

# Sustainability Report

2021



## Company introduction

# Contour Design

Reduce pain, avoid strain and work faster with an ergonomic mouse



## Sustainability statement

Contour Designs' mission is to offer the most innovative products and high-quality services, enabling better job satisfaction, ergonomics, and productivity. Our unique product offering contributes to positive impacts for our customers, while we recognize the need to manage all sustainability risks and negative impacts of our business. At Contour Design, we are committed to contribute to a sustainable development and our ambition for the coming years is to be in the forefront of the sustainability agenda in our industry. In line with this ambition, we want to be proactive in addressing sustainability trends and topics of interest to our customers and other stakeholders and go beyond compliance. This also means that we set a high ambition for responsible business conduct in all areas, both internally and with business relationships.

### For Contour Design sustainability is about:

- Developing high quality products that will have a long lifetime and provide our customers with the right working equipment to ensure a healthy work life.
- Minimize the environmental impact of our products by working with product design, material selection and our supply chain. Hereunder reducing and replacing virgin and high-emission materials and improving circularity and the end-of-use impact of our products. A focus area for us is to minimize our CO2e emissions and we take a fact-based approach to our efforts to make sure that the initiatives we launch will make a real impact and address the largest categories of our CO2e baseline. We will also work to create transparency for our customers and enable end-consumers to make informed choices.
- Ensuring our products are produced in a responsible way by building best practice in managing adverse impacts, in particular on the right to healthy and safe working conditions, throughout our supply chain, in cooperation with our suppliers and other business relationships.

At Contour Design, we apply internationally agreed principles to define sustainable development: human rights (including labor rights), environmental, and economic sustainability. As a member of UN Global Compact, we embrace their 10 principles, which we make operational through the UN Guiding Principles (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

### We do this by:

- Adopting a sustainability Policy Commitment, vetted by external experts
- Establishing and maintaining a Due Diligence Process, aligned with UNGP/OECD guidelines
- Provide access to remedy through grievance mechanisms/whistleblower system

contour 

### Key statistics

**CEO**  
Kenneth Nielsen

**Chairman**  
Erik Stannow

**Headquarter**  
Ballerup, Denmark

**# of FTEs**  
111,1

**Year acquired**  
2021

**Polaris Fund**  
Polaris V

**Polaris ownership**  
70%

**Revenues (DKKm)**  
Not disclosed

**Revenue (EURm)**  
Not disclosed



## Management summary



“In 2021 we also invested considerable resources in establishing a baseline for our CO<sub>2</sub>e footprint. It comes as no surprise that most of our emissions comes from materials used in production.”

During 2021 Contour Design has taken a big leap towards a more structured approach to our sustainability work. We have developed and implemented a management system covering all three areas of sustainability: human rights (including labor rights), environment and economy. Our work has been aligned with internationally agreed principles and vetted by experts. In 2021, Contour Design appointed a full-time Head of Sustainability.

### Triple bottom line

Aligning our work with the UN Guiding Principles (UNGP) and OECD Guidelines for Multinational Enterprises, we have implemented what is referred to as the *global minimum standard* for responsible business conduct. In essence, it is a universally agreed standard, covering 48 human rights, 20 environmental and 16 areas of anti-corruption. This has enabled Contour Design to identify potential adverse impacts on the triple bottom line, and we performed our first impact assessment in 2021 for our head-office in Denmark. Next assessment is planned for our factory in China during 2022. This is to ensure we are doing all we can to reduce risk and avoid or mitigate any negative impacts from our business, followed by concrete initiatives and action-plans to prevent such impacts. In short, try to avoid being taken by surprise. Furthermore, and as required by the standard, we will communicate any severe negative impacts to our business relationships and expect the same in return from them. No severe negative impacts were identified during our first impact assessment. A Code of Conduct for Business Relationships has been developed and will be communicated to our suppliers and partners. It is worth noting, that we are holding ourselves to the same standard as we expect from our relationships. Hence, our impact assessment will serve as documentation on how Contour Design is working with sustainable development and responsible business conduct. We are prepared to share this documentation as proof and to inspire dialogue on collective improvement with our partners and suppliers. If something should still go wrong, we are in the process of developing a grievance mechanism/ whistleblower system so employees and other stakeholders can tell us about it and we can make it right.

