

Communication on Corporate Social Responsibility, ISO Certifications and Product Compliance



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INTRODUCTION

This document states how Nilfisk works with Corporate Social Responsibility (CSR), Quality and Environmental Management and Product Compliance.

Nilfisk's specific activities in these areas are described in the following sections.



ABOUT NILFISK

Nilfisk was founded in 1906 with an early vision of developing, producing and selling cleaning equipment of the highest quality worldwide. We carry a strong heritage with us of more than 100 years of cleaning expertise, with 5800 people working at development centers and production facilities in 10 countries and sales companies in 45 countries around the world.

To read more please [click here](#)

Today, we have an extensive and competitive product portfolio with strong brands. Nilfisk and Viper are our global brands, complemented by a number of regional and local brands. The innovation embedded in our products and brands helps Nilfisk maintain its position as one of the world's leading suppliers of professional cleaning equipment.

To read more about the different brands please [click here](#)

In 2017, we completed a successful listing of Nilfisk. NKT A/S is split into two individual companies, and Nilfisk is listed as an independent company on the Copenhagen Stock Exchange (Nasdaq Copenhagen).

To read more about the listing of Nilfisk please [click here](#)



CORPORATE SOCIAL RESPONSIBILITY

When we talk about CSR, we mean doing business in a way that minimizes Nilfisk's negative impacts and maximizes positive value for people, the environment, and the economy. Working with CSR is a circular and incremental process, and a large company like Nilfisk with more than 110 years of experience does not become sustainable overnight. It is an ongoing process that takes time and dedication.

Our CSR strategy sets our course for the period until 2020

We updated our approach to target four focus areas: society, the environment and climate, our customers, and our employees. The focus areas keep us on track and delineate our actions. We feel these are the areas in which we as a company have the opportunity to make the greatest impact.

In order to support the execution of the CSR strategy, we have developed policies, targets and action plans to guide our implementation efforts over the coming years. During 2018, the policies will be consolidated in a new and updated Business Code of Conduct, including training in various languages.

Building the future of cleaning

UN Sustainable Development Goals



Conscious customer relationships

Customer health and safety
Marketing and labeling
Customer privacy
Total cost of ownership

Conscious towards climate and environment

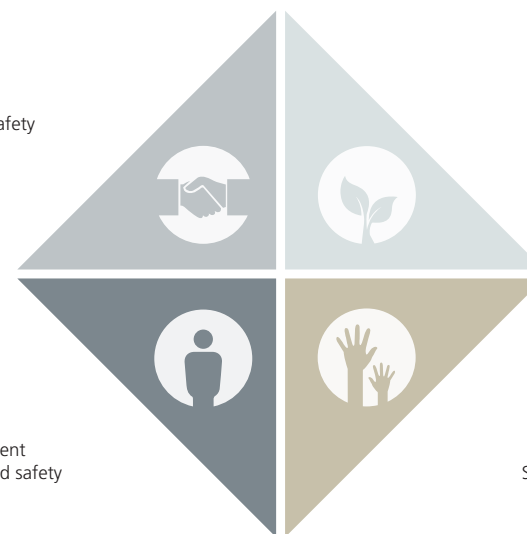
Materials & Recycling
Energy & Water
Emissions
Supplier environmental management

Conscious employer

Labor conditions
Diversity and Inclusion
Competence development
Occupational health and safety

Conscious part of society

Good Governance
Anti-corruption
Local Communities
Supplier social management



Customers · People · Performance · Professionalism · Quality

We enable sustainable cleaning worldwide
to improve quality of life

Nilfisk value chain

There is a universal need for cleaning and a clean environment is valuable everywhere to everyone. To support a clean environment, we offer an extensive and industry leading product portfolio with significant aftermarket support.

