRA (2024) to the three fuel types. While other greenhouse gas emissions covered by the Kyoto Protocol are included under scope 1 emissions, only CO<sub>2</sub> emissions are accounted for as out of scope. Hence, the unit used for reporting is CO<sub>2</sub> and not CO<sub>2</sub>e.

### 1.2 Scope 2

Organisational scope: VELUX Group

Assurance level: Reasonable

Scope 2 emissions are based on purchased energy, i.e. electricity and district heating, and reported according to both location- and market-based methods in line with the Greenhouse Gas Protocol. Location-based emissions are calculated based on the International Energy Agency's (IEA) most recent emission factors (2024), while market-based electricity emission factors are assigned using the following hierarchy: supplier-specific data (incl. certificates), residual mix data (AIB, 2024 or USA Green e, 2024), and location-based data (IEA, 2024).

### 1.3 Scope 3

Organisational scope: VELUX Group

Assurance level: Limited

Quantifications of the VELUX Group's emissions are based on the calculation methods from the GHG Protocol, except for subcategory C9, which is extrapolated from C4 based on a fixed percentage rate. The scope 3 inventory is divided into 15 subcategories (C1-C15). 11 of these categories are determined as applicable to the VELUX business model and activities; see next sections. The four excluded categories are: C10: Processing of sold products, C13: Downstream leased assets, C14: Franchises and C15: Investments. C10 and C13 are excluded due to irrelevance, as the VELUX Group does not sell any partially finished products that need further processing and does not act as a lessor. C14 and C15 are excluded, as the VELUX Group has neither franchises nor substantial financial investments.

The data consists of either activity data or spend data from SAP as well as other ERP and IT systems. Where emissions are calculated by activity data, refer to the single categories below for specific emission data sets. Where emissions are calculated by spend, an Extended Environmental Input-Output (EEIO) emission factor database is used. The database takes cradle-to-gate emissions through to consumer impacts in kg CO<sub>2</sub>e per spend. The database is provided through the Carbon Trust and is adjusted yearly to account for inflation, global decarbonisation and the transition of the global economy towards a services-oriented model.

## Improved scope 3 data accuracy

In 2024, we implemented the following changes to improve the accuracy of our scope 3 reporting:

- Improved data quality and processes for category 1a.
- Calculated Commercial division based on costs or primary data to better reflect the actual indirect emissions for categories 1a, 1b, 2, 4a, 6, 8, 9 and 11. Previously these categories for VELUX Commercial were extrapolated.
- Increased the share of primary data for categories 4b and 6.
- Corrected category 7 and 12 due to miscalculations.

Accounting for these changes, scope 3 emissions in categories 1a, 1b, 2, 4a, 4b, 6, 7, 8, 9, 11 and 12 have been recalculated and restated for 2020, 2021, 2022 and 2023. This results in the following changes to total scope 3 emissions:

	Previous reporting	Delta	Delta %	2024 reporting
2023	1,401	-242	-17%	1,159
2022	1,783	-328	-18%	1,455
2021	1,806	-351	-19%	1,455
2020	1,556	-314	-20%	1,242

Scope 3 categories 1a, 4b and 6 account for the majority of the changes. [Continues >](#)

# Accounting practices

## Scope 3 categories

Emissions from the scope 3 categories that apply to the VELUX Group are quantified as follows:

**C1** Purchased goods and services are separated into:

1a Emissions from purchased goods and services (product-related emissions, e.g. from raw materials) are calculated using a mass-based approach: mass of purchased material multiplied by product subgroup mass-specific emission factors. Where available, supplier-specific emission factors are applied; if not, CDP or industry average emission factors collected from the ecoinvent database (version 3.10) are applied.

1b Emissions from purchased goods and services (non-product-related emissions, e.g. services) are calculated based on spend data multiplied by product-specific emission factors from EEIO (2024).

**C2** Capital goods emissions are calculated by multiplying spend data by product-specific spend emission factors. Emission factors used are EEIO (2024).

**C3** Fuel and energy-related activities (not included in scope 1 or scope 2): the activity data from scope 1 and 2 are multiplied by well-to-tank (WTT) and transmission and distribution (T&D) emission factors. Emission factors used are from IEA (2024) and DEFRA (2024).

**C4** Upstream transportation and distribution emissions are calculated by financial spend and a distance-based approach:

4a Product-related (PR) emissions are calculated based on weight and distance for purchased materials multiplied by relevant emission factors by major transport type. Emission factors are from DEFRA (2024).