### Climate action

In 2021 we also invested considerable resources in establishing a baseline for our CO<sub>2</sub>e footprint, and we are following up this year by updating the baseline. The CO<sub>2</sub>e footprint for 2020 and 2021 are both communicated in this report. Collecting and

calculating data on Scope 1, 2 and 3 has supported us in identifying the areas of highest emissions in Contour and our value chain. As a hardware manufacturer of computer accessories, it comes as no surprise that most of our emissions comes from Scope 3, and even more specific from materials used in production. As a result of these findings, concrete initiatives have been put in place to reduce emissions, among other things: increasing use of recycled materials on e.g., aluminum, plastic, and PCBs (printed circuit boards). Other initiatives include implementing sustainability metrics in product design, responsible sourcing and emissions tracking of materials and transport.

### UN Global Compact and the SDGs

Contour Design became a member of UN Global Compact during 2021 and are committed to respect the ten principles. Our first Communication on Progress (COP) is due in May 2022, and we have opted to take part in their Early Adopter Program which aims to test out their advanced Communication of Progress report (CoP) that will be mandatory for all from 2023. We are following up on our commitment by focusing on a selection of the Sustainable Development Goals where we believe we have the most impact.

We are looking forward to continuing the journey in the coming years, embedding a sustainability mindset both internally across our organization and externally in partnership with our business relationships.

With kind regards,

Kenneth Nielsen

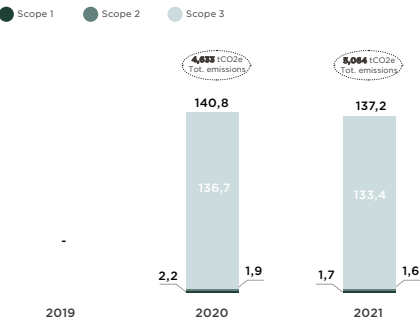
# Sustainability metrics

## Polaris cross-portfolio KPIs



### Climate action

#### CO2e intensity gram/DKK revenue



Absolute CO2e emissions across Scope 1-3 increased with 9% in 2021 mainly driven by increased amount of purchased goods. As our revenue also increased, the Scope 3 CO2e intensity decreased. Scope 3 remain the largest share of our baseline, especially purchased goods and services accounting for 90%. Scope 1-2 CO2e intensity also decreased in 2021 driven by less emissions from electricity and fuel-driven vehicles.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

### Climate Action Management

**Scope 1 & 2**  
Activity-based calculations using international emission factors.

**Scope 3**  
Combination of spend-based and activity-based calculations.

**Strategy & targets**  
Science Based Target approved (2022) for Scope 1 and 2, by SBTi. Targets for Scope 3 to be defined in 2022 and approved by BoD.

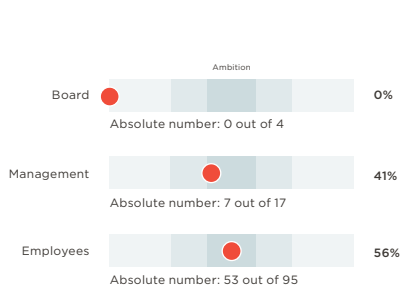
**Initiatives**  
SBTi Scope 1 and 2 approved by BoD. Initiatives for Scope 3 reduction being implemented, mainly for product development and production.

**TCFD**  
TCFD aligned analysis not undertaken in year 1: climate related risks and opportunities deemed low.



### Gender equality

#### % of women in the company



There was a slight increase in share of women between 2020 and 2021 in management and employees. Defining targets on gender equality will support development of initiatives and actions in this area, and further guide our focus in this area moving forward.

GRI: 405-1(i)

### Gender Equality Management

**Tracking**  
Tracking in place on gender across the organization.

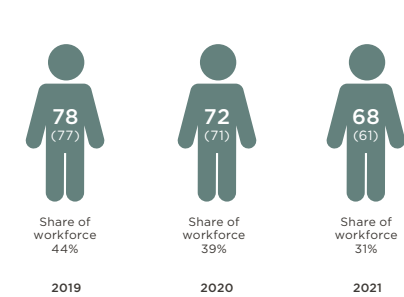
**Strategy & targets**  
Targets to be defined during 2022.

