

Together we make the green transition a reality

Annual Report
2023

Kemp
Lauritzen

 Kemp
Lauritzen

Annual Report 2023

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→ Turnover

DKK 4,154 million

Increase of 26%

→ EBITA

DKK 158 million

Margin 3.8%

→ Solvency ratio

27.5%

Equity of DKK 576.4 million

CEO's report

Kemp & Lauritzen has never been stronger than it is now

2023 has been a good year with growth, high activity, great results and exciting new challenges. We have worked on large multifaceted projects with a high degree of complexity. Our many service tasks across the country have also been a significant focus throughout the year.

We are proud of the trust our customers show us by assigning us projects that are crucial to their operations and development. To ensure we deliver a high level of activity and quality – on time – it is crucial that we retain our skilled and dedicated employees and attract new and talented staff at the same time. In 2023, the number of employees increased to 2,800.

Our company is defined by its reliance on people – both in terms of their expertise and our capacity. We are actively working to develop our business and achieve our goal of being one of the best workplaces in Denmark. For us, this means focusing on safety, development, community and embracing diversity.

In 2023, Kemp & Lauritzen won the Danish Diversity Awards in the category "Company of the Year with more than 500 employees". We are incredibly proud of this award. We are also aware that diversity and inclusion are focal points that we must constantly work towards. For this reason, Kemp & Lauritzen has initiated a three-year PhD research project to contribute to increased diversity and inclusion in the construction industry and in society in general.



Our goal at Kemp & Lauritzen is to continue to be Denmark's leading green and digital technical partner and one of the best workplaces in Denmark.

During the year, we took decisive strategic steps in relation to our work with sustainability and digitalisation. It is evident that sustainability is becoming increasingly important for our customers and employees. It is a positive challenge for us to further highlight how we can help our customers make green transition a reality. We do this, for example, by bridging the gap between sustainability and the entire digitalisation agenda. In 2023, we launched a digital department that will be crucial for Kemp & Lauritzen and our future offerings to our customers.

In recent years, Kemp & Lauritzen has undergone a development, meaning our expertise and offerings to customers have moved so significantly in a sustainable and digital direction that these changes should also be reflected in our brand. Therefore, we have just launched a rebranding of Kemp & Lauritzen, which more closely reflects our purpose and ambition to be Denmark's leading green and digital technical partner and one of the best workplaces in Denmark.

Turnover for 2023 amounted to DKK 4,154 million (2022: DKK 3,300 million), while operating profit (EBITA) amounted to DKK 158 million (2022: DKK 113 million), corresponding to a turnover of 3.8% (2022: 3.4%). Going into 2024, we continue to experience a high level of activity across our business, and despite the fact that we see stagnating demand in some places. However, the overall picture is that our services are still in high demand.

Kemp & Lauritzen has never been stronger than it is now. This is primarily due to our many talented employees, who contribute to making Kemp & Lauritzen a better company for the benefit of our many customers and society as a whole – every day. I would like to take this opportunity to thank you, our employees, for your tremendous efforts. And finally, a big thank you to our many great customers and all our dedicated partners for the year that has passed. We look forward to another productive year together in 2024.

Peter Kaas Hammer, CEO



Key financial figures

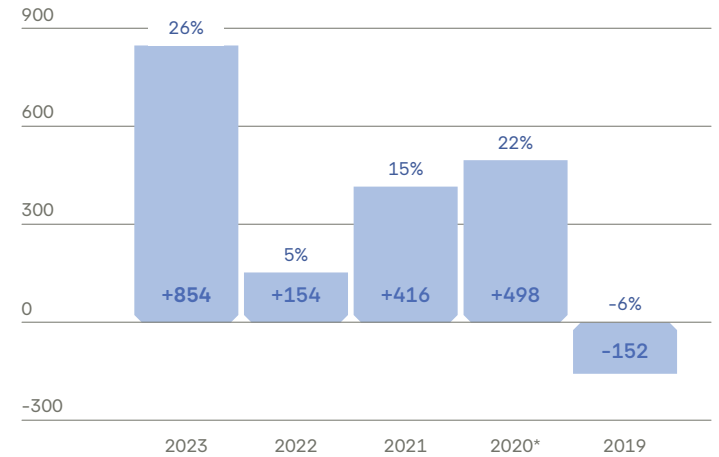
DKK million	Unit	2023	2022	2021	2020	2019
Key figures						
Turnover		4,154.1	3,299.8	3,146.3	2,729.7	2,231.6
Gross profit		1,887.3	1,532.6	1,434.4	1,288.9	1,151.3
EBITA before special items*		158.3	113.4	104.0	32.1	80.0
EBITA		158.3	113.4	104.0	-2.4	80.0
Profit/loss from financial items		-3.5	-4.4	-5.0	-2.2	68.7
Profit for the year		101.9	66.2	57.8	-16.6	124.2
Total assets		2,096.4	1,790.4	1,552.1	1,482.0	1,086.0
Investments in property, plant and equipment		18.5	37.0	15.2	21.6	7.4
Shareholders' equity		576.4	507.5	470.3	412.5	433.6
Average number of employees	FTE	2,630	2,304	2,279	2,312	1,874
Key figures						
EBITA before special items	%	3.8	3.4	3.3	1.2	3.6
Return on equity	%	18.8	13.5	13.1	-3.9	32.3
Solvency ratio	%	27.5	28.3	30.3	27.8	39.9
Liquidity ratio	%	132.9	130.3	133.0	105.5	147.2
Return on investment	%	7.1	5.6	5.6	-1.4	6.8

Key figures are defined in the section on accounting policies used.

*EBITA before special items and EBITA are specified in note 25.

Key figures from 2019–2022 are based on the Kemp & Lauritzen Group. 2023 is based exclusively on the Kemp & Lauritzen parent company. The effect on key figures is insignificant.

Growth in turnover DKK million



■ Growth

*2020 is affected by the acquisition of Lindpro.

2024

For 2024, turnover is expected to be at the level of 2023 and earnings (EBITA before special items) are expected to be better than in 2023. The assumptions for the expectation are discussed in the financial report section in the management report.

