

Group Labor and Human Rights Policy

At DAFA, we are committed to respecting human rights in our operations and business relationships. We believe that human rights are inherent, universal, indivisible, and interdependent and that we have a responsibility to avoid breaking the human rights of others and to address any adverse human rights impacts we may cause or contribute to.

Our Human Rights Policy applies to all our employees. We expect them to respect our human rights standards and to follow all relevant laws and regulations in the countries where we operate.

DAFA complies with international and local laws and regulations: ILO Conventions, The Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, and the UN Guiding Principles of Business and Human Rights as a responsible member of the UN Global Compact.

Non-discrimination and harassment

No discrimination of any kind based on race, religion, political opinion, gender, age, national origin, sexual orientation, marital status, or disability is allowed. All types of harassment are prohibited and will be eliminated immediately according to our Anti-harassment policy.

DAFA acknowledges the differences between people and respects those differences. Diversity areas considered are gender, disability, ethnicity, sexual orientation, religion, and age. DAFA can integrate different people into the company so that they all have a feeling of belonging and can relate to DAFA's values regardless of their background. Inclusion areas we consider are ethnicity, gender, sexual orientation, educational background, and personality types.

Our goal is to reduce the percentage of employees who in our January 2024 Employee Engagement Survey answered that they have experienced undesirable behavior by colleagues in the past year (such as verbal aggression, physical abuse, sexual harassment, bullying, discrimination, etc.). We want to reduce the answers: regularly from 2% to 0% and occasionally from 22% to 11%.

Freedom of association

At DAFA, freedom of association is the fundamental human right that allows all employees to organize themselves and identify representatives to connect with company leadership.

This means ensuring direct consultation and communication is possible between employees and executives, ensuring employees are free to join trade unions and engaging them for structural dialogue. Freedom of association ensures that the intimidation of and discrimination against union members or employee representatives is reduced or prevented.

Local community engagement

Local community engagement looks at the impact of projects on communities. It is more in-depth than philanthropy, which focuses on charitable acts. Local community engagement involves communication and collaboration with local communities from the beginning of the project to identify potential human rights abuses such as land grabbing. DAFA participates in several charitable and supporting local communities' activities.

Employee health and safety

We offer a safe and healthy workplace for everybody working in DAFA. We respect an employee's right to balance private and professional life. This helps us to attract and retain competent people. All employees are insured, and we provide occupational health checks to our employees according to local terms. We do not allow the use of any intoxicants at work.

In DAFA, we believe that confidential relationships between management and personnel, the free flow of information, and good cooperation form an important basis for successful management of the business. The starting point for good cooperation is to attempt to resolve all conflicts as soon as possible and at the level where they arise.

To ensure a good working environment, DAFA's safety organization carries out mandatory health and safety training and a workplace assessment every 3 years. Based on the result, the safety organization prepares an action plan to remedy the problems that may have been identified.



Our goal is that 100% of our employees feel that the health and safety regulations are communicated clearly. This will be measured in our January 2024 Employee Engagement Survey. If the outcome of the feedback is that the employees disagree or strongly disagree that the regulations are communicated clearly, corrective actions will be taken, and new measures will be taken in 2025.

Physical health

- To protect themselves and be visible, all employees must use safety shoes when moving around in production and in the warehouse. In addition, all visitors must use safety shoes and wear a reflective vest in production and in the warehouse. The DAFA employee who shows guests around must also wear a reflective vest and use safety shoes. At the entrance to the production, there are both safety shoes and reflective vests, which can be used. All workstations in the production are equipped with relevant safety equipment such as gloves, goggles, lifts, etc. to minimize the risk associated with the operation of machinery, the management of hazardous materials, and lifting or moving heavy items.

Mental health

- DAFA provides guidance on how to identify and react to long-term stress within employees and coworkers. At DAFA, stress is defined as a state of physical and mental overload. Stress can occur when external demand or the individual's own demands exceed the resources available. It is described as a step-by-step guide to address mental health issues from naming the risk to seeking medical advice and help.
- DAFA supplies resources to prevent stress by strengthening employees' mental health via a health insurance partner. Several topics are addressed here to prevent and guard employees against stress and eventual mental health issues. Stress-related subjects here are sleep, exercise, movement, and mental health. These subjects are detailed and explained on the freely available platform, applying tips and guidance.

General employee well-being

- Every year DAFA conducts an Employee Engagement Survey helping the company to capture the voice of all employees across countries, focusing on different social matters, for example: work-life balance, work performance, and enjoyment, workload, harassment, mobbing, verbal abuse, etc. All employees are invited to take part in the survey, and DAFA highly encourages employees to make their voices heard.

All results are treated anonymously to supply safety in giving feedback at DAFA.

We work with the survey results by communicating the results of the reports to everybody. Each manager handles working on the results with the respective team, making concrete action plans to be executed in the coming year.