**Initiatives**  
Initiatives defined, start implementing during 2022.



### Employee turnover

#### Employee-initiated turnover (total attrition) (x) of which related to part-time employees



Contour's high turnover is mainly attributed to our factory in China and its employees. As workload fluctuates annually, a large share of the workers resign and seek positions in other organizations. This is a common trait for the industry in this region.

SASB: Adapted from HC-DY-330a.1

### Employee Turnover Management

**Tracking**  
Tracking will be implemented during 2022.

**Strategy & targets**  
Targets to be defined during 2022.

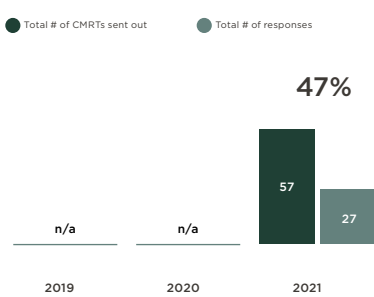
**Initiatives**  
Initiatives defined to promote and ensure a good working environment.

## Portfolio company-specific KPIs and initiatives



### Materials sourcing

#### Supplier Response Rate to Conflict Minerals Reporting Template (CMRT), %



In addition to measuring suppliers response rate on CMRT, we will develop a Standard Operating Procedure (SOP) for Conflict Minerals handling during 2022. This will be communicated to suppliers for compliance, and also to other stakeholders as documentation on our conflict minerals handling in the supply chain.

SASB: TC-HW-440a.1.

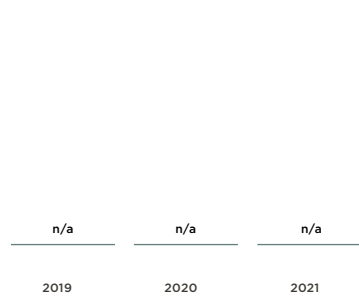
### Recycled materials

During 2021 we developed our CO2e baseline on Scope 1, 2 and 3, to enable transparent disclosure of our emissions to stakeholders, and identify CO2e reduction opportunities. Emissions from Scope 3, in particular from materials use in production, was identified as the main source of emissions in Contour. Based on this data, we have initiated a process of replacing virgin materials with recycled materials. Examples of materials are aluminum, plastic and PCBs (printed circuit boards). Our work on this is continous, and we aim to be able to report on our progress with certifications and documentation on the use of recycled materials.



### Supply chain management

#### Tier 1 suppliers able to provide proof of audit (or equivalent), %



We will ask suppliers for proof of audit, and follow up with RBA VAP or equivalent audit where no proof can be produced. Initial focus will be on improving dialogue and cooperation with suppliers, towards UNGP/ OECD alignment.

SASB: TC-HW-430a.1

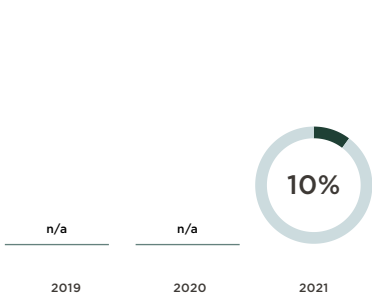
### Material emission

Materials emission is guiding our CO2e reduction efforts. It provides the reasoning behind the need for replacing virgin materials with recycled materials, as recycled materials have a lower emission compared to virgin materials. Hence, by increasing use of recycled materials, we are targeting a large percentage of our overall emissions, and in turn reducing emissions. We intend to continue tracking materials specific emissions, to further support and guide our decisions on materials use in product design and production. Examples of materials where we have concrete initiatives are aluminum, plastic, PCBs (printed circuit boards) and other high-emitting metals and materials.



### Labour conditions

#### Share of own facilities audited, by RBA VAP or equivalent, %



We will conduct audits and/or assessments of own facilities, by RBA VAP or equivalent measures. Results will guide further actions and initiatives needed.