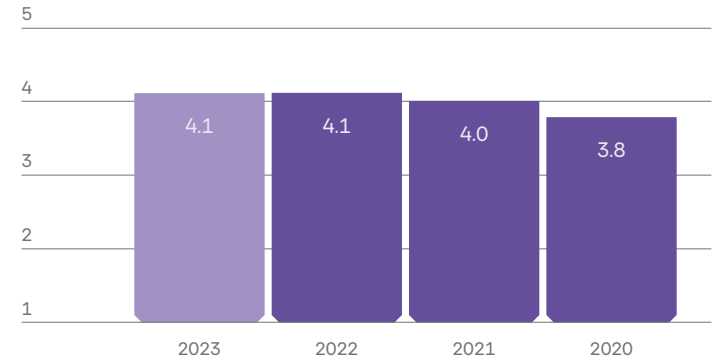
ESG key figures

	Unit	2023	2022	2021	2020
Environment – environmental data					
CO ₂ per kilometre driven	Grams	133	140	180	-
CO ₂ , scope 1	Tonnes	6,490	6,167	6,239	5,793
CO ₂ , scope 2 (market based)	Tonnes	196	248	154	126
Energy consumption	GJ	113,836	110,400	113,205	102,392
Renewable energy share	%	6.9	6.6	6.1	7.9
Water consumption	m ³	5,204	5,663	4,939	5,998
Social – social data					
Average number of employees	FTE	2,630	2,304	2,279	2,312
Gender diversity	%	8.5	8.4	9.0	9.1
Gender pay gap (salaried employees)	Times	1.5	1.5	1.4	1.4
Sick leave	%	3.9	4.1	4.2	3.9
Lost time injury frequency	LTIF	7.2	7.2	8.4	10.9
Job satisfaction survey (from 1 to 5 – with 5 being very satisfied)	1-5	4.1	4.1	4.0	3.8
Governance – management data					
Board gender diversity	%	33	17	20	20
Attendance at Board meetings	%	94	97	96	98

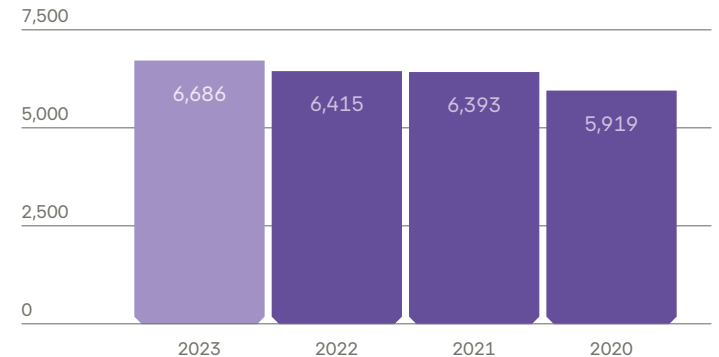
We have described our work with corporate social responsibility in the section "Sustainability & Corporate Social Responsibility" on pages 14-22. In addition, the calculation methodology and a brief account of the development of the ESG key figures are included in the section "Notes to the ESG statement" on pages 41-46.

Job satisfaction survey

From 1 to 5 – with 5 being very satisfied



CO₂, scope 1 and 2 Tonnes



Kemp & Lauritzen in 2023

In 2023, turnover grew by 26% and operating profit (EBITA) followed suit, amounting to a turnover of 3.8%. The high level of activity means that we have recruited an additional 380 talented colleagues. By the end of 2023 we had 2,800 employees. Over the past year, we continued to work on our strategy “Towards a common future – next steps”, aiming to strengthen our position as the country’s leading digital and green technical partner and one of the best workplaces in Denmark.

We can proudly say that Kemp & Lauritzen is helping to keep Denmark running in terms of development and operations. From critical infrastructure companies to the bridges that connect us, the hospitals that help us, and the housing associations that provide homes for thousands of us. With our extensive expertise and innovative approach, we secure the technology in crucial parts of our society. We have been doing this since 1882, and the need for our expertise is now greater than ever.

We are constantly expanding our efforts, which is why we are also taking greater responsibility. The world is calling for solutions to boost the green transition. Solutions that are energy efficient and data driven. Solutions that enable companies and institutions to reduce their CO₂ emissions while strengthening their business. We are here to help.

At Kemp & Lauritzen, we go the extra mile and take quality personally. In all our various disciplines, we share the same dedication in our work. Our size and reach mean that we offer a comprehensive range of technical services. We quite literally know the technology in our customers’ business inside out. Therefore, in a number of cases, we can also anticipate events and react before a need arises. This has made us the technical partner of choice for many companies and institutions across Denmark. We strive to always be one step ahead of our customers, continuously implementing new solutions that make it easy to be our customer.

Kemp & Lauritzen is owned by the Axel Muusfeldt Foundation, which invests the profits in our employees and in the society around us. The foundation also ensures

strong ownership and a solid basis for Kemp & Lauritzen’s future development and growth. This gives us a solid base and fosters a culture with development opportunities for all, while at the same time embracing diversity.

With 2,800 employees throughout the country, Kemp & Lauritzen is primarily a people-focused company. Employee safety, job satisfaction, health and safety at work and development are therefore key priorities in daily operations, as well as in the continued development of Kemp & Lauritzen.

Kemp & Lauritzen and our business units

Kemp & Lauritzen’s strategy “Towards a common future – next steps” is the framework for the range of initiatives that have left their mark

In 2023, we focused on three key themes:

1. We worked to develop effective solutions to reduce CO₂ emissions while focusing on diversity and inclusion.
2. We further enhanced our wide-ranging technical expertise with new data-driven solutions.
3. We worked to establish even closer relations with our customers in the “Kemp for the Customer” campaign.

on the business over the past year. In recent years, we have worked to create an even better workplace, strengthen our professional core and increase cohesion across our business.

In 2023, we focused on three key themes – sustainability, data-driven solutions and “Kemp for the Customer”.

Our sustainability work has enabled us to advise our customers on how to reduce their CO₂ emissions, and we have focused on how to reduce emissions based on our own solutions. In addition, we have emphasised diversity and inclusion in our quest to become one of the best workplaces in Denmark.

During the year, we have enhanced our extensive technical expertise with innovative data-driven

solutions that help us address our customers’ needs and cement our desire to be our customers’ preferred digital technical partner.

Most recently, we have worked on strengthening the relationship with our customers with our commercial “Kemp for the Customer” campaign, a campaign in which new IT solutions support our goal of always maintaining a customer-centric approach.

We remain focused and interested in acquisition opportunities that enhance and strengthen Kemp & Lauritzen’s expertise and service platform as well as strategic position in the Danish market.

2023 was a year of rising interest rates and continued high inflation, which has affected the industry and resulted in increasing uncertainty.

