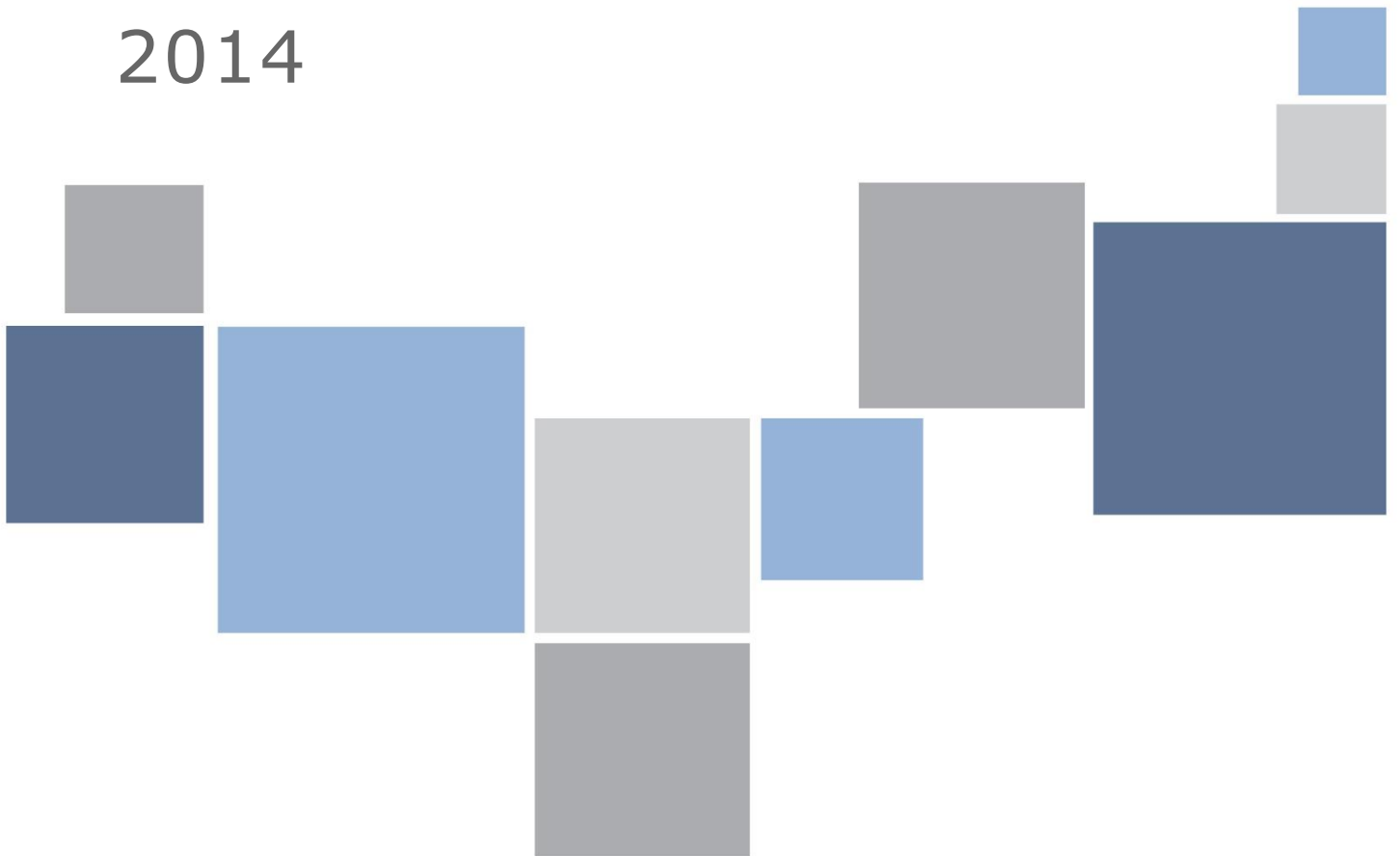


CORPORATE SOCIAL RESPONSIBILITY

2014



Our approach to CSR

Corporate social responsibility, CSR, comes naturally to us and is an integral part of who we are and the way we work. And it always has been. It was our founder who first formulated the objective of being a “Model Company”, a company that other companies would look up to and try to imitate. From the very start, our objective has been to develop and manufacture products that are useful to society, and to always strive to treat our employees, customers, communities and shareholders better than most other companies.

DOVISTA develops and manufactures windows and doors that contribute positively to people’s health, development and sense of wellbeing, as well as to a better environment and climate. Through our constant focus on product development and functionality, we create products that bring daylight, fresh air and a better environment into people’s lives, while at the same time reducing the energy needed for heating, lighting and mechanical ventilation.