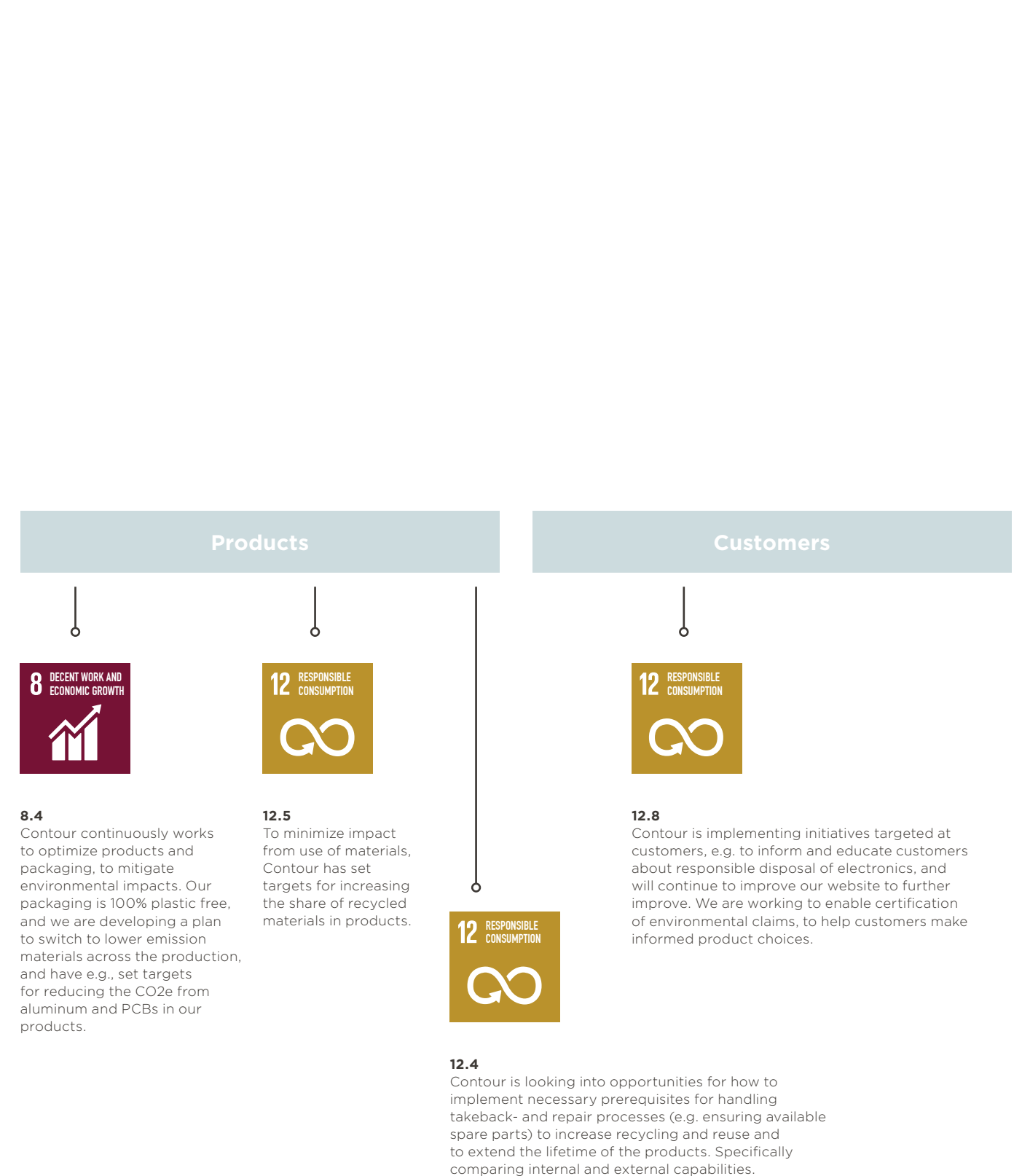