Kemp & Lauritzen in 2023

Still, the demand for sustainable solutions, as well as our customers' expansion of production capacity, meant a high demand for our services throughout 2023.

Our order book going into 2024 remains full (further reference to this on page 10) and forms the basis for an expected high level of activity.

As part of Kemp & Lauritzen's strategy, we have, over the past five years, been working on implementing a new IT infrastructure throughout our business. This means that we are starting to observe entirely new patterns in investment and consumption levels among our customers, compared to what we could see previously – thereby enabling us to be an even better partner for our customers when it comes to the green transition, optimised operations and better indoor climates.

This focus means that Kemp & Lauritzen will make a significant investment in digitalisation in 2024. We expect this investment to ensure

increased turnover and earnings in the coming years. A central element in our work with IT and digitalisation involves us focusing on IT security, and in 2024 we will work to become ISO 27001 certified.

We are committed to developing our business so that Kemp & Lauritzen can attract the most talented employees in the industry. You can get an insight into our recruitment process and some of our vacancies at www.kemperne.dk

Many companies in our sector experience high turnover rates among employees. This also applies to our business, which is why we are continually enhancing our efforts to retain and attract talented employees and create solid frameworks for their well-being and development. Our ambition is to retain and attract the best talent in the industry. As a result of these

efforts, many of our employees are continually upgrading their skills in our very own "K&L Academy". Furthermore, in 2023, we expanded our sustainability efforts, focusing not just on environmental issues but also on our goal of becoming the most inclusive workplace in the industry.

We are incredibly proud that Kemp & Lauritzen won the Danish Diversity Awards in the category "Company of the Year with more than 500 employees" in 2023. This is an important milestone for us, which we are currently building on in the form of a number of diversity and inclusion initiatives. Kemp & Lauritzen has, for example, launched a three-year PhD research project to contribute to increased diversity and inclusion in the construction industry and in society in general.

The overall organisation of Kemp & Lauritzen remains unchanged. The logic is to continue to ensure the strongest possible multifaceted specialisation and the opportunity to offer

the customer top-tier skills tailored to their specific needs, ensuring a coordinated effort to provide the customer with a seamless Kemp & Lauritzen experience.

Kemp & Lauritzen's business comprises three business units: Technical Service, Technical Contracts and Expert Competences.

Technical Service brings together our service activities across technical disciplines and expertise, ensuring strategically located facilities for effective geographical coverage. Engineering Centres operate nationwide with strong local connections.

2023 saw a high level of activity for Technical Service. Our work on installing heat pumps, the multifaceted work on installing charging infrastructure and other projects were instrumental in maintaining a high level of activity throughout 2023. On 1 January 2024, we sold Maskinelektro, which was a smaller division within Technical Service.

Organisational structure



Technical Service



Technical Contracts



Expert Competences

Kemp & Lauritzen in 2023

We also established a partnership with the buyer to ensure that Kemp & Lauritzen can continue to provide electromechanical services to our customers.

Our IT set-up for service tasks has provided us with entirely new digital opportunities, offering our customers – and our larger nationwide customers in particular – a wide range of benefits. Meanwhile, all our customers continue to benefit significantly from working with a single technical partner across all disciplines. A prime example of this is our partnership with Norlys where we install charging infrastructure throughout Denmark. As part of this process, we draw on specialised expertise from both Technical Service as well as Technical Contracts and Expert Competences.

Turnover and profit for Technical Service in 2023 are better than expected and are considered satisfactory. We expect higher turnover and improved profit in 2024.

Technical Contracts have all the relevant expertise in terms of calculation, project design, project development, as well as management and implementation of large-scale technical contracts encompassing both specialised tasks and complete engineering projects. As one of the few players on the market, Engineering Contracts operate their own technical department. The department designs and develops highly complex and high-quality technical solutions, while securing construction projects based on designs and plans that optimise the work of our technicians and save our customers time and money. Technical Contracts offer a strong multifaceted technical skillset that very few of our competitors in the market possess. A smaller proportion of the activity level for Technical Contracts relates to the housing sector. We therefore expect that the activity level in Technical Contracts will not be negatively impacted to the same extent as the construction sector and the market in general in 2024.

Kemp & Lauritzen has more than 200 apprentices who contribute to the continued development of the company.

For Kemp & Lauritzen, having a large number of apprentices is crucial for maintaining a qualified workforce which Kemp & Lauritzen and our society will need in the future.

The green transition needs more manpower.

In 2023, we worked with Danish vocational schools and upper secondary schools, arranging company visits and providing teaching materials to show students how they can work with the green transition once they have completed their education.

An example of a project that has been significant in 2023 and will remain significant for Technical Contracts in 2024 is "Holm 8" – AP Pension and Nykredit's new office headquarters in Nordhavn, Copenhagen. This project involves us providing the complete engineering package, including electricity, plumbing, ventilation, fire safety, security and communication. We are therefore drawing on expertise from other parts of Kemp & Lauritzen besides Technical Contracts in order to deliver the best possible service to the customer. In fact, this is one of Kemp & Lauritzen's largest stand-alone contracts for an engineering package to date.

Turnover and earnings for Technical Contracts are better than expected and are considered satisfactory. For 2024, we expect a continued high level of activity and further improvement in earnings. The order book going into 2024 remains at a high level.

Expert Competences are based on a specific expertise and customer

logic. The aim is to ensure optimal service to specific customer segments and focused use and development of specialised expertise. Kemp & Lauritzen's size within these segments and activities is what makes this specialisation possible.

Expert Competences are independent, commercially viable units and specialised partners for the units' own client base. We also use the specialised expertise provided by Expert Competences in close collaboration with both Technical Service and Technical Contracts to help us service and manage customers and projects. This strong collaboration is a natural part of Kemp & Lauritzen's cohesiveness and enables us to create both broad and highly specialised solutions.

An excellent example of our customer focus, specialisation and collaboration across the business is a major project we are undertaking with an industrial customer. Our technical department

in Technical Contracts developed the design, our Petrochemical & Industry department within Expert Competences produced a technical shaft for the project in our workshop, and Technical Contracts installed the shaft as part of the solution at the customer's premises.

The turnover and profit for Expert Competences are satisfactory and better than expected. We anticipate this positive development to continue in 2024.

The market

Our prime technical market encompasses the construction industry, building services, industrial companies, and organisations and institutions in the public sector. For most of 2023, the technical market was marked by high levels of activity, albeit with a tapering off towards the end of the year particularly in the housing sector. In addition, there has been an increasing number of bankruptcies among small and medium-sized players in the industry.