We always put our customers first – also in case things go wrong. We do our utmost to build relations with our suppliers that are rooted in open dialogue and cooperation. We strive to motivate all parties involved to also do their utmost and thus help establish a framework that will enable us to develop, grow and fulfil our strategic goals.

All executives employed in the DOVISTA Group have a duty to always take into account important social and environmental challenges and to integrate them in our activities. We constantly seek to develop and motivate our employees to make sure they have the necessary tools to navigate in an environment marked by constant change, internally as well as externally.

In the following pages we will elaborate on the initiatives we have launched and the results achieved so far. For us, working with corporate social responsibility is a continuous process, and we acknowledge that progress will be achieved step by step. A systematic approach must still leave room for differences in the DOVISTA Group and allow individual companies to target different aspect of corporate social responsibility in different ways.

Corporate social responsibility is a deeply embedded core value in DOVISTA, and an enduring legacy from our founder whose ideas of the Model Company we still aspire to live up to.



Firmly anchored in our business

The objective of being a Model Company is the foundation that all companies in the DOVISTA Group rest on, and it is the core of our values. The objective reflects an ambition to behave with integrity, and it is the essence of and the overall ambition for our approach to corporate social responsibility.

A model company works with products useful to society and 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.

Since it was formulated, the Model Company objective has been followed by a number of principles and guidelines on corporate social responsibility that, taken together, form the framework for the CSR policies of all the companies in the DOVISTA Group.

All companies in the DOVISTA Group are expected to work purposefully towards living up to these principles and guidelines under the following five overall themes.

PRODUCTS USEFUL TO SOCIETY

- We bring daylight, fresh air and a better environment into people's lives.

ECO-FRIENDLY INITIATIVES

- We take initiatives that will benefit the eco-friendly buildings of the future.

INNOVATIVE DEVELOPMENT AND EXPERIMENTS

- One experiment is better than a thousand expert views.

LONG-TERM RELATIONSHIPS

- We strive to treat our customers, suppliers, employees, shareholders and other stakeholders in an exemplary manner.

SOCIALLY RESPONSIBLE ORGANIZATIONAL BEHAVIOUR

- Our objective is to create a motivating and safe working environment and an organisation that always acts in a socially responsible manner.

PRODUCTS USEFUL TO SOCIETY

- We bring daylight, fresh air and a better environment into people's lives.

DOVISTA owns companies that contribute to better buildings by developing and manufacturing products that are useful to society and bring daylight, fresh air and a better environment into people's lives. As a reliable and well-founded company, we make a positive contribution to the communities we work in, and by continuously adjusting to developments in society we make a positive contribution to its continuing development.

By always striving to optimize the functionality and technical performance of our products, we help reduce the energy needed to heat buildings, increase the use of daylight and add fresh air through natural ventilation, all of which help reduce energy consumption and environmental impact such as emissions of CO₂ and other greenhouse gasses.

By constantly focusing on quality, long service life, low environmental impact of the materials and resources used and by increasingly focusing on recyclability, we strive to constantly reduce the impact our products have on the environment throughout their life cycle.

Our windows offer our customers a chance to do something themselves to save energy and cut their heating bill by choosing an environmentally friendly window solution.

Our work to develop and improve the products of the DOVISTA Group never stops. Our R&D department continues to come up with improvements of functionality, design, insulation and other properties. Development work always takes its starting point in current legal requirements, and over the years we have increased the share of products that meet the very strictest insulation requirements.

The products of the DOVISTA Group are manufactured in up-to-date factories that continuously assess and optimize their processes to identify and reduce any unnecessary waste and energy consumption. Through targeted efforts we strive to constantly reduce our consumption of energy, water and electricity, thus reducing the emissions of CO₂ caused by our production.

The share of the waste that cannot be recycled directly in our own production is sorted and sold for reuse or recycling elsewhere. The few remains that cannot be used at all are disposed of in an environmentally safe and responsible way.

In recent years, DOVISTA has prioritized efficiency improvements in our distribution system, having identified this as an area where we are able to make a substantial contribution towards reducing energy consumption and CO₂ emissions. Consequently, optimal logistics solutions remain high on our agenda, and we strive to continuously optimize our entire transport and distribution chain.