Our products and services are offered in more than 100 countries and helps improve the sustainability performance of our customers and partners, by:

- Improving human health
- Helping protect the environment
- Improving our customers' bottom line

This promise is reflected in our mission statement

We enable sustainable cleaning worldwide
to improve quality of life

At Nilfisk we are committed to ensuring that all parts of the value chain, and not just the part that takes place within our own facilities, are taken into consideration when evaluating the potential risks posed by our business activities.

Consequently, the risk assessment within Nilfisk covers the entire value chain, which means that we continuously evaluate where significant adverse impact could arise and how we can minimize the risk of occurrence. Further, we continuously evaluate how we can minimize the impact if an event does occur and how we can enable effective remediation. The CSR department at Nilfisk is constantly monitoring risks and if significant new risks arise, they are analyzed and reported through the governance structure to the Nilfisk Leadership Team (NLT).

CSR governance

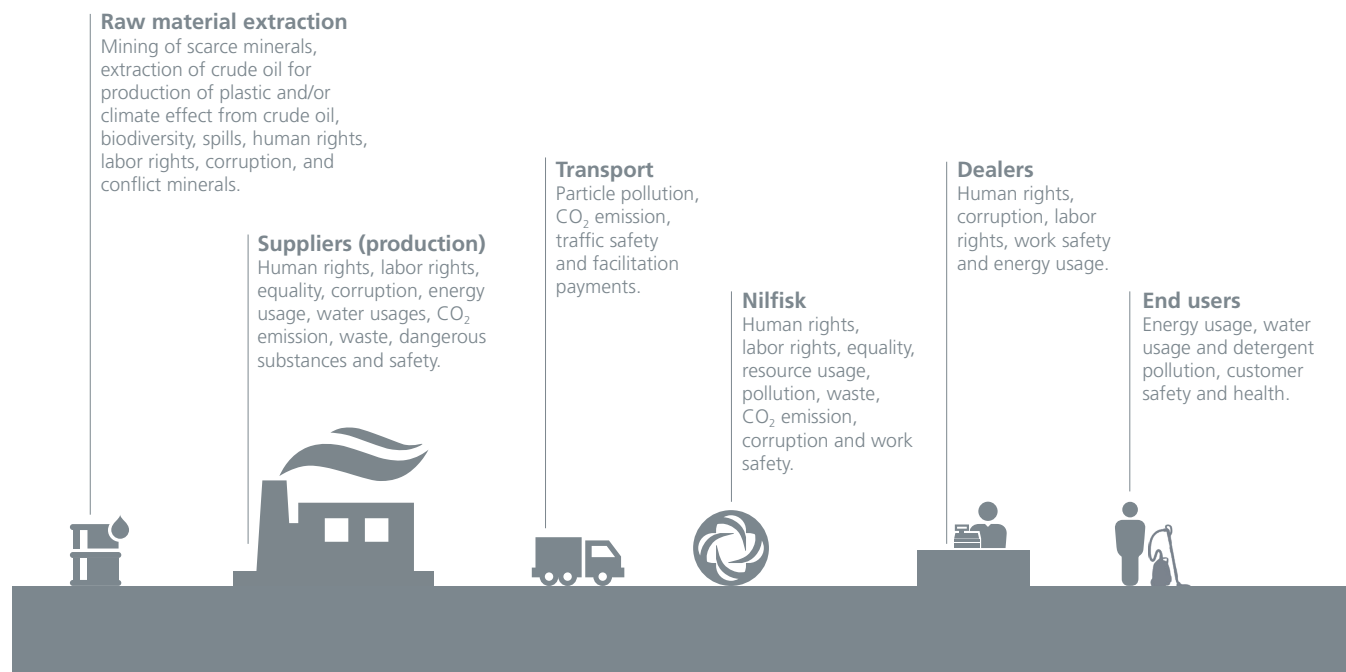
The Nilfisk Leadership Team has the overall responsibility for setting the strategic direction of CSR in Nilfisk Group. The daily operation and coordination of our CSR activities is coordinated by the CSR department under Global Products & Services.