Kemp & Lauritzen in 2023

We expect to see a market with continued uncertainty. For the housing sector and, to a certain degree, the commercial sector, we expect a lower level of activity in 2024, driven by increased uncertainty as a result of, for example, high interest rates. We also expect the service market to be affected, albeit to a lesser extent than the contract market. Other sectors of Danish society and a significant part of our business areas will continue to be busy. For example, we see promising opportunities in projects driven by the green transition and other segments in the market, which are less affected by general economic trends.

For 2024, we continue to expect uncertainty related to global supply chains, inflation, geopolitical tensions and the economy as a whole. However, we expect Kemp & Lauritzen to achieve an overall level of activity in 2024 on par with 2023.

Throughout 2023, there was intense and sporadically increasing price

pressure in the market from both customers and suppliers. This only underlines the relevance of highlighting the many benefits, including digital benefits, that customers get by working with a multifaceted and nationwide player such as Kemp & Lauritzen.

It is crucial for Kemp & Lauritzen to always ensure our customers have the right product and process. It is therefore important for our business to secure a skilled and qualified workforce. With our increasing level of activity and customer-centric approach, attracting and retaining qualified employees with a strong sense of values is crucial for the growth of our business. We operate on the principle that we stick to the task until it is completed. Therefore, our employees are once again a key strategic focus area for Kemp & Lauritzen.

We have continuously worked on initiatives to attract and retain the best employees in the industry. We have, for example, continued to work

on training and upskilling employees across our business. In 2023, we also continued to work on diversity and inclusion initiatives, which aim to increase the recruitment base for our business and better reflect the diversity we see in our customers and in society in general. We want to ensure that we can attract the best in the industry, and that we can attract some of those who may not currently be well represented, but may be in high demand in the future. This might include more engineers, IT experts and so on. We also want to and need to attract more women. Our collective efforts have resulted in maintaining high levels of job satisfaction among our employees. This is an important element in our goal of being one of the best workplaces in Denmark. Despite our focus, employee turnover in 2023 increased by more than 2 percentage points compared to 2022, which is partly due to high demand in the market for qualified employees, and the fact that in 2023 we saw significant growth in both the level of activity and the number of employees.



Apprentices at Kemp & Lauritzen

The green transition needs even more talented employees

At Kemp & Lauritzen, we would like to encourage more young people to explore career opportunities in engineering professions. We offer Denmark's best apprenticeships and are working on specific initiatives to promote diversity within our organisation and throughout the engineering sector.

Kemp & Lauritzen is owned by a foundation

Kemp & Lauritzen is owned by the Axel Muusfeldt Foundation, which, in addition to ensuring effective ownership of Kemp & Lauritzen, reinvests the profits in our employees and in the community around us. This gives our business a strong foundation and contributes to a culture that offers development opportunities for all and embraces diversity.

On a day-to-day basis, Kemp & Lauritzen is governed by the Executive Board, which includes:

- _____
CEO
Peter Kaas Hammer
- _____
Chief Financial Officer
Karsten Riis Andersen
- _____
Head of HR
Ane Katrine Apel
- _____
Director of Business Development
Anne Lautrup Jepsen
- _____
Director of Technical Service
Thomas Gjørup
- _____
Director of Technical Contracts
Søren Raun Frahm
- _____
Director of Expert Competences
Mads Møller Andersen

The Axel Muusfeldt Foundation was set up in 1982 by Axel Muusfeldt, CEO and owner of Kemp & Lauritzen. The foundation ensures long-term ownership and a solid base for the company's future growth. Besides owning Kemp & Lauritzen, the foundation aims to provide support to Kemp & Lauritzen's current and former employees and to help promote business, cultural, scientific and artistic endeavours. Again in 2023, the Axel Muusfeldt Foundation awarded grants to seven Kemp & Lauritzen employees, who all made a very special contribution. For further information about the foundation, please visit www.axelmuusfeldtsfond.dk. The Axel Muusfeldt Foundation owns Kemp & Lauritzen through the wholly-owned subsidiary Axel Muusfeldts Fond Holding A/S.

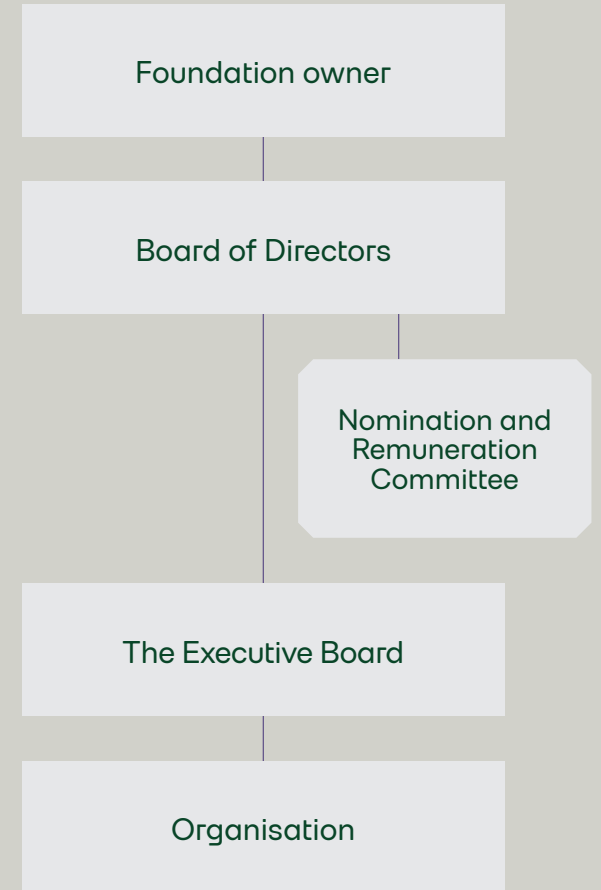
Kemp & Lauritzen's Board of Directors comprises nine members. Three of these are employee-elected members, while the six remaining members are board members elected during the Annual General Meeting. One of the board members elected during the Annual General Meeting is a board member of both the Axel Muusfeldt Foundation and Axel Muusfeldts Fond Holding A/S.

In 2023, a new member of the Board of Directors was elected as a result of the owners' focus on the company's ongoing development. This is to ensure that the expertise of the Board of Directors reflects the strategic development that we are pursuing and supports the business environment that we are part of, as well as to ensure solid governance at Kemp & Lauritzen.

