



K.W. BRUUN

2022

CORPORATE SOCIAL RESPONSIBILITY

# CONTENTS

## 03

### OBJECTIVE AND VALUES

---

CARE values  
Group overview  
Business model  
Business Ethics

## 10

### CORPORATE SOCIAL RESPONSIBILITY

---

## 11

### LABOUR RIGHTS

---

Career and opportunities in the group  
Employee well-being  
Pensions and insurance  
Health and safety at work  
Employee foundation and other donations

## 14

### HUMAN RIGHTS

---

Diversity and non-discrimination  
Recruitment  
Offensive behaviour  
Gender distribution in management  
GDPR and data ethics

## 16

### ENVIRONMENT

---

Safe products  
CO<sub>2</sub> and other emissions  
Sustainability at logistics centres  
Scrapping and recycling

## 19

### ANTI-CORRUPTION

---

Compliance and business ethics  
Combating corruption and bribery  
Violations of competition law  
Gifts policy  
Responsible investment

## 20

### RESPONSIBLE TAX

---

## 22

### RISKS, MANAGEMENT, RESULT 2022 AND OBJECTIVE 2023

---

## 27

### GROUP DATA

---

# OBJECTIVE AND VALUES

K.W. Bruun & Co is a family-fund-owned Danish group. Based on high integrity and good business acumen, the group aims to manage its wealth through active and engaged ownership of healthy and value-adding companies and inspirational workplaces.

K.W. Bruun is firmly rooted in a history that goes back more than a century. A century that has given us a wealth of experience and made us skilled and ambitious business people with a high level of integrity.

We strive every day to build healthy companies with strong values, not only commercially and financially, but also in terms of the human aspect. Companies we can proudly and safely lead into the future.

We want to be an inspirational workplace for all employees, and we want to provide professional development opportunities for anyone willing and able to pursue them. We develop and support our competent and dedicated employees so that they can translate goals into action on the basis of our core values. This is the foundation for the group's progress, in a human as well as a measurable sense.

We have the deepest respect for the society that we are a part of. We engage in society by supporting local communities, cultural heritage, and humanitarian organisations, and through responsible investment and business conduct.

## GUIDING PARAMETERS

- CARE in everything we do
- Ensure strategic freedom of action
- Wealth-preserving business operations
- Control risks
- Balance strategic/long-term development and short-term profit maximisation



**Anders Karl Bruun**  
Chairman

**Maria Louise Bruun-Lander**  
Vice Chairman



# CARE VALUES

At K.W. Bruun, we have grand visions anchored in deep values. Since 1914, we have lived by K.W. Bruun’s values: good business acumen, high integrity, and fundamental respect for our employees. Today, we call our values CARE: Commitment, Ambition, Responsibility and Excitement.



**CARE**

Who we are, and how we act

CARE expresses our corporate culture and the behaviour we strive for. CARE is also the guiding principles for developing our employees and our companies. We have a shared responsibility to take diligent care of our business for the sake of everyone. We believe that the best idea wins, and that the best idea can come from anywhere in the organisation.

We have good business acumen, and we believe in building good relationships for the future. We keep our promises, and we practise what we preach. As colleagues, we are direct, honest, and inclusive. And we are excited about what we do.

Every day, we add new chapters to the history of K.W. Bruun, and we rely on close collaboration, competent and committed employees and good cooperation partners and customers to keep the wheels in motion and to secure the future. We are one family, but respect and acknowledge each others strengths. That is why we are good together.

## CARE ADVISORY BOARD

At K.W. Bruun we strive for a strong corporate culture with a high level of employee well-being. In 2022, we established CARE Advisory Board, which is led by the divisions’ CEOs. The purpose of CARE Advisory Board is to secure the anchoring of CARE at group level with CEO responsibility for culture and behaviour in the divisions. A select ambassador team helps with the implementation of CARE activities.



## CARE

Who we are, and how we act

### C

#### COMMITMENT

We need to be flexible and adaptive, and to never lose sight of our long-term goal. Innovative thinking and constant development will safeguard the long-term purpose of our business and secure jobs. We are committed to good business acumen and honesty, and we constantly challenge ourselves and the industry.

### A

#### AMBITION

We develop the best employees in the sectors where we operate. This is the only way we can achieve our goals. We are ambitious and we place high demands. Everyone should contribute to developing themselves and our workplace.

### R

#### RESPONSIBILITY

We take our responsibilities for the company very seriously. What we say is what we do. We believe that we will achieve most by behaving responsibly. Respect and a high degree of integrity are the cohesive force in our work and our organisation. We would rather compromise the bottom line than compromise our values. Our responsibility is a shared responsibility.

### E

#### EXCITEMENT

We love what we do. Excitement is essential at K.W. Bruun. If you are not excited, then we want you to challenge us, and we want to challenge you with respect to how you can get excitement into your life and your work. A positive attitude, a dedicated effort, and an ability to constantly challenge the way in which we work are the key to our success.