Diversity and inclusion

Each recruitment process will contribute to driving our diversity & inclusion agenda for team composition:

- Max. 85% of team members with the same gender
- Max. 85% of team members from the same generation
- Max. 85% of team members from the same educational/disciplinary background

Functional teams must reach a minimum of one of the three demographic factors. Candidate application review for shortlisting considers team composition gaps. This may not be excluding. In the candidate pool for selection, it is expected to have people represented from the diversity groups.

All people managers and HR professionals in DAFA must be briefed on the Global Recruitment Policy incl. the diversity and inclusion guidelines. Agencies are to be briefed on the diversity and inclusion agenda, criteria, and team composition gaps for the specific position(s).

Our goal is to start reporting on team diversity to the management board as part of the Global HR process called Organizational Review at the end of each year and based on the above principles.



Remuneration, working hours, and social benefits

DAFA offers fair and transparent rewards to its employees at all levels. Salaries are based on applicable laws in accordance with specific practices in given countries. The salary level reflects the individual performance and the requirements of the position as well as specified competence demands. The performance targets are mutually agreed upon in annual structured performance appraisal and competence evaluation discussions, which enable all employees to influence their reward through excellent performance.

To provide workers with a decent living DAFA considers the wages and ensures that all employees have an adequate income on a fixed payment schedule. DAFA ensures work-life balance, rest periods, and flexible work options and pays for overtime in relation to working hours. Further, DAFA considers employment conditions as we provide fair employment contracts and use a fair recruitment process in accordance with our Global Recruitment Guidelines.

For the sake of the work rhythm in production, it may be right for some functions and departments to adapt the flexible working hours accordingly. This is agreed individually within the individual departments and will appear in the employment contract.

The regular working hours for white-collar employees are according to local legislation.

In DAFA, it is possible to take a home-working day for our white-collar workers if they have a task that is best solved from home, or if something else means that they need to work from home. The home-working day must be agreed upon with the immediate manager and noted in the Outlook calendar.

Our goal is to ensure that 100% of employees across the organization earn a living wage both for current and future employees. Mandatory time registration for all employees across DAFA ensures we live up to the EU legislation of number of working hours.

Skill development, knowledge, and employability

As an employee of DAFA, one must take part actively in the information process, both when it comes to receiving and giving information.

DAFA strives towards respectful and proper communication, both internally between colleagues, but also when we communicate with customers, business partners, suppliers, etc.

We do not tolerate harmful or conflict-causing communication, either verbally or in writing. We expect employees to solve current issues proactively and constructively, along with the immediate manager.

Besides compliance with regulatory requirements, DAFA upholds a range of ethical principles such as keeping its employees safe and empowering their development.

In DAFA, training is supplied for workers when introducing new processes and techniques or to refresh knowledge on existing skills. This ensures that employees grow in their roles and responsibilities within the company. A competent and motivated workforce is key to DAFA's success. Employees are provided with continuous learning opportunities. This ensures employee growth while maintaining a happy, unified, and well-trained workforce.

Our goal is to reach a target of the benchmark score of 7,6 on the question "I am satisfied with my development opportunities" in our January 2024 Employee Engagement Survey compared to our 6,7 score in January 2023.

Forced labor, child labor and human trafficking

Forced labor, child labor, and human trafficking is forbidden in DAFA and all associate partners of DAFA.

- Human trafficking: This involves the use of violence, threats or coercion to transport, recruit, or harbor people to exploit them for commercial gain.
- Forced labor: This involves any work or services that people are forced to do against their will or under the threat of punishment.
- Child labor: This is when a child is exploited for someone else's gain. Child employment is forbidden in DAFA.



The practices will be addressed, and a short deadline will be given to bring the matter in order. If the practice persists, termination of the partnership would take place. If the practice takes place in DAFA, the party responsible will be dismissed from their duties.

Grievance procedure

DAFA has a reporting system where all DAFA employees can quickly and easily report concerns about actual or suspected misconduct that can affect DAFA or the well-being of people.

Such as: Embezzlement, theft, corruption, bribery, fraud, forgery, conflicts of interest, extortion, misuse of inside information, irregularities concerning accounting and auditing, disclosure of incorrect or misleading information to public authorities, physical violence, and sexual abuse.

The reporting system may not be used to make false accusations against others, and altogether, deliberate untrue information may not be reported, according to our Whistleblower Policy.

Our goal is to ensure that 100% of employees have an opportunity to raise a concern. Currently, 75% have access, and we aim to close the remaining 25% gap by 2025 through the local translation of procedures and processes.

Disciplinary action

If personnel should fail to comply with this policy or Anti-Corruption Laws, the employee will be subject to disciplinary action up to and including termination of employment or other relationship with the company. Restitution could also be required, and civil or criminal action against individual personnel could be warranted.

If personnel are involved in or aware of a situation they believe may violate or lead to a violation of this policy, they must ask for guidance from their manager or other personnel in a superior position.

Review

This policy will be reviewed annually to ensure its relevance and effectiveness. Updates will be made as necessary to reflect changes in regulatory requirements, industry best practices, and organizational goals.

This policy will be reviewed annually by the Top Management.

Mads Kirkegaard
CEO
DAFA Group