

This report covers the legal responsibility of Sandma Holding group of companies in relation to Danish law, ÅRL §99a. for the reporting year 2018/19.

## Sustainability in Sandma Holding

Sandma Holding group companies has activities in two main areas. In the aviation area we operate a domestic airline as well as business jets worldwide. The operation includes repair and maintenance facilities. The other activity is investing in real estate which is either put up for rent or facilities used for our own aviation activities.

We operate our business in a sustainable and responsible way to safeguard and develop Sandma Holding reputation and profitability. While delivering growth and strong financial results, we care for our people and do short term aim to minimize our impact we have on the environment and in the long term leave the world to the next generations in a better state. Our business and organizational culture has been built on these basic principles.

## Our approach to sustainability

We strive to be a reliable and trustworthy business partner by creating the greatest and most sustainable value for all our stakeholders while acting responsibly and balancing financial, environmental and social issues.

### Our sustainability policy

We engage with our stakeholders to promote sustainable development.

We ensure that sustainability is a fundamental element of our business conduct, focusing on resource efficiency, risk mitigation, reputation and engagement.

We do our utmost to implement decisions and actions with dignity and fairness and commit to ensuring that all employees comply with local and international legislation.

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## Energy, climate and environment

Sandma Holding regards the protection of the environment and caring for the climate as important elements in every business activity. Sandma Holding is working systematically to reduce the environmental impact of its operating activities.

### Our climate strategy

Most of the world's energy consumption comes from industry, buildings and transportation, and the potential for reduction is huge. We operate aircraft that provide transport solutions. Our facilities are buildings that are used for office space and hangars for storage and maintenance of aircraft. We do not have any traditional production of goods and therefore a very limited amount

of waste. Our main impact on environment originates from the fuel consumption for the aircraft we operate.

#### Energy consumption / carbon offset

We have continuous focus on operating an energy efficient fleet of aircraft and having procedures in place that ensures efficiency in the use of our fleet.

We are participating in the European Trading Scheme where we offset emissions according to current rules. We are participating in a joint effort with aircraft and engine manufactures with the goal to become carbon neutral. Current efforts are to enable the use of bio fuel.

In our facilities we continuously strive to implement energy efficient solutions and carbon neutral supply.

#### Waste

Hazardous materials are stored, handled, used and disposed of in according with legislation. To the degree possible we collect and use rainwater for washing. We recycle paper and carton where possible. We are targeting to convert paper-based processes to paperless and are getting a step further each year.

#### Results

We have implemented Ipad based Electronic flight bags for the aircraft that enables us to offload and average of 20 kg of paper-based manuals and enables crew to avoid printing many documents before each flight. Less weight on the aircraft saves fuel.

We have obtained approval to use bio fuel for several engine types.

All invoices to customers are now sent as PDF files which saves paper and the use of postal services.

### People, health and safety

We want Sandma Holding to be a great place to work. We want our employees to make a difference and our leaders to inspire everybody to deliver the best results through strong teamwork, career opportunities and a focus on performance. It is a priority within Sandma Holding to protect the environment and improve the health, working environment and safety of our employees.

We operate world wide and are aware of the risk involved with traveling to different regions in the world. We do always evaluate the safety situation in any region we plan to operate in.

#### Safety

The aviation business is one of the industries where safety has been inherited from start of the business and we build on this inheritance. The aviation industry has strict rules for duty time and requirements for training that ensure that employees are fit.

Safety is one of our core business values and functions. We are committed to developing, implementing, maintaining and constantly improving strategies and processes to manage safety in our Company and to achieve the best possible safety performance for our staff and for our customers, meeting national and international standards.

Our SMS has been implemented, integrated and communicated throughout the organization to ensure management of the safety risks associated with aircraft operations. All levels of management and all staff are responsible for delivering the highest level of safety performance, starting with the Accountable Manager.

As part of our organization we are all responsible to comply with the applicable laws, regulations and procedures in all locations where operations are conducted. Continual improvements of the Management system and our organization shall be ensured by regular reviews and daily evaluation of our operation. The company has established a confidential safety reporting system as defined in our Safety policy.

All 126 received reports in the past year have been mitigated at our Safety Board Meetings. Relevant Safety Performance Indicators are established in the process to move from Reaktive to Proaktive to the highest level Predictive.

Sandma Holding provides a private health care solution to ensure fast action for employees.

### Diversity

We believe that the diversity of our employees is a competitive advantage because of the creativity, innovation, and understanding of different cultures worldwide. We employ 17 different nationalities among a total of 170 employees.

### Ethics and human rights

In order to maintain and develop Sandma Holding' good reputation in the global market, it is important that we generate our results in an ethical manner. The Sandma Holding name must always be associated with respect for human rights, proper working conditions and social and environmental considerations. Our commitment to diversity is at every level of our own organisation. We value diversity in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, political persuasion, experience and education.

We always employ the best suited candidate for any vacant job in the organization.

### Human rights

We operate aircraft manufactured in Europe and United States, spare parts are sourced from OEM suppliers. Repairs made abroad are performed by approved technicians/service centers. The aviation industry is firmly regulated and monitored by many different organizations. Supplies available locally are sourced locally where we are confident of production and origin. We do perform regular audits of maintenance providers. We have not experienced any issues in this regard

We operate business jets worldwide, we visit many airports on a non-regular basis, some airports only once. It is not possible to audit the airports and service providers on these airports. In other areas of the world where conditions are not transparent like Middle East, China and Russia it is not possible for us to question the operation because the government dictates the terms.

### Compliance programs

Sandma Holding supports the growing international focus on regulation and legislation in areas such as anti-corruption, competition law, export control, and good business ethics. Sandma Holding does not tolerate corruption in any forms.

The aviation sector is very transparent on the supplier side, for aircraft spare parts there is often only OEM available. In airports there is a very limited number of safety approved suppliers and they are monitored by local government. All our expenses require to be documented by appropriate vouchers. We hardly use cash and only for small expenses like taxi and food and beverage. Above facts and procedures lower the risk of corruption. We do perform audit of our suppliers regularly.

All our sales are based on settlement by electronic bank transfer, we do not have any cash transactions. All services we provide will be documented and logged and eventually undergo audit by our financial department.

The aviation industry is transparent and highly competitive. We are focused on the customers we currently serve and do always assess if a new customer supports our reputation and if they might have any conflicts to any of our existing customer.

We have not experienced any issues in this regard.

#### HR legal and GDPR

We have in 2019 established a dedicated HR/legal department to strengthen our efforts in the area and to ensure a continuous focus on GDPR related obligations.

#### Results

We perform additional training for crew operating into demanding airports.

We request information from risk auditors before operating to airports where we have any doubt about safety and security. We do regularly reject flights to areas or with passengers based on a risk assessment.

We have not had to change any procedures based on findings during the year.

Sandma Holding, Sønderborg 30. September 2019