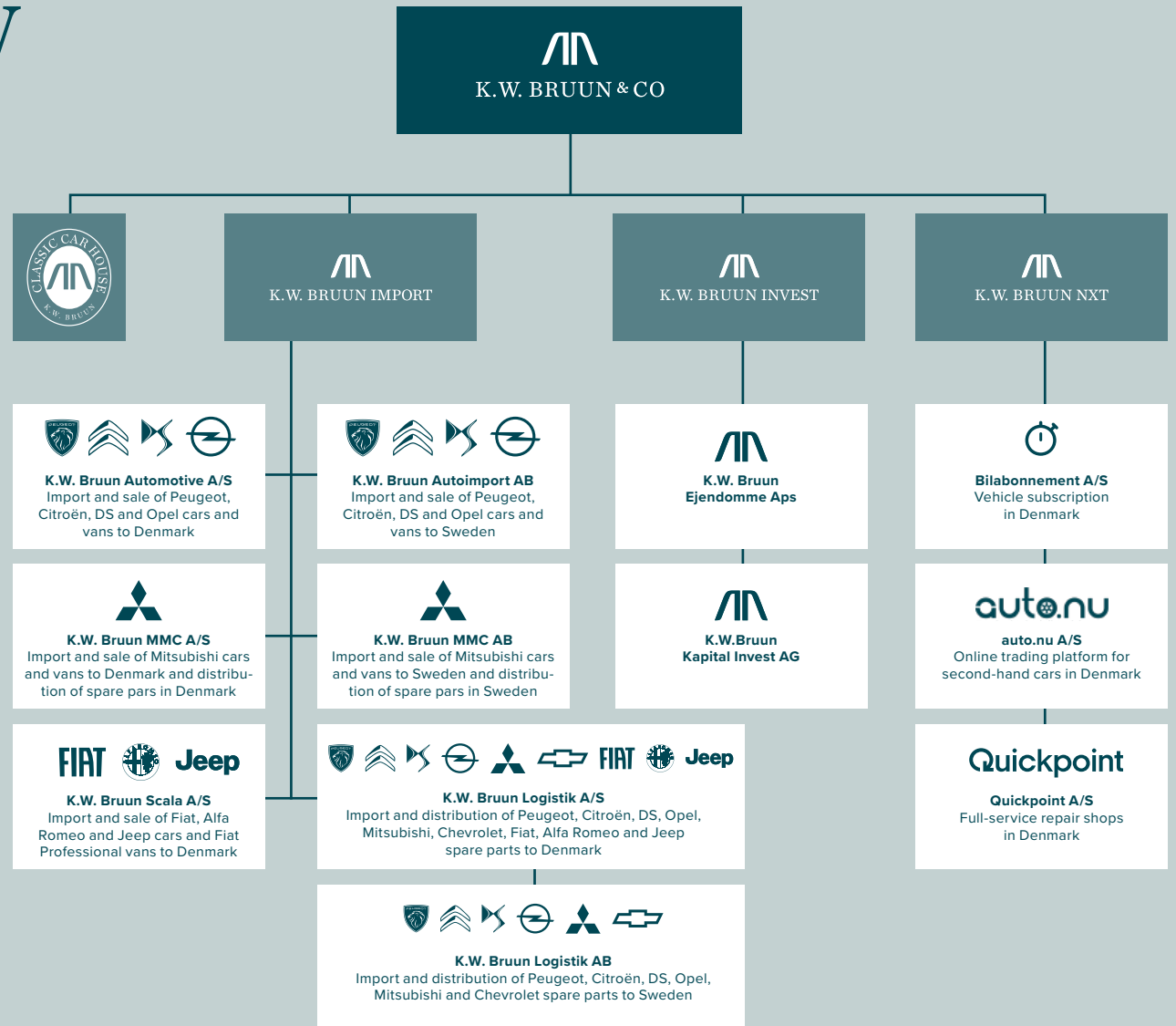
# GROUP OVERVIEW

The K.W. Bruun group is one of the largest car importers in the Nordic countries, importing cars and spare parts for Peugeot, Citroën, DS, Opel, and Mitsubishi to Denmark and Sweden and Fiat, Alfa Romeo and Jeep to Denmark.

The K.W. Bruun group is also a modern logistics operator with distribution of spare parts and accessories from our logistics centres in Greve and Stockholm to the group's network of more than 370 repair shops and dealers. Furthermore, Quickpoint is also part of the group, with repair shops throughout Denmark.

From the very start when K.W. Bruun established the company, a love of cars and focus on good and skilled staff were top of the agenda. Today, the group employs around 600 skilled and ambitious staff, who with an agile and efficient approach forge the foundation for a growing and successful business.

The group is also engaged in three further focus areas: development of digital strategies related to mobility and other areas as well as supplying and fitting spare parts through K.W. Bruun Nxt A/S, investment in securities, alternative investments, and property through K.W. Bruun Invest A/S, and an experience universe focusing on classic cars and cultural heritage through Classic Car House A/S.



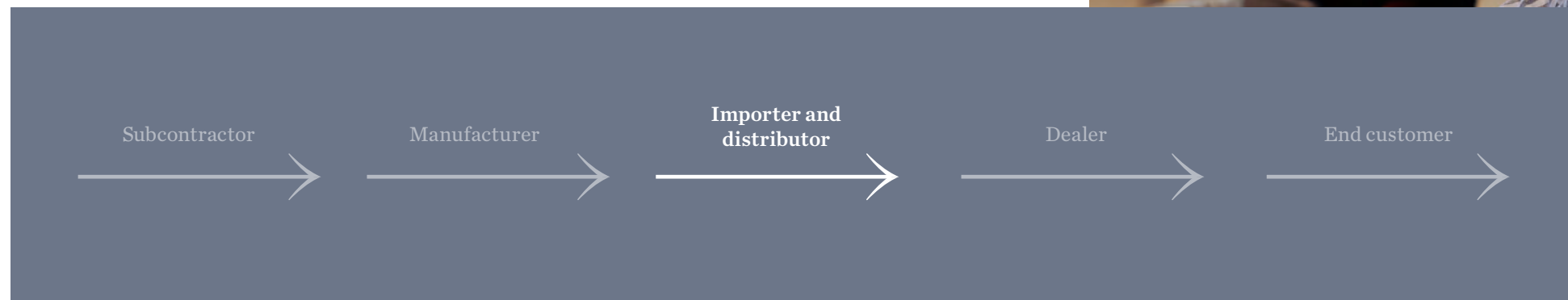
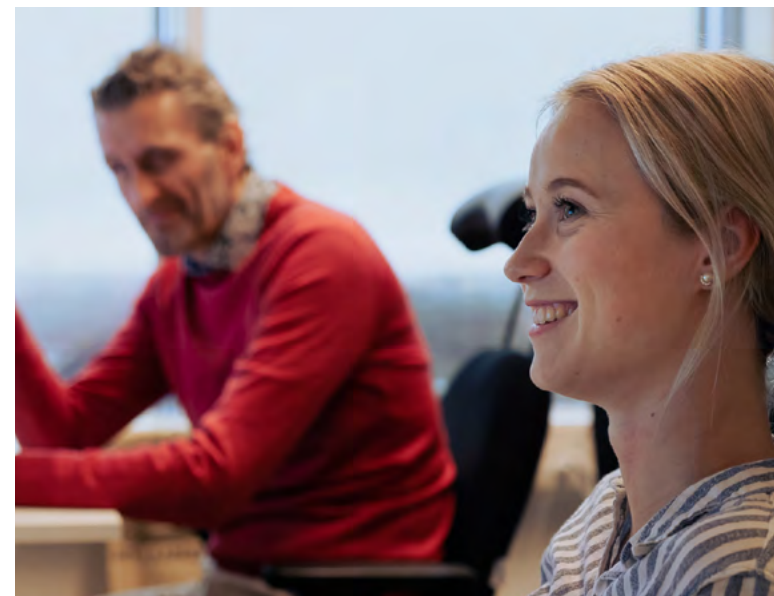
Primary companies in the K.W. Bruun group

# BUSINESS MODEL WITH FOCUS ON SUSTAINABILITY AND EFFICIENCY

Our primary partners in the automotive division, K.W. Bruun Import, are Stellantis, the manufacturer of Peugeot, Citroën, DS, Opel, Fiat, Alfa Romeo and Jeep, as well as Mitsubishi Motors Europe.

K.W. Bruun's business ambition is to be the soundest and most efficient distribution channel for automotive manufacturers. We therefore have constant focus on cost-effectiveness and on maintaining a simple organisation with simple processes and competent employees to reduce time to market through rapid execution.

The company's place in the value chain means that the product has already been defined by the manufacturer. Over the years, K.W. Bruun has worked with several manufacturers, and besides critical consideration of the physical product itself, the group is aware of the ethical and social responsibility displayed by the individual cooperation partner.



## COMMITTEES

The group has set up two committees: An HR Committee and an Audit Committee. The committees advise and consult with management and refine management’s recommendations to the Board of Directors to make sure the Board of Directors makes decisions on the most informed basis.

The task of the HR Committee is to ensure compliance with group values and policies, to ensure uniform employment terms, to follow and stimulate the senior management levels, and to take responsibility for the overall principles for executive contracts and instructions and for the rules of procedure of the boards. Furthermore, the HR Committee is charged with advising senior management on HR-related topics, following and stimulating management development and talent management, and taking responsibility for the overall remuneration principles for all companies and organisational levels.

The task of the Audit Committee is to ensure that the group’s financial reporting, financial processes, financial management, control environment, risk management and cooperation with auditors comply with all aspects of the legislation in force at any time and with the group’s values and policies in general.