Examples of initiatives in 2014

Charity/philanthropy

The VILLUM FOUNDATION is the major shareholder in VKR Holding A/S, which is the parent company of DOVISTA. A substantial part of operating profit made in DOVISTA will therefore, over time and via the profit made by VKR Holding, be channelled back to society via the two charitable foundations, the VILLUM FOUNDATION and the VELUX FOUNDATION, in the form of financial support for research projects within social science and science & technology and for a broad range of social, cultural and environmental projects. In 2014, the two foundations donated a total of 1.1 billion Danish kroner as financial support for charitable purposes.

Transport optimization

In 2014 we moved our largest distribution centre to a geographically more logical place. As a result, we have seen a considerable reduction in the number of kilometres driven from factory to end-user. At the same time we have made a targeted effort to optimize truck capacity utilization by coordinating distribution of orders in the same region. As a positive effect, the reduced number of kilometres driven has reduced our CO₂ emissions.

Energy consumption

As part of our continuous efforts to reduce energy consumption everywhere in the group, lighting has been a special focus in 2014. Our factories in Poland have changed to more environmentally friendly forms of lighting, and the same has happened in many other companies in our Group; for instance in O. H. Industri where they have changed to LEDs instead of traditional lighting. All initiatives that have benefitted our energy budget as well as the environment.

DOVISTA expects all the Group's companies to:

- increase their focus on the product's entire life cycle – from sourcing and/or production to disposal or reuse
- increase their use of renewable resources when developing new products
- use raw materials, water and energy more efficiently in order to reduce the negative impact on the environment



ECO-FRIENDLY INITIATIVES

- We take initiatives that will benefit the eco-friendly buildings of the future.

Buildings account for a major share of energy consumption in many countries. In Europe alone, some 40% of total energy consumption is spent on heating, ventilation and lighting of buildings. In DOVISTA we feel a strong obligation to make a contribution towards reducing energy consumption in buildings by prioritizing development of energy-efficient solutions and by participating in relevant forums that aim to develop new standards for eco-friendly buildings.

Windows from companies in the DOVISTA Group have all the energy and indoor environment certificates required on the markets where they are sold. However, having the required certificates is not enough for us. To have a positive impact on the environment and climate, it is essential that we develop and manufacture high-quality windows with a high utility value and a long service life, while at the same time focusing on energy and resource consumption during production and product use as well as on recycling or disposal. In the DOVISTA Group we make a targeted effort to reduce the environmental impact of our products during their life cycle in order to reduce our carbon footprint and overall impact on the environment.



- The total number of units produced has increased by approx. 10% in the period 2010-2014.
- The total energy consumption of the DOVISTA Group has been reduced by 7% in the period 2010-2014.
- Total CO₂ emissions have been reduced by 4% in the period 2010-2014.
- More than 45% of the total energy consumption of the DOVISTA Group comes from wood waste from our own production.
- More than 95% of our total waste is reused.

Dynamic quality and environment management programmes constitute the practical framework. We observe and endorse both national and European environmental legislation, and we allocate the resources necessary, in the form of continuous education and dialogue, to make sure that our employees constantly strive to reduce waste in the broadest sense of the word.

Since 2010 the DOVISTA Group has been promoting, systematically and through targeted efforts, a culture of continuous improvement aimed at reducing and eliminating waste in all activities. Efforts and outcomes are constantly monitored and used in continuous improvement projects ultimately leading to waste reduction.

Through LIVINGlab, our knowledge, learning and information laboratory, we are actively involved in investigating the scope and potential of windows in eco-friendly buildings. We do so by taking part in demonstration projects and by engaging in dialogue with all stakeholders in the building sector about the practical application and optimal use of windows, besides participating in forums that discuss and set the standards for the eco-friendly buildings of the future.

Examples of initiatives in 2014

Inspiration for sustainable buildings

In 2014 Rationel has offered courses run by independent experts to architects, as an introduction to and inspiration for sustainable buildings. The courses have focused on the general framework for sustainability based on the most recent research and concrete examples of such buildings. The courses were offered in cooperation with Realdania Byg, and the participants were architects representing a broad section of Danish architectural firms.

Making knowledge available

Over the years DOVISTA has accumulated plenty of market experience and a broad range of research results. We are more than happy to make this knowledge available to customers, stakeholders in the building sector and the academic world.

Climate changes

DOVISTA's primary markets have also experienced the effects of climate changes in recent years, changes that involve more extreme weather conditions, which again make new and more rigorous demands on buildings. At DOVISTA we wish to make sure that the design and manufacture of our products make them able to withstand the impact of the surrounding environment at all times, including the new challenges brought about by climate changes. As a result we have developed new tests in 2014 designed specifically to test the opening mechanism of our windows and doors in strong winds. The outcome of these tests enables us to target our R&D efforts and make our products ready for known as well as new climate challenges.