4b Emissions from non-product-related transport and distribution are primarily calculated based on activity-based data (weight and distance from delivery notes) multiplied by transport-specific

emission factors (DEFRA 2023). A minor part (10%) is calculated based on financial spend data multiplied by transport-specific EEIO (2024) emission factors, and based on warehouse activity data multiplied by relevant emission factors from GLEC (2023).

**C5** Emissions from waste generated in operations are calculated using waste produced annually per waste type multiplied by specific waste handling emission factors from DEFRA (2024) and the ecoinvent database (version 3). Only waste from Residential and Commercial production companies is in scope.

**C6** Business travel emissions are calculated by multiplying spend data by product-specific spend emission factors. Emission factors used are EEIO (2024). For VELUX companies using AMEX, air travel emissions are derived from AMEX.

**C7** Employee commuting emissions are calculated using the number of employees in each country multiplied by transport-specific emission factors. Emission factors are from DEFRA (2024) and based on specific country and specific commuting assumptions from the Carbon Trust. Commuting assumptions are divided into country classification (high income to middle income) and the following types of transport: car, train, metro, bus, motorcycle, and walking/cycling, where the latter is considered zero-emission transport.

**C8** Upstream leased assets are all emissions related to the embedded carbon footprint from the lease of assets and not included in scope 1 and 2. It is calculated as financial spend data multiplied by product-specific spend emission factors EEIO (2024).

**C9** Downstream transport and distribution emissions are estimated as a percentage of category 4 – upstream transport and distribution emissions. As the VELUX Group has no access to actual data for the downstream emissions, this percentage, which in 2023 was 5%, is determined based on experience from the Carbon Trust and verified by a VELUX estimation.

**C11** Use of sold product emissions are calculated by multiplying the number of grid-powered motors released to the market by the

estimated annual average energy consumption of the motors, and then multiplied by national energy grid mix emission factors from IEA (2024). Assumptions on motor capacity (active and standby), energy usage per day and final estimated lifetime of motors are based on internally developed environmental product declarations (EPDs). Note that the lifetime does not take into account customers who may choose to replace motors and thus extend the lifetime of the product.

**C12** Emissions from the end-of-life treatment of sold products are calculated by multiplying the number of European residential sloped roof windows sold (excluding e.g. flat roof windows and the American Skylight windows) by a specific window end-of-life emission factor. The related non-window product emissions are calculated by extrapolating from net sales. Emission factors are based on the most recent internally developed EPDs and cover deconstruction, downstream transport, waste processing and disposal.

## 1.4 Share of renewable electricity

Organisational scope: VELUX Group

Assurance level: Limited

The indicator includes all renewable electricity produced at own solar cells (photo-voltaic (PV)), Energy Attribute Certificates (EACs) or a signed letter of intent assuring that the allocation and retirement is present at the time of reporting. The European, New Zealand, Australian and Chinese markets are covered by EACs. Signed letters of intent cover the North American and Japanese markets. Note that electricity produced from own solar cells that is not used by the VELUX Group but sold to the grid is not included in the share of renewable electricity.

## 1.5 Reduce our product carbon footprint

Organisational scope: VELUX Residential

Assurance level: Limited

To keep track of production efficiency while still working to reduce our carbon footprint, we track our product carbon footprint, which is calculated as kg CO<sub>2</sub> equivalents per average window.

Due to the major product deviations across Residential and Commercial products in terms of size and material composition, the VELUX Group reports on our product carbon footprint relative to an average residential roof window. The average is based on a weighted average of the four most sold European residential sloped roof window types (GGL, GPL, GGU and GPU), with a weighted average pane from all sold units. The indicator is based on a cradle-to-gate approach, i.e. selected scope 1 and 2 emissions (energy consumption from production in 2022) and scope 3 categories (mainly cradle-to-gate emissions from supplied raw materials represented by the industry standard carbon footprint, unless specific supplier carbon footprint information in line with SBTi principles is available).

Note that this indicator was retired in 2024 and will not be displayed in the ESG table for 2025.

## 1.6 Switch to zero-emission cars

Organisational scope: VELUX Group

Assurance level: Limited

This indicator tracks progress towards the target of achieving a 100% electric car fleet by 2030 and reports the share of zero-emission cars out of the total number of company cars owned or leased by the VELUX Group. Zero-emission cars only include fully electric vehicles such as cars and vans. Hybrid cars are not considered to be zero-emission cars. Trucks, forklifts and other electric vehicles used in on-site operations are currently not included in the calculation. Data is based on a global internal biannual survey, combined with statements from leasing companies and extracts of leased assets and owned assets from SAP.