Other board positions in Danish companies held by the board members can be found in the CVR (the Danish Central Business Register): <https://datacvr.virk.dk>

The Board of Directors sets the overall goals and strategies for Kemp & Lauritzen, and the Board of Directors oversees the managerial oversight of Kemp & Lauritzen. Six board meetings and a strategy seminar were held during the year.

Governance structure



Sustainability & Corporate Social Responsibility

At Kemp & Lauritzen, we embrace social responsibility by achieving business results in a responsible manner while contributing to the development of Danish society – especially in terms of the green transition.

Kemp & Lauritzen's business model

Our business model is described in more detail in the section "Kemp & Lauritzen in 2023" in this management report. This section provides an ongoing account of the business model's specific impact on social conditions, the environment and business ethics.

In 2023, we redoubled our commitment to sustainability. We are increasingly aware of the growing importance of sustainability to our customers and employees. More and more of our customers are asking for data and advice – they also expect our solutions to save energy and reduce CO₂ emissions. Our ambition to be Denmark's leading technical company is helping our customers reduce the environmental impact of their buildings and technical facilities. We also play a significant role in installing infrastructure to support the energy system of the future. For example, through the installation of charging infrastructure and heat pumps and through the expansion of infrastructure for the electricity grid in Denmark. Like sustainability, digitalisation is also a strategic priority and a core part of our

strategy, and we are constantly working to develop digital solutions and products that can support the green transition. In 2023, we launched a digital department that will be crucial for Kemp & Lauritzen and our future offerings to our customers.

People and the environment as strategic priorities

Sustainability is a core part of Kemp & Lauritzen's strategy "Towards a common future – next steps".

Our focus areas within sustainability came about in consultation with a range of stakeholders, including selected customers in 2022, where we focused on significant risks and impacts on people and the environment as a result of Kemp & Lauritzen's business activities.

Our strategy therefore addresses both those areas where Kemp & Lauritzen has the greatest potential to make a positive difference and where we must make an effort to prevent and reduce inappropriate social and environmental impacts on our business. We see good governance as a crucial foundation that supports the company's strategy and commercial success.

Sustainability management at Kemp & Lauritzen

The ultimate responsibility for sustainability lies with corporate management and is primarily vested in the CEO. In 2023, we further formalised our sustainability work so that we have clear roles and responsibilities for all relevant ESG issues in the organisation. The responsibility for setting

UN Sustainable Development Goals

Kemp & Lauritzen's solutions support several of the UN's Sustainable Development Goals. In particular, our strategy is linked to six goals.



Responsible consumption, logistics and production

We aim to reduce our own CO₂ footprint by restructuring our vehicle fleet, using smart route planning, reducing consumption in our own buildings, using renewable energy, promoting environmentally friendly materials and efficient waste management.



Green transition for our customers and for society

We will help our customers reduce their carbon footprint through smart engineering solutions and a focus on recycling.

Our goal is to become the leading technical partner in the green transition of Denmark's infrastructure and buildings – with energy optimisation, electrification, and digitalisation being our primary focus areas.



Health and safety at work and celebrating diversity

We are a people-focused company committed to diversity, inclusion and a safe and secure working environment.

We believe that diversity is a strength and catalyst for economic growth for our customers, our business and society.



Lifelong learning

We train and develop people in a dedicated community to ensure the right expertise for the continued development of our customers, our business and society.

We focus on lifelong learning through our very own K&L Academy and our contribution to society's educational institutions.

direction and ensuring progress on the strategy rests with the Executive Board and the Head of Sustainability. Each ESG issue is linked to a director. The responsibility for the implementation of the strategy lies with the relevant departments. We believe that this approach ensures maximum ownership of the strategy and integration of sustainability into daily operations. Our Board of Directors is kept informed about the implementation of our strategy and also receives quarterly reports with ESG key figures.

As part of our ongoing efforts to minimise Kemp & Lauritzen's societal risks, we adhere to ISO standards. These are ISO standards for health and safety at work (45001), quality (9001) and environment (14001). We use these standards as tools

to systematise our work and ensure controls and evaluation. This allows us to continuously optimise work procedures and processes that will help us achieve our goals.

Our sustainability efforts also comply with relevant legislation and are inspired by the UN Global Compact's 10 principles. In 2023, we updated our environmental, human rights, diversity and inclusion policies. Originally, it was our intention to update our CSR policy, but we felt that it made more sense to wait until the work with the double materiality analysis had been completed. In 2024, we will therefore update our Code of Conduct, the CSR policy and any other policies to ensure that they are in line with our strategy and the conclusion of the double materiality assessment.

Preparation for future ESG reporting requirements

At the end of 2023, we conducted our dual materiality analysis to identify ESG issues that are particularly relevant to our company and our role from a societal perspective. Double materiality was identified by assessing how our business activities impact society and the environment and how society and the environment impact us in terms of both opportunities and financial risks. The conclusion of our double materiality assessment will form the basis for our future ESG reporting and compliance with new reporting requirements (CSRD/ESRS), to which Kemp & Lauritzen will be subject from the 2025 financial year onwards. Going forward, we will revisit the double materiality assessment once a year.

According to the double materiality analysis, the issues that are particularly relevant for Kemp & Lauritzen are: Climate change, pollution, resource usage and the circular economy, our workforce, workers in the value chain and corporate behaviour, corresponding to ESRS standards E1, E2 and E5 as well as S1, S2 and G1.

ESG Key Figures

Key figures for Kemp & Lauritzen in the areas of environment, social conditions and corporate governance can be found in the overview of key figures on page 5. Other ESG key figures and more detailed explanations of developments and objectives can be found in the Notes to the ESG Statement on pages 41-46.

Kemp & Lauritzen joined CDP in 2023 and was given a C rating.

Our participation in CDP enables our customers and other stakeholders to monitor our progress in terms of environmental management and our own green transition.



Environment

The impact of Kemp & Lauritzen's business model on the environment

With its broad portfolio of energy-saving technical solutions, Kemp & Lauritzen has a positive impact on the development of Danish society and supports companies and public institutions in their green transition. That said, there is also an environmental impact associated with our business activities. The most important elements are the energy consumption of our vehicle fleet, the operation of our sites and the supply chain of materials.

