

This report covers the legal responsibility of Sandma Holding A/S-Group in relation to Danish law, ÅRL §99a. for the reporting year 2021/22.

Sustainability in Sandma Holding A/S-Group

Sandma Holding A/S-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 A/S--Group 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 A/S--Group regards the protection of the environment and caring for the climate as important elements in every business activity. Sandma Holding A/S-Group 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 and climate originates from the fuel consumption for the aircraft we operate.

Sandma Holding A/S-Group has been invited to give input the next generation aircraft in our segment and emphasized the necessity for further carbon emission in all the life phases. Production, operation, maintenance, and disposal.

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 together with the aircraft manufactures working on adjusting operational procedures to include further continued climb and decent procedures and thereby obtain carbon emission.

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 100% SAF fuel.

We believe in the market mechanism that if there is a demand, the supply will follow.

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 obtained approval to use 50% SAF fuel for all engine types and are working to achieve 100%. We continue to procure deliveries of Sustainable Aviation Fuel at our home base in Sonderborg and abroad. The supply is still very limited.

We have upgraded the hangar doors in both of our hangars to include windows in the entire width and height. This upgrade increased the amount of natural light significant and reduced the need for light during day hours.

We have made an investment of 1 MIO DKK in a solar farm through Obton Solar.

People, health, and safety

We want Sandma Holding A/S-Group 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 A/S-Group to protect the environment and improve the health, working environment and safety of our employees.

We operate worldwide 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 businesses 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 Safety Management System 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 61 flight safety reports and 31 technical safety reports received in the past year have been mitigated at our Safety Board Meetings. Relevant Safety Performance Indicators are established in the process to move from Reactive to Proactive to the highest level Predictive.

Sandma Holding A/S-Group provides a private health care solution to ensure fast action for employees.

Covid-19 has a significant impact on the company and its employees. We have implemented a test and disinfection strategy for both aircraft and offices. Aircraft and offices undergo regular disinfection. All employees have had access to priority covid-19 testing facilities. We have established special care from our internal HR and made psychologist support available for those of our crew who must undergo +14 days quarantine isolation abroad. All employees with the possibility to work from home have been offered homeworking option including IT infrastructure. Currently there are no challenges.

In 2022/23, Sandma Holding A/S-Group plans to continue the work with further strengthening the safety of employees through our implemented policies and procedures.

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 29 different nationalities among a total of 215 employees.

Ethics and human rights

In order to maintain and develop Sandma Holding A/S-Groups' good reputation in the global market, it is important that we generate our results in an ethical manner. The Sandma Holding A/S-Group 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 organization. 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 in 2021/22.

We will continue our audit processes in the coming years.

The most material risks related to human rights are related to activities in the supply chain. 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 A/S-Group 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 A/S-Group 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 in 2021/22

We continue to work on strengthening our compliance programs and ensuring good business ethics in the coming years

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. Work is ongoing.

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.

Covid-19 has added another layer of tasks to be performed to ensure safety for employees and enable us to operate.

We have upgraded the hangar door in both of our hangars to include windows in the entire width and height. This upgrade increased the amount of natural light significant and has had a positive effect on the wellbeing of people working in the hangar.

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

Data Ethics:

Sandma Holding A/S-Group has currently deemed it not necessary to have a policy for data ethics. We do only in limited volume collect, process and store data. We do not systematically collect data and do not use any automated new technology to collect data as part of our main activity. We do not perform specific data analysis, evaluation, or segmentation on our own or by external assistance.

Sandma Holding A/S-Group, Sønderborg 21. October 2022.