# Accounting practices

## 1.7 Share of certified wood

Organisational scope: VELUX Group

Assurance level: Reasonable

Certified wood is defined as sourced wood for products produced by the VELUX Group. Certifications are according to the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council (FSC).

Data for the sourcing of certified wood for Residential products is based on data collected in the VELUX SAP solution when receiving the wood. Wood used in products produced by VELUX China is sourced from our Hungarian factory. Few Commercial products contain wood, and data is collected from invoices in local ERP systems.

## Social

### 2.1 Full-time equivalents (FTE)

Organisational scope: VELUX Group

Assurance level: Reasonable

Full-time equivalents (FTE) is measured at year-end. The number of FTEs is a measure of the 'number of scheduled contractual working hours' divided by 'the full-time equivalent number of default working hours according to local legislation'. Both scheduled weekly hours and default weekly hours are maintained in VELUX Workday, which is the VELUX global human resources (HR) system. Employees include: regular, temporary and seasonal employees, as well as interns, apprentices and students. Temporary and seasonal workers are employees who have a fixed-term contract. All expatriates are included as regular workers. Employees excluded from the figures are those on long-term leave >12 months, garden leave and contingent workers. Contingent workers are freelancers, independent contractors or other outsourced workers.

### 2.2 Headcount

Organisational scope: VELUX Group

Assurance level: Reasonable

The headcount at year-end reflects the number of employees

in the VELUX Group who have the employee type 'employee' in VELUX Workday. Headcount is the count of unique employee IDs and reflects the total number of people employed. This includes regular, temporary and seasonal employees, as well as interns, apprentices and students. All expatriates are included as regular workers. Employees excluded from the headcount are those on long-term leave >12 months, garden leave and contingent workers.

The average headcount is the average of how many employees have been working over a 12-month period. The calculation is based on month-end headcount figures for 12 months. This figure is used in the turnover calculation.

### 2.3 Employee turnover

Organisational scope: VELUX Group

Assurance level: Reasonable

The term 'employee turnover rate' refers to the percentage share of employees who leave the organisation during the calendar year relative to the average headcount over the same 12 months. The turnover rate thereby includes employees who leave the VELUX Group both voluntarily and involuntarily, and employees who retire. All data is stored in VELUX Workday.

### 2.4 Age distribution

Organisational scope: VELUX Group

Assurance level: Reasonable

The age distribution of VELUX employees is based on the headcount figure (see definition above) and reported in percentages. Our age distribution categories are aligned with the Global Reporting Initiative (GRI) disclosure 401-1: Employment (2021). Data is extracted from VELUX Workday and calculated based on the employees' dates of birth and the headcount at year-end.

## 2.5 Increase the number of women in management positions

Organisational scope: VELUX Group

Assurance level: Reasonable

This indicator seeks to ensure diversity and equal opportunity at work at all levels of the organisation. The indicator focuses on having increased representation of women in management and senior management positions. All core employee master data is stored in VELUX Workday. Data on gender is recorded in VELUX Workday upon hiring and is voluntarily self-declared by employees. The reporting figures are at year-end.

### Women in senior management

Senior management is managers at supervisory organisational levels 1-3 managing at least one person, which is recorded in VELUX Workday. Level 1 covers those reporting directly to the CEO.

### Women in management

A manager is defined as a person who supervises at least one person. In VELUX Workday, all managers registered are included in this indicator.

### Women in total

This figure is the number of women employees in the VELUX Group, including temporary, expatriate, interns, apprentices and students, but excluding contingent workers, those on garden leave and on long-term leave >12 months.

## 2.6 Strive for zero accidents

Organisational scope: VELUX Group

Assurance level: Limited

This indicator tracks the accident frequency across VELUX operations for VELUX employees. Only accidents with absence are included. Accidents that result in a full workday of absence are tracked. A full workday depends on the country-specific hours. A lost workday case (LWC) is defined as a work-related accident resulting in injury or illness where the employee is required to take at least one full day of absence. Work-related illnesses (attrition)

are currently excluded because privacy policies/internal data protection and national regulations make it difficult to collect data globally.

Working hours are calculated as the sum of working hours for the total headcount of VELUX Group employees. This excludes overtime.