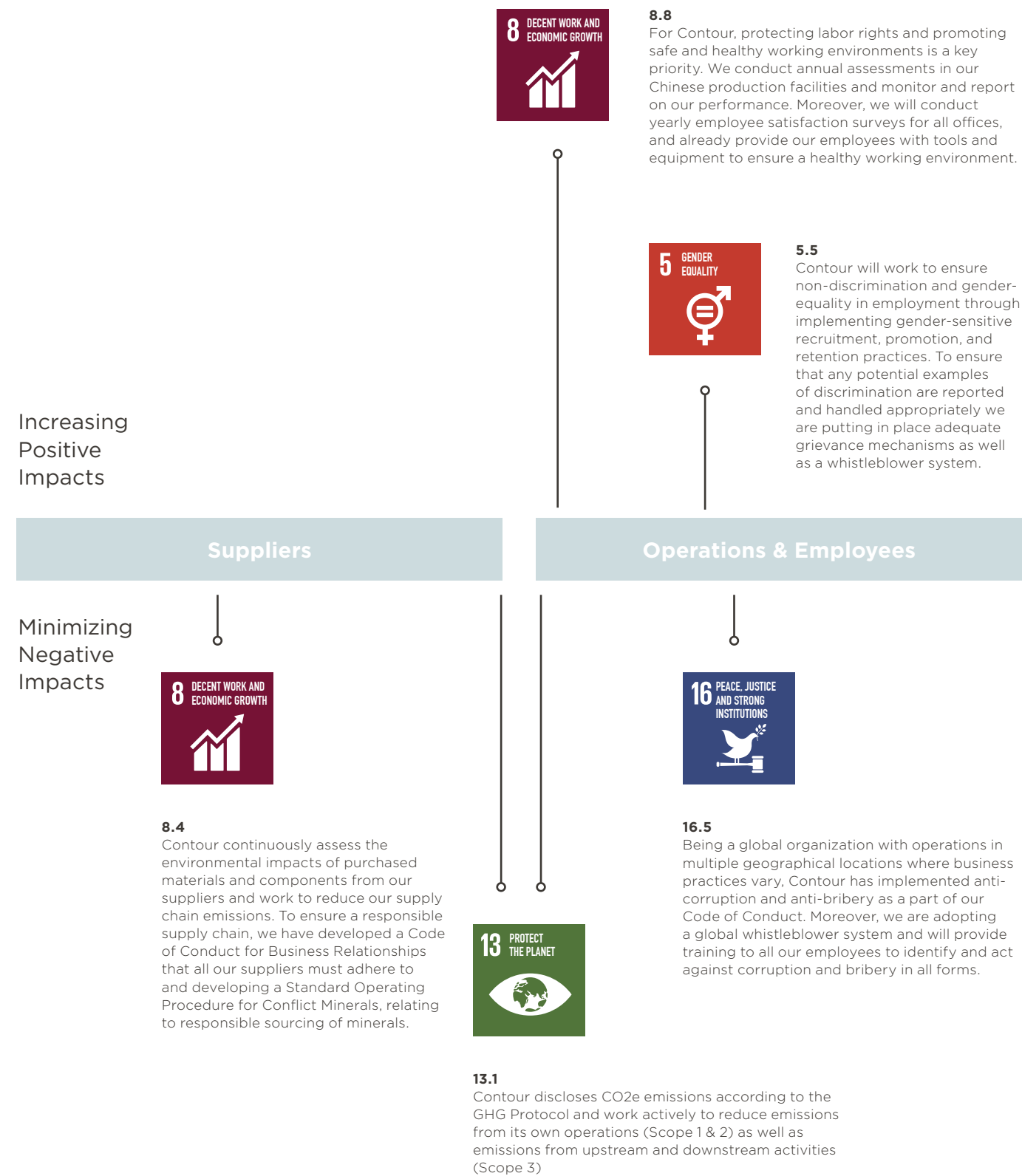
SASB: TC-ES-320a.2