The vehicle fleet is our biggest challenge

Servicing 9,000+ customers all over the country, requires us to drive many kilometres every year in our vans and cars. The vehicle fleet accounts for the largest part of our CO₂ emissions. That's why we have started to replace our fleet of diesel, petrol and hybrid vehicles with electric vehicles. We do this – partly to meet requirements in environmental zones and partly to reduce CO₂ and other exhaust emissions.

The lack of charging infrastructure in certain parts of the country combined with a limited range and cargo capacity present challenges for the electrification of our vehicle fleet. Many of our technicians carry heavy equipment in their vehicles, which affects their operational range. However, the ultimate goal is

the full electrification of our vehicle fleet, but this will take time. We hope that technological developments will move fast in the coming years, enabling us to electrify sooner rather than later. We have started to analyse driving patterns, for example. This will result in an overall plan for the ongoing transition to electric vans by 2030. We expect to have the plan ready during 2024.

A gradual electrification of the vehicle fleet is crucial for achieving our target of reducing our own CO₂ emissions by 25% in 2025 and 70% in 2030 (based on 2021).

In 2023, we continued to work to support the electrification of our vehicle fleet:

- We have put more electric and hybrid vehicles on the roads, including both vans and cars.

- We have updated our policy for passenger cars provided to our employees to make it more attractive to choose electricity over hybrid or diesel.
- We have installed 100 charging stations at our sites for use by employees, customers and suppliers.

Until our vehicle fleet is fully electrified, we will continue to work to minimise the environmental impact of our petrol and diesel vehicles:

- Fitting spoilers on our vans that reduce wind resistance and allows us to achieve better fuel efficiency.
- Awareness campaigns targeted at our technicians focusing on removable roof bars, reduction

in vehicle weight and driving behaviour.

- Using digital tools, we aim to improve the planning of our technicians' schedules to minimise driving distances.
- Our work with digitalisation enables us to service customers via remote control on certain projects. This often results in faster resolutions for our customers, while also saving fuel and minimising time lost in driving for our technicians.
- In order to minimise the pollution of our diesel vans, we are endeavouring to ensure that they meet the latest standards. 98% of our diesel vans meet the EURO6 standard (2022: 97%).

Scope 1

Direct CO₂ emissions from our vans, cars and machines, such as excavators.

Scope 2

Indirect CO₂ emissions, for example, from our consumption of electricity and heating for our sites.

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In order to compare the CO₂ emissions from our vehicles to the activity level, we calculate CO₂ per kilometre driven. In 2023, we emitted 133 grams per kilometre driven (target for 2023: < 140 grams) compared to 140 grams for 2022. The target for 2024 is < 120 grams per kilometre driven.

In terms of Kemp & Lauritzen's sites, we continuously assess opportunities for improvement and implement specific measures as part of our work with our environmental certification (ISO 14001).

The electricity consumption at our sites for 2023 is fully covered by guarantees of origin from Nordic wind turbines, which means that our CO₂ emissions reduced by 965 tonnes in 2023 (scope 2).

CO₂ impact in the value chain

We expect to get an overview of our scope 3 emissions in 2024, but in the meantime we are working on the assumption that the majority of CO₂ emissions originate from the procurement and transport of purchased materials. It is therefore important to us that our wholesalers and suppliers are actively involved in sustainability. This entails offering products with a lower CO₂ footprint, providing necessary data and documentation (e.g. LCA/EPD) and setting targets for reducing their own – and their subcontractors' – environmental footprint. For example, we work with our wholesalers to optimise the delivery of materials to our customers, ensuring fewer deliveries and kilometres driven, and resulting in lower CO₂ emissions.

In 2023, we started updating our sustainability programme for suppliers. We create the framework for cooperation with our suppliers by specifying our expectations and requirements within ESG, including the environment, health and safety at work, and quality. We expect to roll out the supplier programme to the largest suppliers during 2024. Read more about supplier management on page 22.

Disposal of waste material

In 2023, we updated our waste management system at all our sites to comply with the latest regulations and standards in the sector. Our aim is to achieve the best possible recycling rate by properly sorting our waste at our own and our customers' sites by, for example, training our technicians. In 2023, 74% of waste from Kemp & Lauritzen sites was recycled (2022: 70%).



Ib Andresen Industri

We reduce energy consumption in Danish companies

10.7 million kWh of energy – equivalent to 2,764 tonnes of CO₂ – this is how much the production company Ib Andresen Industri is saving annually.

At Kemp & Lauritzen, we have helped Ib Andresen Industri in Odense to install 16 heat pumps that will replace the previous natural gas boilers and heat the company's five production facilities. The solution gives them an annual energy saving of 80%.

Ib Andresen Industri aims to reduce CO₂ emissions from their energy consumption by 95% by 2030. We are happy to help them achieve this.

Social conditions

The impact of Kemp & Lauritzen's business model on social conditions

At Kemp & Lauritzen, we offer engineering solutions that contribute to the continuous operation and development of Danish society. These solutions include maintenance of buildings and infrastructure and the construction of new buildings and facilities, etc. As a technical supplier, we face an increased risk of work-related injuries. In terms of our supply chain, there is also a risk of human rights and employee rights violations.

Our strategy is based on Kemp & Lauritzen being one of the best and most inclusive workplaces in Denmark. That's why we focus on safety, job satisfaction, diversity and inclusion.

Workplace safety

In 2023, we came even closer to our goal of ensuring that all our employees get home safely. We had a successful roll-out of our new system for recording incidents and observations, and we maintained our workplace safety efforts through job safety analysis, safety walks and training.

We maintained last year's level of work-related accidents resulting in absence, LTIF 7.2. This means that we exceeded our target of falling below an LTIF of 8.0 in 2023.

The initiatives that have driven the historic reduction in LTIF will also be an important basis for the next phase of our ambition to ensure that none of our employees suffer injury while working for us. Despite our current LTIF for 2023 of 7.2, we have set the target for 2024 at or below 7.5. This is because our workplace injury rate at the end of 2023 was extraordinarily low – things went well for our employees. We will of course redouble our efforts in 2024.

In 2024, we will place more emphasis on health and safety at work for our temporary workers, agency staff, and subcontractors.