UN Global Compact

In 2010, Nilfisk joined the United Nations Global Compact (UNGC) to further support our sustainability efforts. The UN guidelines are a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor rights, environment and anti-corruption.

Our membership in the UNGC requires that we submit a yearly report to the UNGC on how Nilfisk works with the ten principles is progressing. This report is called a Communication on Progress report (COP report). You can find Nilfisk's COP reports on the UNGC website.

For further information www.unglobalcompact.org



Nilfisk and UN Sustainable Development Goals (SDGs)

IN 2015, 193 countries agreed on a global agenda to tackle humanity's biggest challenges, from climate change to poverty and good health and well-being for all at all ages. The result is the 17 Sustainable Development Goals (SDGs), which create a platform for businesses to contribute their particular core service to solving the world's challenges.

At Nilfisk we proactively contribute to 2 of the 17 SDGs.



Our products are used to keep hospitals, schools, office buildings, and production sites clean, as well as many other locations. Accordingly, we have made SDG number 3 – “Good Health and Well-Being” – one of the global goals that we directly support. Additionally, ensuring healthy lives

and promoting well-being for everyone at all ages fits with the second part of our mission statement: ‘improve quality of life’.

Health is a fundamental human right and a key indicator of sustainable development. Nilfisk has made it its business to develop professional cleaning solutions with the aim of making the world a cleaner place, whereby supporting good health.



As a truly global company developing, producing and distributing products worldwide, we can also directly contribute to SDG number 12, the UN's goal of “Responsible Consumption and Production – ensure sustainable consumption and production patterns”. Working

actively with responsible consumption is directly reflected in the first part of our mission statement: ‘We enable sustainable cleaning worldwide’. Identifying the parts of the value chain where interventions and active decisions have the greatest potential to improve the environmental and social impact of the system as a whole is a crucial first step.

The two SDGs form a strategic-long-term focus for Nilfisk work with CSR.

To read more about the SDG's please [click here](#)



Nilfisk CSR report

Nilfisk issues a yearly non-financial report covering how Nilfisk is working with social responsibility regarding environment and climate, human rights, labor rights, anti-corruption and diversity. The report contains our statutory statement for social responsibility cf. section 99a and 99b of the Danish Financial Statements Act. The report is simultaneously our Communication on Progress report to the UN Global Compact. This report is made public on the same date as our yearly financial report, and is posted on Nilfisk.com.

To read our CSR report covering 2017 please [click here](#)

Nilfisk's policies on the above areas are published and communicated via our Business Code of Conduct. You can find the Business Code of Conduct on our website www.nilfisk.com under the "Nilfisk Group" section under title Corporate Social Responsibility.

Business Code of Conduct

Our Business Code of Conduct expresses our commitment to promoting behavioral standards and accountability throughout the company. It describes the fundamental principles and rules governing the way we act internally and in relation to external stakeholders

To read Nilfisk's Business Code of Conduct please [click here](#)

Diversity and inclusion

Diversity is a strength that will help us create a work environment that leads to better solutions for our customers and better business results for Nilfisk. Additionally, it is a key element of developing and growing in accordance with our business strategy and our mission statement.

Accordingly, we embrace workforce diversity. In Nilfisk equal opportunities apply for any employee or applicant for employment and we believe that this mindset contributes to an environment where employees are motivated to be involved.

To read Nilfisk's policy on diversity and inclusion please [click here](#)

Supply chain management

With Nilfisk's operations being predominantly assembly based, we are focused on ensuring that our extensive network of suppliers conform to Nilfisk standards and observe the UNGC principles.

An initiative to heighten awareness and ensure compliance with the ten principles of the UNGC principles was taken by Global Procurement in 2015. The initiative ensures proactive interaction with suppliers and assists them with learning and adopting the UNGC principles, if not already fully implemented. Our current focus is with our supply base in China where we perform UNGC audits.

More than 87% of Nilfisk suppliers with a direct spend above 50,000 EUR of mutual business have declared compliance with the 10 principles of the UNGC.