## CASE



Lars Dybkjær, CEO in K.W. Bruun & Co

## CARE RELAUNCH IN 2022

# FOCUS ON VALUES

*Over the past seven years, K.W. Bruun has achieved huge growth. We have grown from a single division to four divisions, twice as many employees, and more than double the revenues. Therefore, in 2022 an obvious next step was to strengthen our foundation further. With focus on values, employee satisfaction and our corporate culture, we relaunched the group’s core values, CARE, in a version 2.0 in autumn 2022.*

*We are continuing CARE activities in 2023, ranging from management training to CARE measurements and evaluations at department and manager level to the annual CARE Award.*



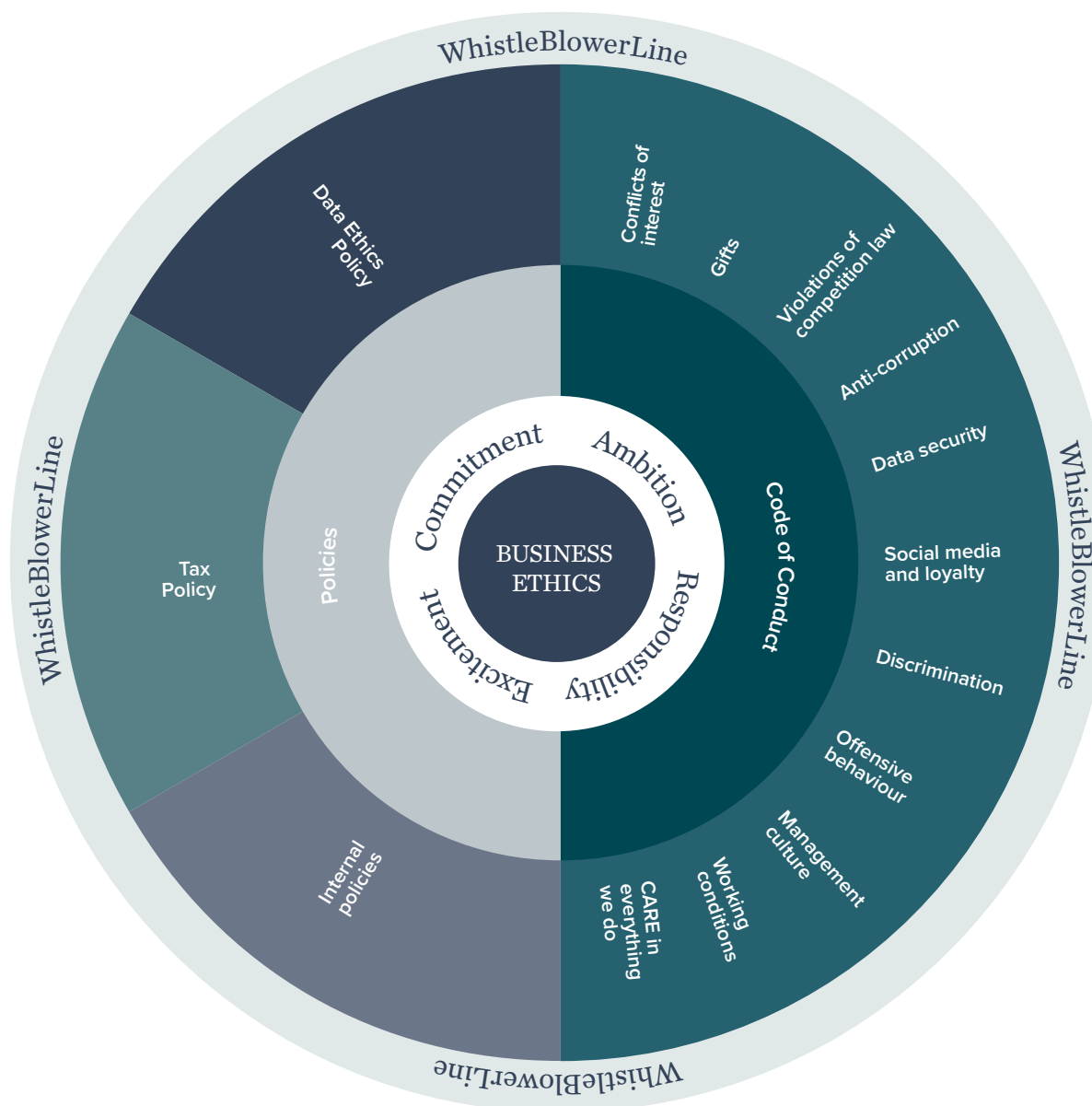
# BUSINESS ETHICS

Business Ethics is the group’s guidelines for responsibility and good corporate ethics, and it helps us ensure compliance with legislation ect., across all companies in the group. Furthermore, it guides us in making sound and valuable decisions that create values for employees, for the group, for customers, business partners and society.

Business Ethics was prepared in 2022 and implemented in the group in April 2023.

→ **Business Ethics**  
is available on [www.kwbruun.com](http://www.kwbruun.com)

The group’s Business Ethics, policies and guidelines are available on the group’s intranet, ShareMore. All employees are familiar with and have access to ShareMore, and all employees are obligated to familiarise themselves with and comply with Business Ethics, policies, and guidelines.






# CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is an integral part of our business, and it takes outset in our long history and our status as a leading business. The group CSR report ensures a high level of social responsibility in all our activities, whether they be in relation to employees, customers, cooperation partners or society in general.

We want to take active social responsibility through responsible investments, ownership and corporate governance that live up to the UN Global Compact guidelines for labour rights, human rights, the environment, and anti-corruption. In this way, K.W. Bruun contributes to several of the 17 UN Sustainable Development Goals (SDGs). More specifically, we contribute to eight goals that we believe we have the best possibility to contribute towards realising.

## SELECTED UN SUSTAINABLE DEVELOPMENT GOALS

Labour rights	Human rights	The environment	Anti-corruption
<p><b>3</b> GOOD HEALTH AND WELL-BEING</p> 	<p><b>5</b> GENDER EQUALITY</p> 	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p><b>10</b> REDUCED INEQUALITIES</p> 	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p> 



# LABOUR RIGHTS

K.W. Bruun makes dedicated efforts to attract and retain talented employees. We place great emphasis on ensuring a healthy working environment, for example by focusing on job satisfaction, collaboration, and development opportunities. Across the entire group, social responsibility is therefore an integrated part of the physical and psychological working environment.



## CAREER AND OPPORTUNITIES IN THE GROUP

### **Introduction programme for an optimal start at K.W. Bruun**

An introduction programme is planned for new employees to make sure they get off to a good start. The programme includes cross-organisational onboarding days to introduce employees to the group's business model, companies, divisions, values, etc. Furthermore, new employees have a "buddy" who is responsible for introducing them to social life at the workplace.

### **Development opportunities**

At K.W. Bruun, we want everyone who has the skills and desire to develop to have opportunity to do so. We therefore provide our employees with good opportunities to develop their personal and professional competences, for example through on-the-job training, job rotation and K.W. Bruun's own competence development programme.

### **K.W. Bruun Graduate, K.W. Bruun Academy and Leadership Acceleration Programme**

Realizing how important for K.W. Bruun's success it is to train our own talent we have launched a Graduate Program focusing on developing the exceptional talents of tomorrow. The aim of the programme is to employ newly graduated

talents from outside. Moreover, talents acquire in-depth and cross-organisational understanding of our business model and processes, so that they can qualify for management and specialist positions in the group. The group has the same aim with its K.W. Bruun Academy, which is for young people already employed in one of the companies.

The Leadership Acceleration Programme (LAP) targets managers with a high level of expertise and a strong commercial mindset. The programme lasts for two years, and it aims to prepare participants to take over key management positions in the company.

### **Trainees**

We want to support young people, regardless of their academic level. Each year, we therefore have at least one or two students to train within commercial and clerical subjects.

### **When life at work changes**

We want to make it attractive to have an active working life for as long as possible. Therefore, K.W. Bruun offers a late-career scheme, adapted to the individual's needs and wishes. Employees retiring from a company in the group

can join the K.W. Bruun senior club, which offers exciting activities and employee benefits.