Sick leave

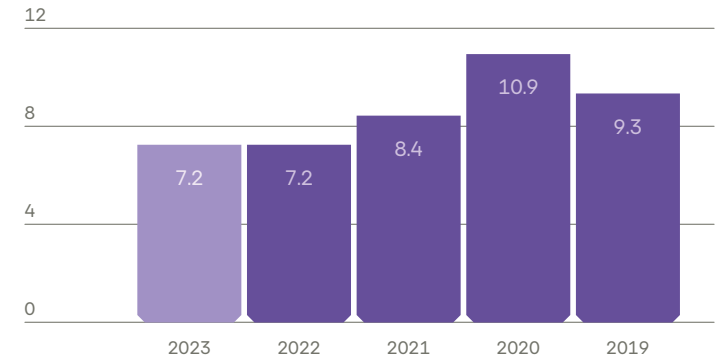
We aim to further reduce average sick leave at Kemp & Lauritzen. We

are therefore committed to providing a good working environment and have created a tool for managers to allow them to follow up on sick leave both reactively and proactively. We have also made a point of having constructive discussions with our employees about this. As a result of this, and with a specific focus on the employee group that has repeated sick leave, absenteeism fell by 0.2 percentage points from 2022 to 2023. Overall, our absenteeism rate now stands at 3.9% (2022: 4.1%)

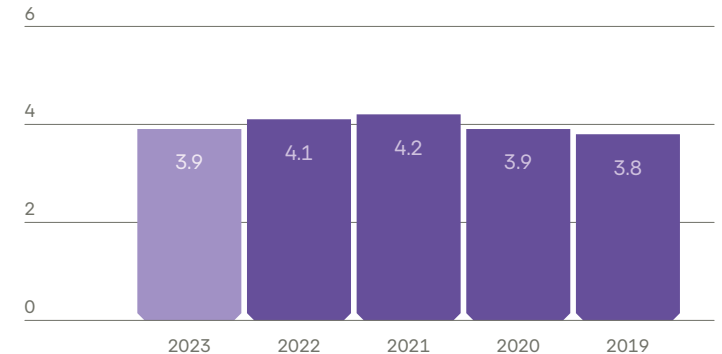
Job satisfaction and well-being

To achieve our goal of being one of the best workplaces in Denmark, our focus is on developing our employees and fostering a greater sense of community within the company. We believe that

Lost Time Injury Frequency (LTIF)
Rate per million working hours



Sick leave
%



Kemp & Lauritzen Academy
1,000 employees have upgraded their qualifications at the company's very own K&L Academy.

1,000

employees

Job satisfaction

Our employees' job satisfaction has improved steadily since 2020, when we started measuring the level on a scale of 1-5 (where 5 is "Very satisfied" and 1 is "Very dissatisfied").

4.1

2022: 4.1

Female employees

8.5% of our employees are women (2022: 8.4%). We continue to work to motivate both genders to work for Kemp & Lauritzen.

8.5%

2022: 8.4%

Female members of the Board of Directors

Our target figure for the proportion of female members of our Board of Directors elected during the Annual General Meeting for 2024 is 33%.

33%

2022: 17%



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this creates the best conditions for retaining and attracting the most talented employees in our industry, where there is strong competition for skilled labour and a high turnover rate among employees.

Our very own K&L Academy, which has been an integral part of Kemp & Lauritzen for a number of years, offers a wide range of courses. In 2023, we completed 38% more courses than in 2022 to ensure that our talented employees continue to enhance their knowledge and expertise that are crucial for their work and help them to develop.

We continuously measure our employees' well-being and job satisfaction through interactive workshops and surveys that are sent out to all employees.

Our employees' job satisfaction has improved steadily since 2020, when we started measuring the level on a scale from 1-5 (where 5 is "Very satisfied" and 1 is "Very dissatisfied"). In 2020, our employees' job satisfaction averaged 3.8. In 2021,

job satisfaction was 4.0 and reached its highest level so far at 4.1 at the end of 2022 and 2023. This means that we are just above our target in 2023 of ≥ 4 – and our ambition is to maintain the high level in 2024 of ≥ 4 . 70% of Kemp & Lauritzen's employees responded to the survey at the end of 2023 (2022: 61%).

At Kemp & Lauritzen, we have a particular focus on development, upskilling, community and above all: diversity.

Diversity & Inclusion

At Kemp & Lauritzen, we see differences as a strength. Our workforce is very diverse. Kemp & Lauritzen therefore places great importance on equal opportunities and makes no distinction between gender, age, sexuality, ethnic origin, nationality, religion, etc., when it comes to recruitment or promotion. For us, it is crucial that all our employees

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feel they are part of a diverse and inclusive culture where there is room for diversity and difference. A culture in which discrimination, bullying and abuse are not tolerated. We believe that our differences contribute to innovation, better decisions and results, increased productivity and job satisfaction – and are an important element in attracting more talented employees.

As a company and industry, we need to move faster

In the industry that Kemp & Lauritzen is part of, there is clearly a disproportionate number of men with a skilled crafts background, and we are therefore working actively to encourage both genders to join our company. We do this through our employer branding. We are also working more broadly with diversity and inclusion through three

overarching initiatives to make us a more inclusive workplace:

- Leadership courses in inclusive leadership and bias training.
- Our own Diversity Council with broad representation from across all areas of the business. The council serves to inspire, challenge and advise the management of Kemp & Lauritzen on initiatives that can continuously ensure ambitious targets for diversity and inclusion and support the work to achieve our goals.
- Our research project on diversity and inclusion in the construction industry in collaboration with CBS and the CBS Executive Foundation and with support from the Axel Muusfeldt Foundation and the Innovation Foundation.

8.5% of our employees are women (2022: 8.4%). The proportion of women in the management team is 9.4% (2022: 8.5%), which is almost one percentage point higher than the number of female employees. The proportion of female apprentices with a technical background is greater than the proportion of female technicians, which is positive in terms of ensuring a larger proportion of women with a technical background at Kemp & Lauritzen in the future.

We are determined to set a positive example in the industry when it comes to diversity and inclusion. We will therefore continue our work in 2024.

Gender balance in the management of the company

This section includes a report on gender balance in the management

Gender diversity in management

Senior management body (Board of Directors)

Total number of members elected at the Annual General Meeting	6
Under-represented gender (female) in %	33
Target figure in %	33
Year of achieving target	2023

Other management levels (management group)

Total number of members	32
Under-represented gender (female) in %	19
Target figure in %	25
Year of achieving target	2028

of the company in accordance with section 99b of the Danish Annual Accounts Act.