Accidents are recorded locally by all VELUX Group companies and reported monthly via our BPC system.

### Accident-related absence hours

This indicator tracks hours of accident-related absence per 1,000 working hours. Absence hours include the total hours lost due to lost workday cases (LWC). Accidents and absence hours are reported in the same calendar year the accident took place. If absence is related to an accident that continues into a new calendar year/financial period, the absence hours will be included in the new financial period, and the actual accident will not be carried forward. For any single LWC, only the first 12 months of absence are included in the calculation, with any subsequent months excluded.

Absence hours are recorded locally by all VELUX Group companies and reported monthly via the VELUX BPC system. Working hours are calculated as the sum of working hours for the total headcount of VELUX Group employees. This excludes overtime.

## Governance

### 3.1 Gender diversity in the Board of Directors

Organisational scope: VELUX A/S

Assurance level: Reasonable

This indicator tracks the gender diversity in the Board of Directors, excluding all employee-elected board members. The indicator shows the share of female and male board members respectively at year-end. This indicator only includes the Board of Directors of VELUX A/S.

Continues >



## Accounting practices

### 3.2 Supplier quality audits completed at year-end

Organisational scope: VELUX Group

Assurance level: Limited

The scope includes all suppliers of direct materials to VELUX Residential and VELUX Commercial divisions. Direct materials suppliers are defined as those delivering materials and components for our production, i.e. wood, glass, packaging, electronics, chemicals, aluminium and metal parts.

For suppliers that provide goods to the VELUX Residential division exclusively and suppliers that serve both Residential and Commercial divisions, the VELUX Group's audit system (IPW) provides the total number of on-site audits conducted by the VELUX Group during the year. For suppliers that exclusively provide goods to VELUX Commercial, a separate localised system provides the total number of on-site audits.

### 3.3 Code of conduct for supplier signatures

Organisational scope: VELUX Residential

Assurance level: Limited

This indicator includes all suppliers categorised as direct materials suppliers for locations that produce VELUX Residential products. Direct materials suppliers are defined as those delivering materials and components to our production, i.e. wood, glass, packaging, electronics, chemicals, aluminium and metal parts. All Commercial suppliers are excluded, as they have a separate process, which is currently being aligned.

### 3.4 Anti-corruption e-learning completion

Organisational scope: VELUX Group

Assurance level: Limited

This indicator is part of the VELUX Group's communication and training on anti-corruption policies and procedures. The percentage relates to the completion rate of anti-corruption training for selected employees based on their risk of exposure to corruption and bribery. The training is administered in VELUX Workday.

### 3.5 Whistleblowing

Organisational scope: VELUX Group

Assurance level: Limited

This indicator tracks the number of whistleblower cases recorded in the VELUX whistleblower system determined to be in scope according to the VELUX whistleblowing policy (accessible via the VELUX website). All cases received are recorded in the VELUX whistleblowing system regardless of who submits a report – be they internal or external to the VELUX Group – or how such a report is received. The indicator was added to the ESG table in 2024.





# Management statement

The Executive Board of VELUX A/S including affiliates (hereafter the VELUX Group) has considered and adopted the Sustainability Report of the VELUX Group for the period 1 January to 31 December 2024.

The Sustainability Report 2024 has been prepared in accordance with the accounting practices and the sustainability governance. In our opinion, the Sustainability Report provides a true and fair view of the VELUX Group's environmental, social and governance (ESG) impacts on society for the period 1 January to 31 December 2024. Further, in our opinion, the accounting practices applied are appropriate and the information given in the Sustainability Report is consistent with these accounting practices.

**31 March 2025**

## Management



---

**Lars Petersson**  
CEO



---

**Anders Götzsche**  
Executive Vice President, CFO



# Independent auditor's assurance report

## To the stakeholders of VELUX A/S

As agreed, we have performed an examination with a combined reasonable and limited assurance, as defined by the International Standards on Assurance Engagements, on the ESG accounting table in VELUX A/S' Sustainability Report 2024 (the 'Sustainability Report') for the period from 1 January to 31 December 2024.

Specifically, we are to conclude on the marked Key Performance Indicators in the ESG accounting table on pages 31-32 in the Sustainability Report 2024 (the 'ESG accounting table'):

- Reasonable assurance over the Key Performance Indicators identified in the ESG accounting table for 2024 on pages 31-32, marked with a 'reasonable assurance icon'.
- Limited assurance over the Key Performance Indicators identified in the ESG accounting table for 2024 on pages 31-32, marked with a 'limited assurance icon'.