In situations in which it is necessary to terminate one or more employees, the dismissal procedure will always be decent and respectful, and the affected employees will, as far as possible, be assisted in their further careers.

### EMPLOYEE WELL-BEING

At K.W. Bruun, employee well-being has high priority. We want our employees to be happy to go to work and feel motivated and engaged.

#### Employee satisfaction survey

Every year, we conduct a well-being survey, either as a traditional satisfaction survey or as a CARE measurement, to measure employee satisfaction and reveal any job dissatisfaction. To ensure employee confidentiality, the employee satisfaction survey is carried out by an independent third party, while the CARE measurement is an internal survey which will be conducted three times in 2023.

#### Social relationships and activities strengthen community

As part of work on Excitement in the CARE set of values, the group has established an event team to organise cross-organisational activities to strengthen the culture and social relationships to maintain employee satisfaction and a healthy working environment.

#### Absenteeism due to sickness

We closely monitor absence due to sickness as this and the satisfaction surveys are important indicators of both physical and psychological employee well-being. Sickness absence at the K.W. Bruun group was 3.2% in 2022, which is a slight increase compared to 2.1% in 2021. This is because Quickpoint, with sickness absence of 4.2%, is now included in the calculation. Without Quickpoint, absenteeism due to sickness was 2.8% in 2022. The increase, excluding

Quickpoint, of 0.7 percentage points in absenteeism due to sickness is because of the logistics companies and two long-term absence cases (not stress-related) at K.W. Bruun Automotive A/S. Sickness absence at the group is still lower than the average for the industry, which was 3.2% (2021) for ordinary office executives in Denmark, and slightly higher than the industry average of 4.1% for mechanics (2021), see Netstat.

#### Staff turnover

Staff turnover in the various companies is also an indicator of employee satisfaction. Consequently, this is also a parameter we follow closely. Staff turnover at the group including Quickpoint was 37% in 2022, and 31% without Quickpoint, and this is an increase compared to 2021, when staff turnover was 26%.

The increase of 5 percentage points is partly due to a high turnover at our Danish warehouses, where most of our non-Danish employees were only employed for a short period of time. According to the Confederation of Danish Employers' job change statistics (JobskifteStatistik) for 2021, the average for the Capital Region of Denmark is 34.5%, and we are thus lower (without Quickpoint).

### PENSIONS AND INSURANCE

From the day they start working for us, all employees are automatically part of an attractive pension scheme via PFA Pension. Besides the pension scheme, employees are offered accident insurance and health insurance covering loss of earning capacity, critical illness, psychological counselling and a preventive healthcare scheme. Employees' children up to the age of 24 are also covered by the health scheme.

### HEALTH AND SAFETY AT WORK

K.W. Bruun offers several possibilities to help employees to a healthy lifestyle and a better quality of life. We are



DHL Stafetten in Fælledparken, Copenhagen 2022

a no-smoke workplace, and no form of intoxicants are allowed except at special events. The group also offers a number of health-promoting initiatives and a varied, healthy diet in the staff canteen.

#### The health and safety organisation

The group has set up a health and safety organisation, with a health and safety group for each group company with at least ten employees. The role of the health and safety groups is to help ensure employees' physical and mental well-being and safety, among other things through implementation of mandatory and statutory workplace assessments and other regular measurements of well-being. The role of the health and safety groups is also to provide confidential support to the employees and to be the link to the group and HR.

## CASE



## GROUP FOUNDATIONS

# ANNUAL DONATIONS

*Every year, Ragnhild Bruuns Fond and Direktør K.W. Bruun & Hustrus Familiefond, the two foundations behind the K.W. Bruun group, grant donations to various organisations in which the Bruun family takes a special interest. In 2022, the foundations made donations to 24 non-profit-making organisations.*

*An extraordinary donation was earmarked for Ukraine in 2022 via three selected organisations; Unicef, Enjoying Life, Danish Support Group Ukraine, where K.W. Bruun & Co's donations, among other things, made a significant difference to demining in war-torn regions.*

### Stress unit

The company's health and safety groups also serve as mitigation committees to ensure that employees are aware of stress symptoms in colleagues. In the event of stress symptoms, the necessary measures to prevent illness are implemented.

### First aid practices and workplace safety

All K.W. Bruun locations have a defibrillator. The group companies in which employees work directly with spare parts and vehicles have specific safety instructions and procedures, and the individual employees have undergone relevant and mandatory safety training. Annual first aid courses are also held.

## EMPLOYEE FOUNDATION AND OTHER DONATIONS

### K.W. Bruun-Gruppens Personalfond

The K.W. Bruun-Gruppens Personalfond (employee foundation) was established in 1983 with assets donated by K.W. Bruun & Co A/S. In recent years, K.W. Bruun & Co A/S has contributed additional capital to the foundation. The returns are distributed as grants. The primary objective of the fund is to provide help and support to current and former employees, and in some cases also to the close family of employees.

### Other donations

The group also gives donations to a number of public interest purposes through grants from the foundations Ragnhild Bruuns Fond and Direktør K.W. Bruun & Hustrus Familiefond, including to Servicehunde til Handicappede (STH), the Danish Multiple Sclerosis Society, the Danish Alzheimer's Association, Læger uden Grænser (Médecins Sans Frontières), Natteravnene (the Night Ravens), Danish Hospital Clowns, the Danish Cystic Fibrosis Association and Landsforeningen mod Spiseforstyrrelser og Selvskade.

In 2022, K.W. Bruun & Co A/S donated extraordinarily DKK 3.9 million to help Ukraine.

# HUMAN RIGHTS

Since the company was founded more than a century ago, satisfied employees have been one of the most important conditions for our success. We put people at the centre of our business, and we strive to have an open, honest and inclusive corporate culture.

## DIVERSITY AND NON-DISCRIMINATION

We want to attract good employees. All positions in the group are filled based on an overall consideration of professional and personal qualifications.

In December 2022, we implemented the Develop Diverse tool, the purpose of which is to ensure that our texts, including texts for the website, job ads and other employer-branding initiatives are worded inclusively, so that we can attract the best candidates, irrespective of gender, age, ethnicity, religion, disability, etc.

## RECRUITMENT

In every employment or internal job rotation, we make a detailed, ethical and quality assessment of the individual, so that we and the applicant can make the right choice. We also focus on fair comparison of candidates throughout the recruitment process. The process is to ensure that all applicants have a secure and positive experience and continue to consider us as an attractive workplace.

## OFFENSIVE BEHAVIOUR

K.W. Bruun wants to maintain a safe working environment, and offensive behaviour, including bullying, sexual harass-

ment and sexism will not be tolerated. Since January 2023 it has been possible to report serious situations through the group's new WhistleBlowerLine.

## GENDER DISTRIBUTION IN MANAGEMENT

K.W. Bruun strives to be a diverse workplace. This includes an equal gender distribution, where diversity in teams and management groups is considered a strength encouraging an attractive and tolerant workplace culture and contributing positively to innovative thinking, efficiency, quality and better decision-making.

### **K.W. Bruun & Co group Board of Directors - supreme management body**

As in 2021, the K.W. Bruun & Co group Board of Directors consists of seven members, two of which are women.

K.W. Bruun & Co thus meets the criteria for gender balance in its supreme management body as stipulated in the statutory requirements for target figures and policies from the Danish Business Authority.

The group Board of Directors has assessed the current composition to be satisfactory with regard to age, gender





distribution, educational background and professional background.