We are currently working on implementing an updated supplier due diligence system and are in the process of performing risk assessment and updating and enhancing human and labor rights rules, training, guidance and tools.

The new supplier self-assessment and audit system has the benefits of increasing transparency and of being easier to operate.



UK Modern Slavery Act

The initiative is an important step towards increased transparency for companies operating in the UK, with focus on preventing serious attacks that occur in global supplier chains. The assault that the initiative is aimed at includes slavery, forced labor and trafficking.

To read Nilfisk's statement on the UK Modern Slavery Act please [click here](#)

Anti-corruption

Integrity is at the heart of the way we do business. Corruption creates unfair competition, damages innovation, and undermines reputations. As a company, we do not engage in and are actively opposed to bribery, as an individual group of companies, and as a participant in various global organizations.

No employee may directly or indirectly offer, give or accept money or anything else of value to any person in order to obtain an improper business advantage. This is stated in the anti-corruption section of our Business Code of Conduct.

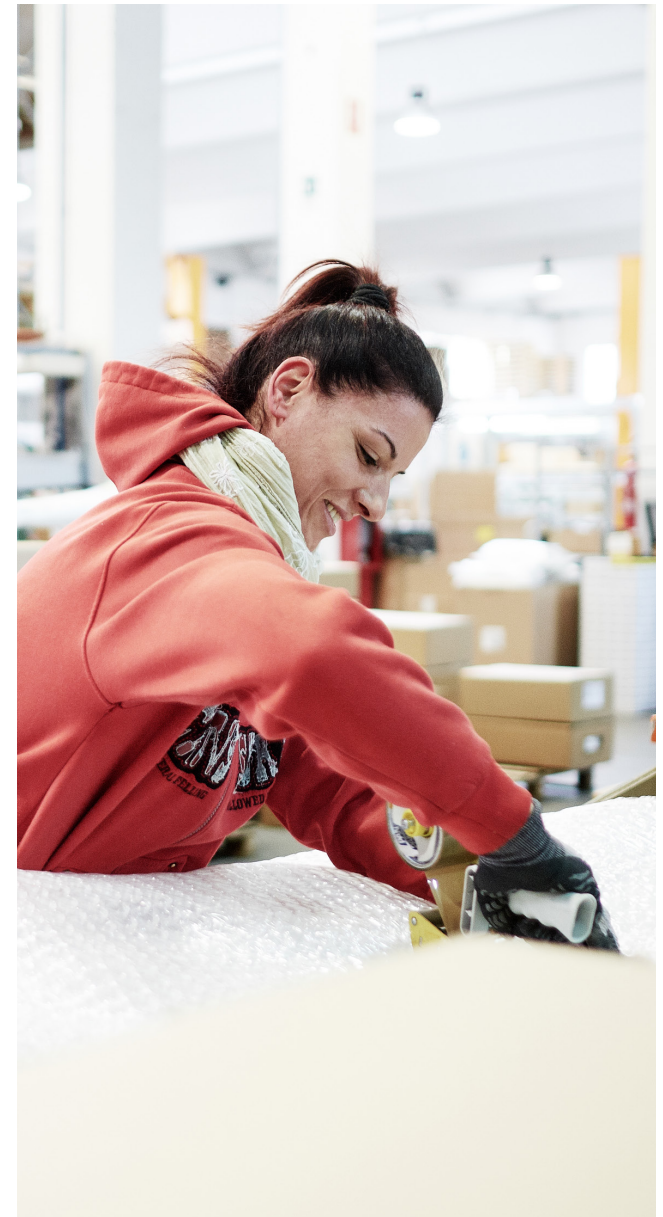
We are currently working on implementing a new third-party due diligence system, and we are in the process of performing risk assessment and updating and enhancing anti-corruption rules, training, guidance and tools.