DOVISTA expects all the Group's companies to:

- work systematically with environmental issues
- adopt standards and environmental certification when doing so adds value
- join strategic partnerships to develop new standards for eco-friendly buildings and thus influence the environmental agenda



INNOVATIVE DEVELOPMENT AND EXPERIMENTS

- One experiment is better than a thousand expert views.

In DOVISTA we constantly focus on optimizing the beneficial properties of our products. By investing in innovation and by experimenting we gain new knowledge and insights, which year by year reinforces the foundation that the product development carried out in the companies in the DOVISTA Group rests on, and thus secures our continued growth.

Our R&D is based on an approach and methods that stem from Villum Kann Rasmussen's statement that "one experiment is better than a thousand expert views". To challenge ourselves, we are always involved in a number of ambitious development and experimental building projects, either initiated by ourselves or by leading research institutions.

Our products are developed and tested in a continuous cooperation between the business units and the DOVISTA Innovation Centre. The knowledge thus accumulated is shared across the DOVISTA Group to make sure that new knowledge is turned into practical application wherever it will contribute to better solutions in the building sector.

LIVINGlab is the DOVISTA Group's independent knowledge and development unit whose primary function is to explore ideas and create new knowledge on windows and doors for the buildings of today and of the future. In cooperation with the front runners of the building industry and educational institutions, LIVINGlab explores the scope of windows and their use under real-life conditions. We share our knowledge with all parties who are interested in energy issues - for instance through our extensive course activities.



Examples of initiatives in 2014

Research into windows and improved indoor climate

As a result of the improvements in the insulation of existing and new buildings, there is an increasing need for improved ventilation and cooling of the buildings, to ensure optimal room air conditions. DOVISTA supports research in this area by co-financing a project by a Ph.D. student at Aalborg University entitled "Ventilative Cooling of Buildings", and by acting as his Ph.D. supervisor. Furthermore, DOVISTA contributes knowledge and acts as a sparring partner for two other research projects and by cooperating with a consortium of architects, building contractors, consultants and others acting as advisors for the Schools of Architecture in Copenhagen and Oslo, the Technical University in Copenhagen and Aalborg University.

Development initiatives targeting passive houses

Proving our continued efforts to develop our windows, Svenska Fönster has qualified for a certificate allowing them to supply windows for passive houses, as the first ever supplier in Sweden. The design and construction of windows are subject to very strict requirements to satisfy the high standards for energy efficiency defined in the certification protocol, while at the same time contributing greatly to the comfort and sense of well-being in the houses.

Svenska Fönster's windows can now be found in the largest passive house built in Sweden, a block of 187 flats at Kungsholmen in Stockholm.

DOVISTA expects all the Group's companies to:

- invest in experiments that promote innovation and contribute new knowledge to the buildings of the future
- develop new products and solutions and improve existing products on an ongoing basis
- implement new business processes, methods and systems



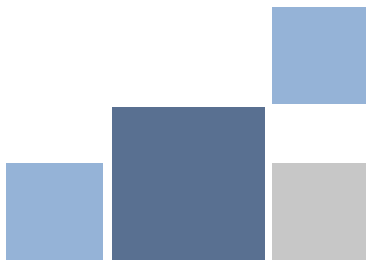
LONG-TERM RELATIONSHIPS

- We strive to treat our customers, suppliers, employees, shareholders and other stakeholders in an exemplary manner.

The companies in the DOVISTA Group are anchored in partnerships and networks including local as well as international stakeholders, and they are engaged in continuous dialogue with their customers, suppliers and public authorities. As a Group we are present in many local communities, and all companies in the Group have a duty to behave with integrity and make a positive contribution to the community they are part of.

Our behaviour and approach must always reflect our objective of being a Model Company. We set high standards for our relationships with our customers and stakeholders, and we seek to promote socially responsible behaviour in all such relationships. It is the clear expectation of the DOVISTA Group that no company in the Group or any sub-contractor working for the DOVISTA Group will ever tolerate child labour or any other breaches of human rights.

Respect for the individual human being is a core element of our company culture. We behave with integrity at all levels of the organization, and we expect that all employees are treated with respect, regardless of gender, age, race or religion.



Examples of initiatives in 2014

An unbroken supply chain

In our cooperation with our suppliers we focus particularly on environmental issues and health and safety in the workplace. We send a clear signal that we take this focus seriously by continuously monitoring our suppliers, and by starting all visits to suppliers by evaluating the current situation in their firms and in any sub-suppliers they may have. To give an example, we regularly evaluate the approach to environmental and health and safety issues at our Chinese suppliers, resulting in a specific evaluation of the individual supplier against the Code of Conduct they have signed.