#### Other management levels and all staff

The K.W. Bruun group strives for a 60/40 gender representation at all management levels across the group and for all staff. In the other management levels of the group, excluding Quickpoint, female managers comprise 24%, which is at the same level as in 2021. Including the Quickpoint chain of workshops, the percentage of female managers was 17%. The other members of the management are people with management responsibility who refer to the Executive Board or a head of department. The other members of management have been calculated as head counts.

The group will continue to prioritise female candidates if two equally qualified candidates apply for the same position and one candidate is a woman, until a 60/40 gender distribution has been achieved in each company. This also applies for non-management recruitments. There is focus on recruiting highly educated women so that, in the longer term, we can recruit from these internally for higher management levels.

In 2022, the gender distribution in the group, including Quickpoint, is 27% women and 73% men. Excluding the Quickpoint workshop chain, gender distribution was 35% women and 65% men, which is at the same level as in 2021.

#### GDPR AND DATA ETHICS

At K.W. Bruun, we are the data controller for both customer and employee data, and in this connection, it is our responsibility to protect such data in order to safeguard the data subject's right to respect for private life and protection of personal data, see the EU Charter of Fundamental Rights. It is crucial to us that our customers, employees and other stakeholders have confidence in our processing of personal



data, including that we comply with relevant legislation, keep abreast of developments and display sound data ethics.

#### GDPR

We are conscious of our processing of personal data, our responsibility and the risks entailed in the processing of personal data, as well as the potential consequences of breaches of personal data security. Therefore, we have implemented measures to reduce or eliminate these risks. To ensure protection of the data we process, we have implemented a number of policies and procedures, and we maintain strong and continued focus on adapting our processes to new guidelines and practices in the area. Today, data protection is an integral part of our business procedures in the group.

#### Data ethics

In line with the digital transformation and rapid technological developments, at K.W. Bruun, we have focus on optimising our digital business models so we can provide up-to-date, professional and targeted services and customer experiences. Launching new activities or developing new digital solutions always involves considerations about the personal data to be included, the processing of such data, who will have access to the data, etc. We also focus on ensuring that we only collect the specific data required for the purpose, and that the digital solutions we adopt take account of the people behind the data. From a data-ethics perspective, our handling of data focuses on the values of trust, data quality and transparency.

→ **Data ethics policy**

## WE TAKE RESPONSIBILITY

K.W. Bruun wants to contribute to reducing environmental and climate impacts, and focuses on introducing eco-friendly cars and spare parts within the framework allowed by the products and deliverables supplied by the group's suppliers. The group takes responsibility for the environment in everything from focus on the circular economy in the aftermarket to transport in our logistics centres and waste separation.





# THE ENVIRONMENT

We take responsibility for the environment every day, in everything we do, from waste separation to transportation of cars and spare parts, to more efficient use of heating and ventilation systems in our buildings. And, we are aware of the effect of our core products on the environment.

## SAFE PRODUCTS

Distribution of new vehicles and original spare parts helps to build a more sustainable society in Denmark and Sweden. For example, safer vehicles improve road safety, and environmental and climate impacts from vehicles are reduced as our collaboration partners develop more environment-friendly and climate-friendly vehicles and spare parts.

Despite a considerable increase in traffic volume, and despite the fact that 95% of all traffic accidents are the driver's fault<sup>1</sup>, the number of road casualties in the EU has dropped by 36% from 25,568 in 2010 to 19,900 in 2021<sup>2</sup>. In Denmark, the number fell from 255 in 2010 to 154 in 2022<sup>3</sup>, and in Sweden, it fell from 297 in 2010 to 220 in 2022<sup>4</sup>.

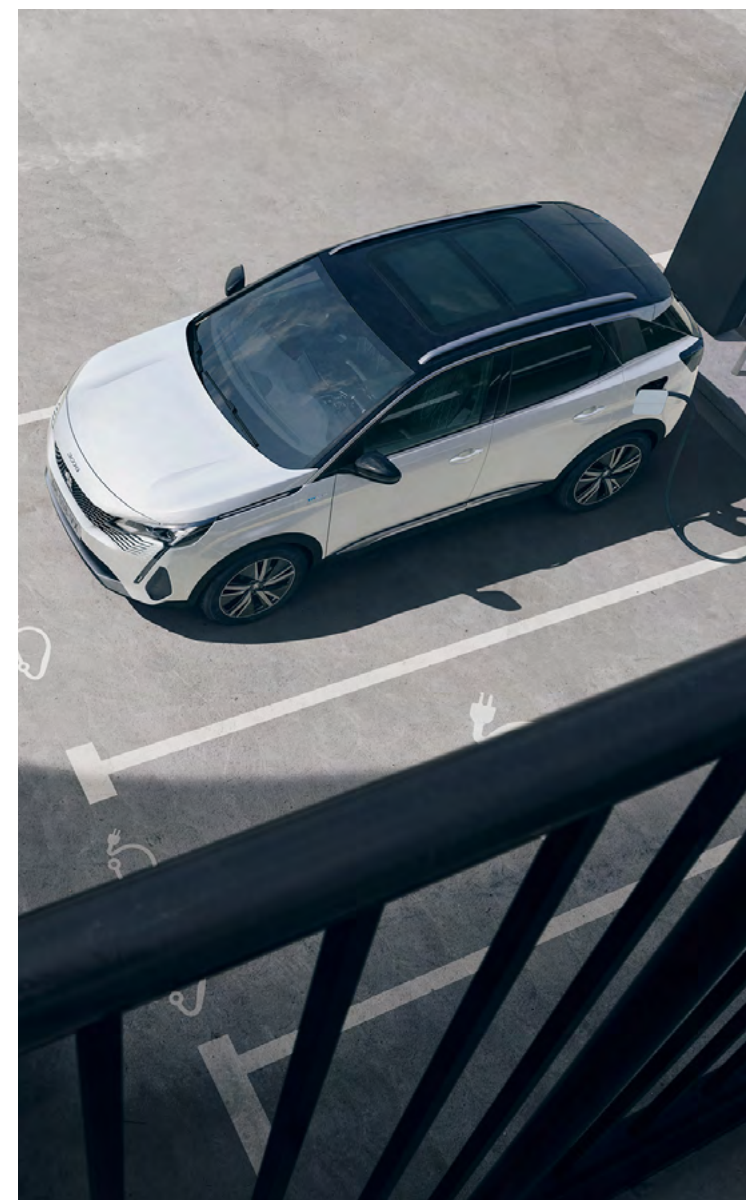
European car manufacturers continue to have strong focus on increasing safety on the roads. The European Automobile Manufacturers Association (ACEA) is one of the largest players in the European transport sector, and together with other players in the sector, the organisation has signed a declaration of intent to work towards completely eliminating fatal road accidents by 2050.

## CO<sub>2</sub> AND OTHER EMISSIONS FROM VEHICLES

K.W. Bruun closely follows developments in Stellantis and the European car industry in general. Based on stricter EU legal requirements, there is a strong commitment in the industry to reduce emissions of greenhouse gases. These stricter legal requirements from the EU include targets for CO<sub>2</sub> emissions. According to the former target, implemented in 2015, new cars were not allowed to emit more than 130 grammes CO<sub>2</sub> on average per kilometre driven. In 2021, the CO<sub>2</sub> emissions requirement was tightened further and set at a maximum of 95 grammes CO<sub>2</sub> per kilometre in the EU. Stellantis and Mitsubishi Motors Europe work dedicatedly to comply with this and any future tightening of emissions requirements.

Besides vouching for the products distributed by the group, through our dealer network, we also make sure that our end users receive the right guidance to buy cars that match their transport needs. This means that users make the best possible use of the products, with the lowest fuel consumption, while also protecting the environment from unnecessary emissions.