### Transport emissions

As our CO2e baseline revealed, emissions from transport plays a role and needs continuous tracking to be kept under control. Mode of transport (flight, sea, road, other) significantly affects our ability to reduce CO2e overall, and we are therefore tracking this specifically and working hard to continue replacing all air-freight with lower emission modes of transport. Correct forecasting and proactive dialogue with suppliers and customers will be vital to avoid "rush-orders" and remove the need for transportation of goods by flight.

## The Sustainable Development Goals

### Contour's contribution to the SDGs



# The Sustainable Development Goals

## Contour's contribution to the SDGs

### INCREASING POSITIVE IMPACTS

#### Concrete initiatives in progress



- Proactively search for candidates of the underrepresented gender in recruitment and work to ensure that recruiting and promotion processes are unbiased
- Ensure that salaries are based purely on experience and performance
- Show and promote commitment to gender equality and diversity in communication
- Ensure appropriate handling of potential reports on discrimination

#### Status on initiatives

- Investigating options for third-party unconscious bias training of managers. Future job postings will be reviewed with regards to gender equality to avoid bias
- Examination of current pay structure to identify potential gaps related to gender is scheduled for 2022
- Focus on gender equality in marketing material and website, e.g. in selection of models for photo/video
- We are in the process of implementing a whistleblower system, expected to launch in 2022



- Conduct annual workplace conditions assessment and launch improvement initiatives
- Conduct employee survey to assess and improve employee satisfaction and well-being
- Conduct assessment of cases of absence and long-term sick leaves related to stress and mental health and launch initiatives to improve
- Ensure that all employees have access to health insurance
- Conduct annual (third-party) review and assessment of production facilities in China

- First impact assessment has been conducted in 2021 at Denmark head-office, identifying initiatives for improvement and added to action plan. Next impact assessment planned for China factory in 2022
- Investigating external partner to support development and distribution of company-wide survey in 2022
- Will conduct assessment during 2022, to uncover potential long-term sick leaves related to stress and mental health. Initiatives will be determined based on findings.
- Assessment conducted in 2021, and no risks were identified. All covered by health insurance
- Due to Covid-19, third-party assessment has not been performed in China. Plan to conduct new review in 2022

### MINIMIZING NEGATIVE IMPACTS

#### Concrete initiatives in progress



- Assess potential to reduce or eliminate use of high emitting materials in production and in packaging
- Review emissions from suppliers and actively work with suppliers to reduce emissions
- Share Code of Conduct for Business Relationships with all existing and new suppliers, and ensure adherence
- Ensure responsible sourcing of minerals

#### Status on initiatives

- First CO2e baseline calculation performed for 2020 and 2021, identifying the most high-emitting materials, enabling targeted initiatives for reduction in emissions from Scope 3
- CO2e baseline results to be shared with suppliers in 2022, to enable dialogue and cooperation on emissions reduction
- Code of Conduct for Business Relationships developed and approved. During 2022 it will be shared with tier 1 suppliers to enable dialogue and learning
- Standard Operating Procedure to be developed and communicated to suppliers, to enable dialogue and learning. Awaiting membership with Responsible Minerals Initiative (RMI) to confirm process.



- Implement use of recycled materials in production
- Educate customers in opportunities and benefits of responsible waste handling of electronics, by clearly communicating benefits and opportunities for recycling.
- Investigate opportunities for improving repairability, to enhance product lifetime

- Work to increase percentage of recycled materials and enable certified proof of materials content. Targets to be defined.
- In addition to participating in legally required take-back schemes, we plan to further improve our website to promote responsible waste handling among our customers.
- Currently developing design and production guidelines, to align with requirements for circularity



- Disclose CO2e baseline emissions to ensure transparency across the organization
- Use results from the CO2e baseline to prioritize efforts to reduce emissions
- Reduce emissions from own operations through electrification of corporate vehicles
- Develop a climate policy

- This report includes our first CO2e report on Scope 1, 2 and 3. We will continue to improve our calculations to increase accuracy and actionability
- An emission reduction plan has been crafted across our value chain hotspots with focus on product development
- Initiatives to be defined in 2022, awaiting input to engage.
- The initiative is scheduled for 2022.



- Update and formalize structures and policies on anti-corruption and antibribery practices
- Provide training to employees to act against corruption and bribery

- Our policies on anti-corruption and antibribery are implemented in our Code of Conduct for Business Relationships. Whistleblower system is currently being developed and implemented with 3rd party provider.
- Currently investigating external partner to develop e-learning for employees.