We do this to ensure that we have an unbroken chain of socially responsible production. If we find that conditions in a supplier's firm fail to live up to our expectations, this will be considered sufficient grounds for terminating the cooperation.

Responsibility towards the local community

Everywhere we have a local presence, we have an interest in and also a responsibility to engage in dialogue with the local community we are part of. This could for instance mean opening our doors to local educational institutions or participating in information meetings on job and education opportunities.

An important aspect of this responsibility is to help educate future generations. A good example is West Port, which has 160 employees. In 2014, 10 apprentices completed their training there in cooperation with the local vocational and technical college. In addition, this led to a positive dialogue about further education opportunities and how the company could contribute in that area.

DOVISTA expects all the Group's companies to:

- never tolerate child labour or any other breaches of human rights
- observe the anti-corruption policy of the DOVISTA Group
- treat all employees with respect, regardless of gender, age, race or religion



SOCIALLY RESPONSIBLE ORGANIZATIONAL BEHAVIOUR

- Our objective is to create a motivating and safe working environment and an organization that always acts in a socially responsible manner.

In the DOVISTA Group we have more than 3,600 employees, and as an inherent part of DOVISTA's way of working and culture we strive to ensure that all the Group's employees develop their potential through continuous education and dialogue.

Internally, we wish to create a motivating and learning work environment and help our employees to develop any skills they may need to handle new challenges in their work life. Over the past 5 years, a number of employees and executive staff members have completed an extensive training programme, aimed specifically at reducing materials and energy consumption while at the same time reducing our environmental impact. As a result, we have been able to identify and reduce unnecessary use of resources and waste within all areas of the company.

Across the companies in the DOVISTA Group, we take active steps to provide a safe and healthy work environment. We comply with all current rules and regulations, and we try to eliminate work-related incidents through preventive action. In addition, we are committed to offering our employees opportunities for social activities. The individual companies in the Group are to a large extent free to decide their own policies on which welfare, exercise or social activity opportunities they wish to offer.

The DOVISTA Group takes the position that the share of the under-represented gender in the top management and other executive positions in DOVISTA Group companies must have increased by the year 2017.



Examples of initiatives in 2014

Health and safety in the workplace

In 2014 we have intensified our focus on work-related accidents, taking the approach that one work-related accident is one too many. We have introduced systematic reporting and follow-up on all work-related accidents and near-misses. This system has led to continuous improvements and preventive actions as well as promoted learning in the organization, helping to prevent recurrence of similar accidents.

Due to this increased focus, we have seen a fall in the number of work-related accidents compared to the year before: the total number of work-related accidents per million working hours for 2014 was 11.2 compared to 14.9 in 2013. At the same time we have managed to create an increased awareness in the organization about situations and conditions that could result in work-related accidents. We are satisfied with the progress we have made and the process we have set in motion; but our long-term ambition is to reduce the number of work-related accidents to zero.

Local community activities

With our strong anchoring in many local communities, DOVISTA is committed towards maintaining the local community as the centre of activity for the people who live there. We support local associations and clubs where it is of mutual benefit, just as we support activities in the local community that give our employees an opportunity to meet outside work. In Sweden, this has for instance resulted in a long-standing sponsorship of the bandy team in Edsbyn, the home of Svenska Fönster. In Poland, a field trip was organized in 2014 offering a broad range of activities for children and adults. The participants included employees and their families along with children from the local orphanage; no less than 3,000 people all together.

The Employee Foundation

Via the Employee Foundation, which is common to all companies in the VKR Group, we strive to make a difference for each individual employee. The Foundation offers support to employees in a number of cases but primarily in connection with unfortunate events with serious consequences; it also supports children's education and charitable purposes in the local communities of the companies. In 2014 the Employee Foundation donated a total of 6.4 million Danish kroner, among other things for gymnastics equipment for a sports club close to Lian in Norway; for a fireplace shelter at Timring Læringscenter close to Rationel in Denmark; and for bicycles, hospital beds etc. for a centre for mentally handicapped adults in the vicinity of DOVISTA's factories in Poland.

DOVISTA expects all the Group's companies to:

- make a targetted effort to continuously improve health and safety at their workplaces
- set up a framework offering good opportunities for their employees' personal and professional development
- work actively to increase the share of the under-represented gender in the top management of their company