In preparing the ESG accounting table, VELUX applied the accounting practices described on pages 33-36. The ESG accounting table needs to be read and understood together with the accounting practices, which management is solely responsible for selecting and applying. The absence of an established practice on which to derive, evaluate and measure the ESG accounting table allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability Report, and accordingly, we do not express an opinion on this information.

## Management's responsibilities

VELUX A/S Management is responsible for selecting the accounting practices, and for presenting the ESG accounting table in accordance with the accounting practices, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the ESG accounting table, such that it is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities

Our responsibility is to express a conclusion based on our examinations of the presentation of the ESG accounting table in accordance with the scope defined above.

We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit regulation to obtain assurance for the purposes of our conclusion.

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as ethical requirements applicable in Denmark.

## Description of procedures performed

In obtaining reasonable assurance over the Key Performance Indicators identified in the ESG accounting table on pages 31-32, marked with a 'reasonable assurance icon', our objective was to perform such procedures and to obtain such evidence which we consider necessary in order to provide us with sufficient appropriate evidence to express an opinion with reasonable assurance.

In obtaining limited assurance over the Key Performance Indicators identified in the ESG accounting table on pages 31-32, marked with a 'limited assurance icon', our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion with limited assurance. The procedures performed in connection with our limited assurance engagement are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.

As part of our examination, we performed the below procedures:

- Interviewed those in charge of the ESG accounting table to develop an understanding of the process for the preparation of the Sustainability Report and for carrying out internal control procedures.
- Performed analytical review of the data and trends to identify areas of the ESG accounting table with a significant risk of misleading or unbalanced information or material misstatements and obtained an understanding of any explanations provided for significant variances.

- Based on inquiries we evaluated the appropriateness of accounting practices used, their consistent application and related disclosures in the ESG accounting table. This includes the reasonableness of estimates made by management.
- Designed and performed further procedures responsive to those risks and obtained evidence that is sufficient and appropriate to provide a basis for our conclusion.
- In connection with our procedures, we read the other sustainability information in the Sustainability Report of VELUX and, in doing so, considered whether the other sustainability information is materially inconsistent with the ESG accounting table or our knowledge obtained in the review or otherwise appear to be materially misstated.

In addition to the above we performed the following procedures for the Key Performance Indicators identified in the ESG accounting table subject to reasonable assurance:

- Agreed key items and representative samples based on generally accepted sampling methodology to source information to check accuracy and completeness of the data.
- Site visits to conduct walkthroughs of data gathering, calculation and consolidation processes related to the reasonable assurance of metrics.

In our opinion, the examinations performed provide a sufficient basis for our conclusion.



# Independent auditor's assurance report

## Conclusion

In our opinion, the Key Performance Indicators identified in the ESG accounting table on pages 31-32, marked with a 'reasonable assurance icon' in VELUX A/S' Sustainability Report for the period from 1 January to 31 December 2024 which has been subject to our reasonable assurance procedures have, in all material respects, been prepared in accordance with the accounting practices on pages 33-36.

Based on the limited assurance examinations and the evidence obtained, nothing has come to our attention that causes us to believe that Key Performance Indicators identified in the ESG accounting table on pages 31-32, marked with a 'limited assurance icon' in VELUX's Sustainability Report for the period 1 January to 31 December 2024 subject to our limited assurance procedures, have not been prepared, in all material respects, in accordance with the accounting practices described on pages 33-36.

Copenhagen, 31 March 2025

EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Morten Østergaard Koch  
State Authorised Public Accountant  
mne35420

Lars Fermann  
State Authorised Public Accountant  
mne45879



## Transforming spaces since 1941

VELUX roof windows have been bringing daylight and fresh air into people's homes around the world for more than 80 years, creating better living environments. We offer a range of products, including roof windows and modular skylights, decorative blinds, sun screening products and roller shutters, as well as installation and smart home solutions. They help create bright, healthy and energy-efficient places for people who live, work, learn and play under a roof. We work globally – with sales and manufacturing operations in 37 countries and around 11,800 employees worldwide.

The VELUX Group is owned by VKR Holding A/S, a limited company wholly owned by VILLUM FONDEN and members of the Kann Rasmussen family.

Find us

→ [Sustainability.VELUX.com](https://Sustainability.VELUX.com)

→ [LinkedIn](#)



**VELUX®**