To meet the Clean Air for Europe requirements from the European Commission, since early 2020 Stellantis has had



1 europa.eu · 2 commission.europa.eu · 3 vejdirektoratet.dk · 4 transportstyrelsen.se

Members of ACEA: BMW Group, DAF, Daimler, Ferrari, Ford, Honda, Hyundai, Iveco Group, Jaguar, Land-Rover, Mercedes, Groupe Renault, Stellantis, Toyota, Volkswagen, Volvo.



CO<sub>2</sub> targets for all its importers. This measure means that, each month, we have to be below a specific CO<sub>2</sub> limit for our total sales.

On the spare parts side, we are working on the circular economy by collecting spare parts from the dealer network and sending them to the factory for repair and resale as remanufactured spare parts with full guarantee at reduced prices. In 2022, remanufactured spare parts amounted to 6.7% of the revenue in the aftermarket. The goal for 2023 is 10%.

#### SUSTAINABILITY AT LOGISTICS CENTRES

The group's logistics warehouses in Denmark and Sweden have strong focus on sustainability in everything from waste separation to recycling, transport and energy. All transport is optimised with full loads, and all waste that can be recycled is recycled, including plastic, metal and wood. Pallets and cardboard boxes received from Stellantis are reused to send spare parts and accessories to dealers and workshops. Work is ongoing on green initiatives, including warehouse temperatures of 18 degrees Celsius in Denmark, introduced in 2022. Possibilities to fit solar PV are being investigated in Sweden.

#### SCRAPPING AND RECYCLING

K.W. Bruun's responsibility for the environment continues until the day the vehicle is obsolete. K.W. Bruun is a member of the Danish car breaker network 'Dansk Bil-retur' and guarantees car owners environmentally friendly scrapping free of charge and a 95% recycling rate.

#### Printed materials

As part of our efforts to reduce our impact on the environment as much as possible, over the past years we have considerably cut down our production of printed materials to our dealers. In mid-2022, K.W. Bruun's automotive brands transferred from printed owners manuals to exclusively providing manuals online. We will continue to have strong focus on cutting the use of printed material and physical campaign materials in general.

# ANTI-CORRUPTION

K.W. Bruun is a professional, honest and reliable group, employer and business partner. Therefore, we reject any form of corruption and bribery and strive to prevent and avoid all impacts not related to business concerns or interests.

## COMPLIANCE AND BUSINESS ETHICS

All group employees are obligated to comply with national laws and provisions, and they are expected to be familiar with the laws relevant to their own specific area of work. We also expect that everyone complies with the group's Business Ethics, policies and guidelines.

## COMBATING CORRUPTION AND BRIBERY

Corruption can have serious consequences for employees and the group, as well as for values fundamental to Danish society. K.W. Bruun forbids all forms of corruption and will not accept any circumstances that could damage our reputation.

Corruption is the abuse of entrusted power for private gain. This includes embezzlement, fraud, extortion and bribery. We must never offer or accept payment, or promise, provide, ask for or receive inappropriate gifts, travel, hotel stays, kickback, goods and services to ensure a competitive advantage or for private gain. Corruption indirectly through a third party is equally unacceptable and will have the same serious consequences as direct corruption.

## VIOLATIONS OF COMPETITION LAW

K.W. Bruun believes in fair and open competition and in gaining competitive advantages through the quality of K.W.

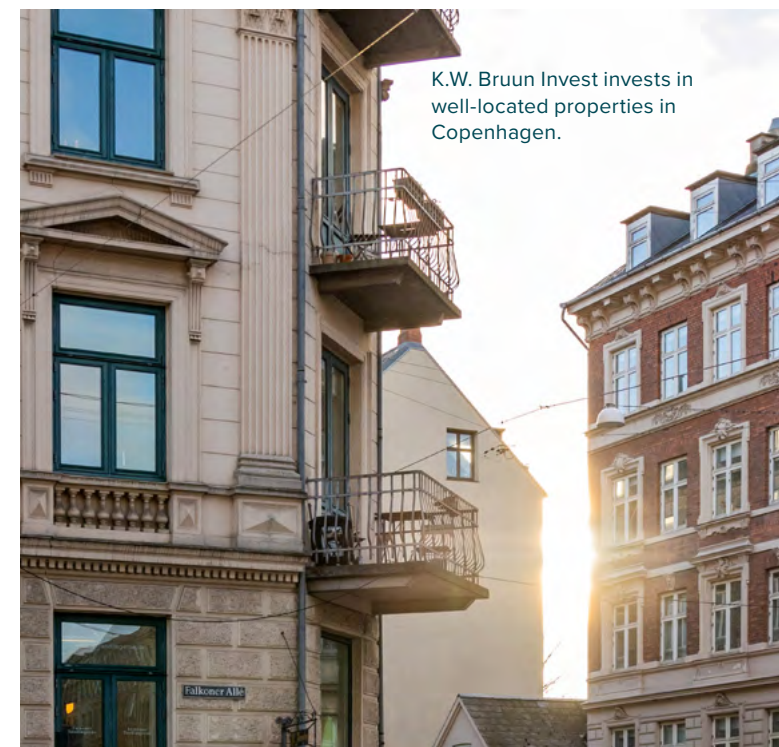
our work instead of through unethical and illegal practices. We want to support free competition and, in particular, we want to ensure compliance with competition rules. We must never take part in anti-competitive agreements or practices, including fixed-price contracts with dealers, cartels with our competitors, abuse of a dominant position or abuse of economic dependence. Since January 2023 it has been possible to report anonymously knowledge or suspicion of breaches of competition rules through the group's new WhistleBlowerLine.

## GIFTS POLICY

Gifts to collaboration partners may not exceed a value of DKK 500. Furthermore, employees may not accept gifts from suppliers if the value of such gifts exceeds DKK 500. Gifts of a higher value must be handed over to the company CEO for use at a common event. Invitations to participate in events may only be accepted if the event has a clear professional purpose and has been approved by the employee's immediate superior. As a general rule, public employees are not allowed to receive gifts or other benefits, regardless of the value of these. This also applies to invitations to events.

## RESPONSIBLE INVESTMENT

K.W. Bruun Invest invests in securities, alternative investments and property according to a long-term, wealth-pre-



K.W. Bruun Invest invests in well-located properties in Copenhagen.

serving investment strategy. The company's investment policy also focuses on sustainable investments, and on investment in companies whose business operations focus on environmental sustainability, social conditions, and good corporate governance, and meet the UN Principles for Responsible Investment or the UN Global Compact.

K.W. Bruun Invest is convinced that companies with focus on ESG and the sustainability will create value for shareholders, employees and society.

# RESPONSIBLE TAX

Behaving responsibly and with integrity is at the core of the K.W. Bruun group's values. The group aims to comply with all relevant authority requirements and requirements to pay correct taxes under current tax regulations. A compulsory part of this is to contribute tax payments in the countries where K.W. Bruun has activities, to contribute to development and to society in general in these countries.

An explicit goal of the tax policy is for each company in K.W. Bruun to pay the correct duties and taxes and thereby contribute to financing societal developments. The group's tax policy and tax practice therefore indirectly contribute to several of the seventeen UN Sustainable Development Goals, primarily no. 16 about responsible institutions and no. 17 about partnerships for sustainable development.

Tax planning is justified by conditions determined by commercial concerns and not as an aggressive tax planning strategy. At K.W. Bruun, we do not use companies with tax incentives, nor do we have activities in tax havens that are not open to fair tax competition or that promote harmful preferential tax and that are included in the EU list of non-cooperative jurisdictions\*.