To read the policy on anti-corruption (read page 6-7 in our Business Code of Conduct) please [click here](#)

Whistleblower

Our whistleblower system enables employees as well as external parties to report allegations of corruption and other activities that may violate laws and/or key internal rules and procedures, e.g. Nilfisk's Business Code of Conduct. Reports are made to a system operated by an independent supplier, ensuring confidentiality and, if the reporter wishes, anonymity. Reports are investigated in accordance with their complexity and severity, and are reviewed with Nilfisk's Compliance Committee, consisting of officers and directors, and the NLT.

To read more about our whistleblower system please [click here](#)



ISO CERTIFICATIONS

Nilfisk has an ISO certified quality management system and an ISO certified environmental management system that helps us give focus and structure. ISO 9001 and ISO 14001 are worldwide standards administered by the International Organization for Standardization (ISO).

Our major development and production sites are ISO certified (specific sites listed in certificates).

The plan is expand the certifications to all Nilfisk sites during the coming years.

Nilfisk Quality Management System (ISO 9001 certificate)

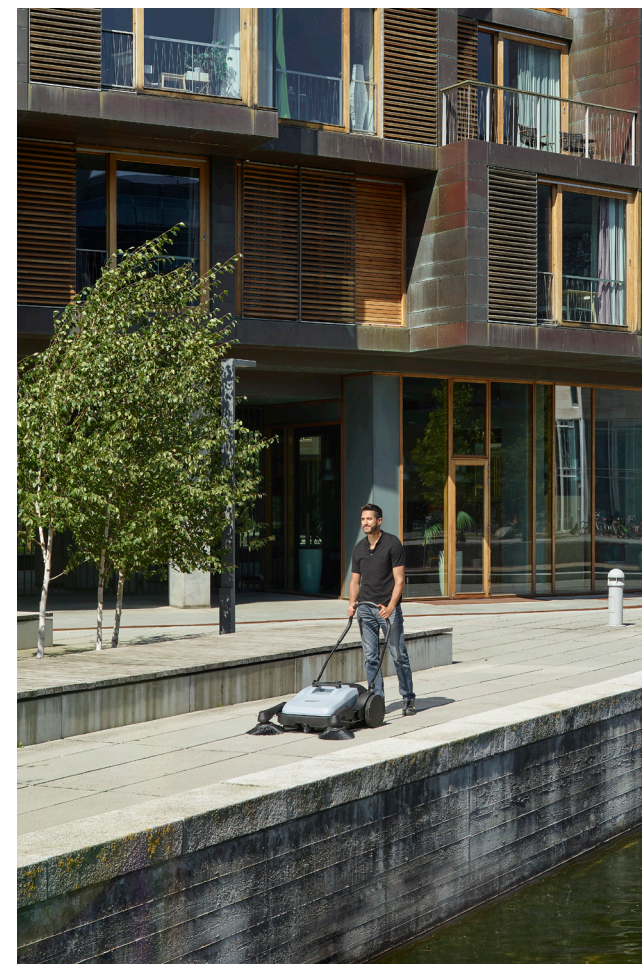
Nilfisk strives to “Meet our Customers Quality Expectations” (MCQE) through a zero defect, people and customer focused culture that is essential to our continued growth and success. To develop and control our product quality Nilfisk has implemented an ISO 9001 certified QMS (Quality Management System).

To download Nilfisk’s ISO 9001 certificate please [click here](#)

Nilfisk Environmental Management System (ISO 14001 certificate)

Protection of the environment is an important consideration in the business decisions we make and Nilfisk is committed to minimizing the creation of waste and pollution. Identifying and controlling the impact that our activities have on environmental aspects is defined through our ISO 14001 certified EMS (Environmental Management System).

To download Nilfisk’s ISO 14001 certificate please [click here](#)



PRODUCT COMPLIANCE

Being a socially responsible company also means taking conscious and active decisions regarding how we design and produce our products and this is governed by our regulatory department.