At the Annual General Meeting in 2023, one man resigned from the Board of Directors. Subsequently, one woman joined, so at the end of 2023 women constituted 2 out of 6 board members elected at the Annual General Meeting (corresponding to a proportion of 33%). The objective for 2023 was a minimum of 1 out of 6 board members elected during the Annual General Meeting (≥ 17%). With two female board members out of six elected at the Annual General Meeting, the goal of achieving gender parity on the Board of Directors has been met for 2023, in accordance with the target set in 2022 and the guidance provided by the Danish Business Authority. Further information about the Board

of Directors is included in the section "Kemp & Lauritzen is owned by a foundation". The objective for 2024 is to maintain the 33% proportion.

Women are under-represented in other levels of management. According to the Danish Business Authority's guidelines, other management levels are defined as Kemp & Lauritzen's Management Group, which includes the executive team (management levels 1-2) and references to the executive team at management level 3. At the end of 2023, the Management Group comprised 32 people. 19% of these people were women.

Kemp & Lauritzen has a Diversity and Inclusion Policy that sets targets for the under-represented gender on the Board of Directors and for other levels of management. The policy also contains a number

of initiatives in relation to other levels of management. These initiatives include health and safety at work and culture, attraction and recruitment, organisational-, employee- and management development, and employee participation. The policy was adopted in 2023.

For a number of years, Kemp & Lauritzen has worked to promote gender equality. This also applies to other levels of management. In our industry, there is a disproportionate number of men with a skilled crafts background. Despite the initiatives that have been put in place, cf. the Diversity and Inclusion Policy, this reality makes it challenging to achieve an equal representation (i.e. 60/40) within a shorter timeframe. Based on this, the target is 25% in 2028 for other levels of management.

Supplier declaration

In 2023, 83% of our one hundred largest suppliers signed our supplier declaration.

83%

2022: 82%

Compliance course

In 2023, all newly hired salaried employees completed a compliance course.

100%

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Business ethics

Ethics, compliance and whistleblower scheme

Kemp & Lauritzen strictly prohibits employees and business partners from engaging in any form of illegal activity, including offering, giving, or receiving bribes, improper payments, or gifts, whether directly or indirectly through third parties. Our business ethics policy, Code of Conduct and supplier declaration specify what Kemp & Lauritzen considers acceptable conduct in relation to employees and suppliers. There were no violations of our business ethics policy in 2023.

In the 2022 Annual Report, we set an objective to ensure that all newly hired employees positively indicate that they have understood our Code of Conduct. During 2023, we made

adjustments by incorporating the following procedures.

As an integral part of their employment package, all newly hired salaried employees now receive our Code of Conduct together with their employment contract. In addition, it is now mandatory for new employees, shortly after commencing their employment, to indicate that they have understood our Code of Conduct by completing and passing an induction course.

In addition, in the 2022 annual report, we set a target for 2023 that all newly hired salaried employees must have completed our compliance course in 2023. The last courses were completed in January 2024 and all newly hired salaried employees therefore completed the course in 2023. For 2024,

The impact of Kemp & Lauritzen's business model on business ethics

Kemp & Lauritzen's business activities are mainly conducted in Denmark. Our customers as well as our largest suppliers and wholesalers are in Denmark. Despite a strong focus on business ethics, there will still be a risk of breaching the established guidelines.

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we aim for all employees who engage in commercial interactions with customers, suppliers, or other partners in their daily work to take a compulsory course on competition law. The course ends with each employee submitting an individually signed declaration in which they undertake to comply with the current regulations under competition law. This initiative reinforces our commitment to an ethical and legally responsible business environment.

Our whistleblower scheme is publicly available via Kemp & Lauritzen's website for use by both employees and partners and is administered by a third party. The scheme makes reporting easy and secure. In 2023, the whistleblower scheme was used six times. Management considers all reports. All six reports in 2023 were of minor significance. We encourage everyone to use the scheme if they become aware of any violations of law or deviations from our business ethics policies, such as corruption or cases of human rights violations.

Vendor Management

Materials and services from our subcontractors are a key component of our deliveries to customers. To ensure that our suppliers focus on the UN Global Compact's 10 principles for issues such as human rights, workers' rights, the environment, and business ethics, a supplier declaration is a crucial part of our procurement process.

In 2023, 83% of our hundred largest suppliers signed our supplier declaration, compared to 82% in 2022. Despite the increase, we have not achieved the target we had set ourselves for 2023 of 85%. Nevertheless, our target for 2024 is $\geq 87\%$. The hundred largest suppliers represent around 75% of our total material deliveries.

IT security and GDPR

IT now plays a crucial role in our business and will play an even greater role in the future. IT is first

and foremost important for us to be able to carry out our work and ensure a high level of service to our customers. In addition, IT is a crucial element in the green transition and an area on which Kemp & Lauritzen will focus even more in the future.

In recent years, we have worked intensively to increase the digitalisation of our business, with a focus on data about employees, customers and their installations, as well as suppliers. Data is collected mainly by our employees and only to a limited extent by external providers.

We maintain a continuous focus on data ethics, IT security and GDPR legislation for our employees through campaigns, internal systems and training. Based on the type of data that is collected and stored at Kemp & Lauritzen and the fact that Kemp & Lauritzen has a privacy policy, we have assessed that a specific data ethics policy is not necessary at this time.

We maintain regular internal communication about IT security at Kemp & Lauritzen to highlight the importance of safe IT behaviour in combating the growing threats from cyber attacks.

IT Security

Our work with IT security focuses on ensuring that we can always service our customers and that we process data securely.

We maintain ongoing measures to protect critical data against unauthorised and unlawful storage, processing, access or disclosure. We therefore assess which employees should have access to particular data and adjust their data access rights accordingly.

In 2023, we continued our work to strengthen IT security at Kemp & Lauritzen in order to protect ourselves against the increasing digital threat landscape, as mentioned in the section on risk management. As in 2022, the focus in 2023 was on processes, technology and behaviour in relation to IT security. In addition, we have continued the process of establishing a managed process to identify, assess, mitigate and monitor IT risks, ensuring that

the most critical IT risks remain the primary focus. In 2024, we will work to become ISO 27001 certified (IT security standard).

General Data Protection Regulation (GDPR)

At Kemp & Lauritzen, we have a committee with broad representation from across all areas of the business, ensuring ongoing compliance with the Danish Data Protection Act and the General Data Protection Regulation (GDPR).

We ensure, for example, that a complete register is made available, that data processing agreements are entered into and continually maintained, and that the Danish Data Protection Agency is notified of any data breaches. We have drawn up a specific privacy policy that specifies how personal data is to be processed in Kemp & Lauritzen.