In addition to corporation tax in Denmark and Sweden, and considerable activities in Denmark that entail taxes, including registration tax, K.W. Bruun also has VAT on sales and payroll tax, all of which contribute to the revenues

of tax authorities in the countries in which the group has companies and activities.

The K.W. Bruun group has a policy of collaboration with the authorities based on mutual respect, transparency, professional discussions and willingness to show trust through open and constructive dialogue. Discussions with the authorities take place centrally in the countries where K.W. Bruun has companies and activities of relevance to the commercial activities in question.

Tax management is a management responsibility at K.W. Bruun. Responsibility lies at the various management levels of the companies, i.e. from the Board, senior management and the audit committee to the various business functions in the individual group company. With regard to complying with and interpreting tax regulations, K.W. Bruun will always strive to stay within a "green zone," so that deliberate tax avoidance etc. is prevented at all times.

→ Tax policy

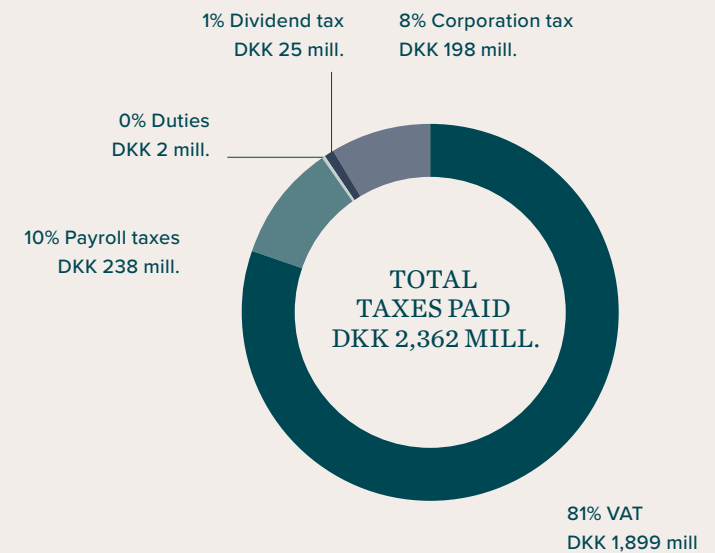
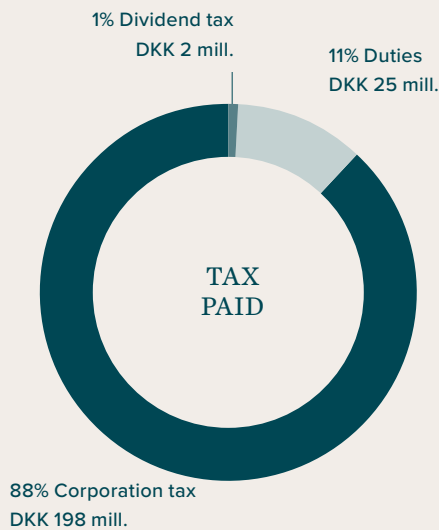
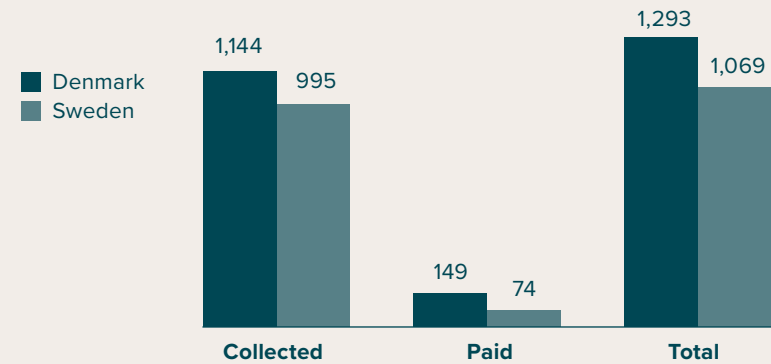


\* <https://www.consilium.europa.eu/da/policies/eu-list-of-non-cooperative-jurisdictions/>

In 2021, K.W. Bruun & Co A/S, the K.W. Bruun group’s administrative unit, was the 29th largest corporation tax contributor in Denmark.

In 2022, the group’s total tax contributions came to DKK 2,362 million. In addition to corporation tax, these tax contributions include payroll taxes, dividend tax, VAT and other duties and taxes. Furthermore, there is the Danish registration tax paid by car dealers when registering the group’s car sales.

TAXES AND DUTIES PAID (DKK MILL.)



# RISKS, MANAGEMENT, RESULT 2022 AND OBJECTIVE 2023

An important aspect of our corporate social responsibility is to analyse the risks associated with our activities. The objective is to prevent risks and identify potential improvement areas.

We have identified potential risks within labour rights, human rights, the environment and anti-corruption that we are striving to reduce or eliminate through our approach to our overall corporate social responsibility and the measures below.

## CASE



## WHISTLEBLOWERLINE

# OPEN AND RESPONSIBLE COMPANY CULTURE

*In K.W. Bruun we believe in an open, responsible and trusting corporate culture, where no one turns their back if employees or the group's integrity is challenged.*

*As part of the CARE launch, work continued to complete the group's WhistleBlowerLine for launch in January 2023.*

## LABOUR RIGHTS

Area	Risks	Management
Employee well-being and development opportunities	Employees who lose their commitment or feel unable to achieve their personal ambitions may become dissatisfied at work and become uncooperative. This can lead to increased absence due to sickness, which may in turn increase the workload for other employees and potentially result in higher staff turnover.	<p>Employee satisfaction survey and follow-up.</p> <p>CARE management training and values game.</p> <p>Internal talent development programme with nine participants.</p> <p>Development of WhistleBlowerLine and Business Ethics.</p>

### Results 2022

We assess that our approach to labour rights and activities during the year have contributed to maintaining a healthy working environment with good conditions for employees in 2022.

To prevent the spread of COVID-19 at the workplace, by far the majority of our employees worked from home from December 2021 to March 2022. To ensure employee satisfaction and a strong sense of connection to the workplace during this period, managers had 1-2 daily follow-up meetings with their teams.

An employee satisfaction survey was conducted in 2022, and the response rate of 79% is considered satisfactory. On a scale from 1 to 7, where the 7 is highest, the overall satisfaction with being employed in the K.W. Bruun group rose from 5.6 in 2019 to 6.2 in 2022, which is a very satisfactory development. Subsequently, meetings have been held at which departmental action plans were drawn up to meet any challenges in the individual department.

With the objective of being a healthy and inspirational workplace, the group's core values, CARE 2.0, were launched in autumn 2022 containing activities such as leadership training, dilemma training and a values game.

In 2022, an internal talent development programme was launched with nine members. One employee participated in the Leadership Acceleration Programme, and an office trainee was employed.

Personalefonden (the staff fund) again provided support for employees in 2022, and Ragnhild Bruuns Fond and Direktør K.W. Bruun og Hustrus Familiefond awarded grants to 24 selected associations and organisations. K.W. Bruun & Co also donated DKK 3.9 mill. to Ukraine.

### Objective in 2023

We expect to start 2-3 talent development programmes in 2023 and employ 1-2 trainees. There will be no new participants on the Leadership Acceleration Programme.

Implementation of the CARE 2.0 will continue in 2023 to further strengthen corporate culture and well-being. In this context a new programme (CARE measurement) has been developed in order to foster dialogue and transparency at management and department levels. CARE measurements will be issued three times in 2023, with follow-up at departments.

In 2022, work continued to complete the group's WhistleBlowerLine and Business Ethics for launch in January and April 2023, respectively.