Nilfisk's policy is to comply with all applicable standards, regulatory & legal requirements that are directed at Nilfisk and our products.

Various regulatory frameworks are applied in regards to Nilfisk products. The regulatory framework within EU is one such example. It is defined by EU Directives and Regulations that define essential requirements and Harmonized Standards giving presumptions of conformity. Areas of regulations include, but are not limited to:

- Electrical Safety (Machinery and Low Voltage Directive)
- EMC (Electromagnetic Compatibility)
- RED (Radio Equipment Directive)
- Restriction of hazardous substances (RoHS, REACH etc.)
- Eco-design
- Equipment for intended use in potentially explosive atmospheres

By applying the CE mark, we as a manufacturer state that a product is in compliance with all relevant EU Directives and in the accompanying Declaration of Conformity (DoC) one can identify which relevant Directives and Standards are applied to a given product. Similar regulatory frameworks are in place in other regions e.g. USA/Canada, Australia.

Additionally, as part of the product compliance efforts, Nilfisk also applies third party certifications. A third party certification provides verification by an independent "third party".

Nilfisk representation in external bodies

At Nilfisk, we work actively with defining objective standards for cleaning and cleaning equipment within the industry. We want to bring transparency to our customers regarding cleaning efficiency while continuously raising the industry's standards. With our continuous focus on customer driven innovation, we need objective standards to evaluate and measure the progress of cleaning, environmentally as well as technologically. Only this way can we know for sure whether we have made real improvements to our products, whereby offering better products to our customers. And to Nilfisk, better products means products that deliver more efficient cleaning while using fewer resources.

In order to drive this development, Nilfisk will continue to be well represented in all major relevant external bodies and participate actively in industry-related activities, boards, and committees in order to push for universal industry standards.

Through the external bodies and industry organizations in which we are represented we seek to:

- Define and implement safety and performance standards
- Improve the effectiveness of products
- Minimize the environmental impact of products
- Create better cleaning solutions for enhanced health and improve the lives of people every day



Nilfisk is not only a member, but also the chair of many external bodies in which we are members. We chair several groups within The International Electrotechnical Commission (IEC) and The European Committee for Electrotechnical Standardization (CENELEC) on safety aspects as well as groups that address the material efficiency aspects of eco-design. At EUnited, the European Cleaning Machines Association, Nilfisk chairs the Environmental Committee that covers subjects such as restricted substances (REACH, RoHS, etc.) as well as take-back directives (WEEE, Packaging). Additionally, Nilfisk leads the effort to raise the industry standard with certifications and associated labels that address product efficiency and sustainability.

Below we have collected some relevant compliance declarations for certain regulatory areas.

WEEE & RoHS Directives

Electrical and Electronic Equipment (EEE) is a complex mixture of materials and components that may contain hazardous content, and if not properly managed, can cause environmental and health problems. Moreover, to contribute to a circular economy and enhance resource efficiency the improvement of collection, treatment and recycling of electronics at the end of their life is essential.

To address these problems two pieces of legislation have been put in place: The RoHS Directive (Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment) and the WEEE Directive (Waste of Electrical and Electronic Equipment)

To download Nilfisk's WEEE declaration [click here](#)

To download Nilfisk's RoHS declaration [click here](#)

REACH Regulation

REACH is another EU legislation restricting the use of certain chemicals. Since 2013 Nilfisk has prohibited the use of SVHC (Substances of Very High Concern) in our products and is continuously working to replace these substances as the candidate list expands.

To download Nilfisk's REACH declaration [click here](#)

Conflict minerals

Requirements linked to "Conflict Minerals" started in the US with the Dodd Frank Wall Street Reform and Consumer Protection Act (2010), Section 1502 which requires US listed companies to submit annual reports on their use of 4 minerals (Tungsten, Tin, Tantalum and Gold), also called 3TG. The EU followed in 2017 introducing a similar legislation on conflict minerals.

To download Nilfisk's Conflict Minerals declaration [click here](#)



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