# Contour

Scope/Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	L of fuels used in company leased vehicles, except for CN, where L are estimated based on actual km driven per car	List of company vehicles; litres consumed; distance driven; fuel type	DEFRA, UK government GHG conversion factors for company reporting 2021; EIA, Carbon Dioxide Emissions Coefficients 2021	-
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity based on actual consumption for offices (NO, DK, FI, CN, UK, US); Actual consumption of heat for DK, FI, NO offices; Market-based: Supplier-specific emission factor for electricity applied where available	Power consumption per location (kWh)	IEA 2021; Energinet, Foreløbig miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; Energi Ikast Varme, Miljødeklaration 2020; Fortum, Nøkkeltall for miljø og klima 2021; Ewii Energi A/S, Individuel miljødeklaration 2020; Samstrøm A/S, Individuel deklaration 2020	-
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Electricity consumptions in kWh used for electric vehicles	Survey sent to relevant employees	IEA 2021; Energinet, Foreløbig miljødeklaration 2021	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Number, weight and material for all purchased goods; Spend for all purchased services	Overview of products purchased, by name, categories, quantity, weight, price and material; General ledger	EcolInvent v.3.8; DEFRA, UK government GHG conversion factors for company reporting 2021; DEFRA, Indirect emissions from the supply chain1 2011	Initiate efforts to calculate product-specific emissions
Scp. 3, Cat. 2	CO2e emissions from capital goods	Spend of purchased machinery and equipment	General ledger	DEFRA, Indirect emissions from the supply chain1 2011	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Fuel and power consumption based on Scope 1 and 2	Same as Scope 1 and Scope 2	DEFRA, UK government GHG conversion factors for company reporting 2021; IEA 2021; Energinet, Foreløbig Miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; Energi Ikast 2020	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Supplier-specific emissions data where available; Otherwise based on weight, distance and type of transportation mode; Warehousing based on spend	Emissions from transportation suppliers; Overview of products; General ledger	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Amount of waste collected in CN; Assumption on office waste in CN; Spend on treatment of office waste in US	General ledger	DEFRA, UK government GHG conversion factors for company reporting 2021; DEFRA, Indirect emissions from the supply chain1 2011	Collect actual data on waste from production and offices
Scp. 3, Cat. 6	CO2e emissions from business travel	Distance-based method for Contour Nordic's business travel; All other travel based on spend	Survey sent to relevant employees; General ledger	DEFRA, UK government GHG conversion factors for company reporting 2021; DEFRA, Indirect emissions from the supply chain1 2011	Initiate efforts to collect more activity-data for business travel
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Based on number of FTEs and zip codes with assumptions made on transport mode taking distance into account and assumptions made on average number of working days	Survey sent to employees	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Not relevant given that Contour do not lease assets	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Has not been prioritised to be included	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Contour does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Based on quantity of sold products, assumptions of lifetime and average consumption	Overview of products sold, by name, categories and quantity	IEA 2021	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Has not been prioritised to be included	-	-	Calculate end-of-life treatment of sold products
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Contour does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Contour has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not relevant given Contour's business model	-	-	-

## Sustainability Report 2021

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Materials sourcing	"-Total # of Conflict Minerals Reporting Templates (CMRTs) sent out and total # number of responses - Description of management system developed for conflict minerals "	TC-HW-440a.1.	Description of the management of risks associated with the use of critical materials	n/a
Supply chain management	Percentage of T1 suppliers audited in the RBA VAP or equivalent	TC-HW-430a.1	"Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities"	n/a
Labour conditions	Percentage of Contour's facilities audited in the RBA VAP or equivalent	TC-ES-320a.2	"Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities "	n/a
Recycled materials	Qualitative description of commitment to move towards more recycled material	n/a	n/a	n/a
Material emissions	Qualitative description of commitment to reduce emissions from materials	n/a	n/a	n/a
Transport emissions	Qualitative description of commitment to reduce emissions from transport	n/a	n/a	n/a