Again in 2023, the two foundations behind K.W. Bruun group, Ragnhild Bruuns Fond and Direktør K.W. Bruun og Hustrus Familiefond, will award grants, and the staff foundation will again offer help and support to existing and former employees of the group.



## HUMAN RIGHTS

Area	Risks	Management
Rights	Since we are operating in a male-dominated industry, the issue of gender imbalance constitutes a risk, and there is a risk of a lack of diversity in the recruitment process. A lack of diversity could lead to inefficient teams, poorer performance and fewer innovative initiatives, inter-personnel difficulties and job dissatisfaction.	<p>In all recruitment, HR focuses on the group's goal of a 60/40 gender distribution</p> <p>Develop Diverse tool to optimise texts, including job ads, to be inclusive.</p> <p>Development of WhistleBlowerLine and Business Ethics.</p>

### Results 2022

We have no knowledge of any human rights violations at K.W. Bruun in 2022.

The group has focus on recruiting highly educated women so that in the longer term we can recruit from these internally for higher management levels. On 31 December 2022, the percentage of women at other management levels was 24%. The gender distribution in the group generally was 35% women and 65% men, and this is the same level as 2021\*.

### Objective in 2023

We want the percentage of female employees to increase in 2023 by at least one percentage point.

In 2022, work continued to complete the group's WhistleBlowerLine and Business Ethics for launch in January and April 2023, respectively.

\* Excluding the Quickpoint workshop chain.

Area	Risks	Management
GDPR and data ethics	Risks include threats such as hacking attacks and human error. Any threat, if it occurs, may have consequences for the people whose data we are processing, and it may lead to violations of data subject rights in the form of the misuse of data, identity theft or that the injured party is exposed to unwanted marketing.	<p>Guidelines to safeguard that all processing activities are performed in accordance with the legislation and our internal guidelines in general.</p> <p>Ongoing employee training in GDPR.</p> <p>Expand the GDPR team with one Swedish employee.</p> <p>Implement measures in our dealer network.</p>

### Results 2022

In 2022, we took further steps to reduce or eliminate the risks identified in connection with our processing of personal data. We continued our work on expanding the guidelines to safeguard that activities are performed in accordance with the legislation and our internal guidelines in general. We also expanded the GDPR and compliance team with a Swedish employee, who is fully dedicated to the Swedish part of our business, and who has the same approach. At K.W. Bruun, we regard our work on GDPR as part of our corporate social responsibility. Therefore, we have also implemented measures in our dealer network, so we not only ensure protection of personal data when we are the data controller, but also when a dealer is the controller.

### Objective in 2023

We will remain compliant and stay abreast of the most recent interpretations, knowledge and practice in the area. Among other things, this will be through training activities for employees working with personal data. We will also extend the use of our GDPR control system in line with launching new activities, including taking over the import of several new brands and establishing Classic Car House. In 2023, we will take a new GDPR e-learning platform into use for regular GDPR training and onboarding new members of staff. There will also be focus on enhancing employees' knowledge about our data ethics values.



## THE ENVIRONMENT

Area	Risks	Management
Reduction of CO <sub>2</sub> footprint	External events with influence on inflation, the energy crisis, the supply crisis and declining consumer confidence can lead to shortages of supplies, production and distribution problems and general decline in the market, which in turn can mean that we cause larger climate impacts than expected.	Comply with monthly CO <sub>2</sub> targets issued by Stellantis.

### Results 2022

With initiatives in 2022, K.W. Bruun continued its responsible course with regard to the environment, for example by reducing electricity and heating consumption, managing waste, and reducing food waste in the canteen.

Remanufactured spare parts constituted an even greater percentage of the aftermarket at 6.7% of revenues.

In mid-2022, K.W. Bruun's automotive brands transferred from printed training manuals to online manuals only. Energy-savings initiatives were implemented at several of the group's locations, e.g. heating reduction to 18 degrees Celsius at the warehouse in Greve, lighting replaced and a number of light sensors fitted where considered appropriate.

In 2022, K.W. Bruun increased the share of electric and hybrid cars in Denmark from 20% to 22%. In Sweden, the percentage increased from 25% to 45%. Furthermore, we met our target for total CO<sub>2</sub>/km emissions on the realised sales mix, and we thereby comply with EU's target and requirements in the area.

### Objective in 2023

The K.W. Bruun group aims to contribute to lower environmental and climate impacts and focuses on introducing environmentally friendly vehicles and spare parts within the framework allowed by the products offered by the group's suppliers.

At group level, this means that we will launch several new electric and plugin-hybrid cars in 2023. Generally, we can offer an environmentally friendly car portfolio for all brands, and we expect that our electric/hybrid sales will increase further in 2023, and thereby make up an even larger share of the group's total sales of cars and vans.

Remanufactured spare parts are expected to constitute 10% of our revenues in the aftermarket.

Possibilities to fit solar PV are being investigated at the logistics warehouse in Sweden.



## ANTI-CORRUPTION

Area	Risks	Management
Corruption	We consider it a risk if our work processes and controls fail to ensure that managers and employees comply with relevant legislation to counter corruption, bribery, money laundering, etc. Negative publicity and a bad image can create a vulnerable corporate culture, influence employer branding, and cause job dissatisfaction and a poor well-being.	Development of WhistleBlowerLine and Business Ethics.

### Results 2022

We have no knowledge of any violations involving corruption and bribery in the group in 2022.

K.W. Bruun’s subsidiary, Interdan Leasing A/S, was previously subject to the rules of the Danish Anti-Money Laundering Act, as the company offered finance leases. However, the company has ceased activities and is under voluntary liquidation as K.W. Bruun has decided to no longer operate within this area.

### Objective in 2023

Corruption and bribery will remain unacceptable for the group, and we will continue our work to avoid any impacts from such activities. In 2022, work continued to complete the group's WhistleBlowerLine and Business Ethics for launch in January and April 2023, respectively.



# GROUP DATA

	2020	2021	2022*	
			Excl. Quickpoint	Incl. Quickpoint
<b>Labour rights</b>				
Sickness absence	1.9%	2.1%	2.8%	3.2%
Staff turnover	19%	26%	31%	37%
<b>Human rights</b>				
Female managers	23%	24%	24%	17%
Female employees (overall gender distribution)	36%	35%	35%	27%**
<b>The environment</b>				
Electric/hybrid share of total sales	10%	22%	32%	32%
Remanufactured spare parts	3%	4%	7%	7%

\* 100% ownership of Quickpoint in 2022

\*\* The Quickpoint chain of workshops has 156 employees: 141 in workshops / 15 at head office.

The motor mechanic trade is primarily male, and therefore the group data is shown with and without Quickpoint.

At Quickpoint, female employees account for 2% of staff in motor repair shops and 40% at the headquarters.

## ACCOUNTING POLICIES IN RELATION TO THE GROUP'S NON-FINANCIAL KEY RATIOS

### Absenteeism due to sickness

This KPI is based on data from the internal HR system, in which all employees register sickness absence.

### Staff turnover

This KPI is based on data from the internal HR system, which registers all employees leaving and joining the company.

### Gender distribution

This KPI is based on data from the internal HR system, which registers all employees, including their gender.

### Electric/hybrid share

This KPI relates to Denmark and is based on statistics from bilstatistik.dk, which draws data from the Danish register of vehicles (Køretøjsregistret). The Swedish data is collected from Vroom, which registers vehicles on the Swedish market.

### Remanufactured spare parts

This KPI is based on revenue from remanufactured spare parts in relation to total revenue from spare parts.



K.W. BRUUN