

CSR Declaration by Sjoerring Maskinfabrik A/S

With this document the company declares that it lives up to certain CSR requirements within the following areas:

- 1 • Waste and recycling
- 2 • Working conditions incl. accidents
- 3 • Working time and rest
- 4 • Lighting
- 5 • Fire safety
- 6 • Child labour
- 7 • Establishment and operations
- 8 • Dangerous substances
- 9 • Freedom of association
- 10 • Discrimination
- 11 • Chemicals
- 12 • Corruption
- 13 • Air pollution
- 14 • Medical care and first aid
- 15 • Wages and working conditions
- 16 • Environmental management
- 17 • Psychological working environment
- 18 • Safe buildings
- 19 • Wastewater
- 20 • Eating facilities and drinking water
- 21 • Temperature
- 22 • Toilet and bathing facilities
- 23 • Forced labour
- 24 • Employee training
- 25 • Ventilation

1. Waste and recycling

Sjoerring Maskinfabrik A/S ensures that:

- Waste, including recyclable waste, is separated according to the regulations of the Danish environmental authorities for recovery or disposal at authorised treatment facilities.
- Hazardous waste is labelled, stored and disposed of, as instructed by the authorities, at environmentally approved receiving facilities.

Sjoerring Maskinfabrik A/S is aware of and respects the requirements for separating, recycling and disposing of waste, as expressed in the Danish Environmental Protection Act, Act No. 753 of 25 August 2001.

The Danish legislation is in accordance with EU directive 75/442/EEC of 15 July 1975 on waste, EU directive 91/689/EEC of 12 December 1991 on hazardous waste, EU regulation 259/93/EEC of 1 February 1993 on the supervision and control of shipments of waste within, into and out of the European Community as well as the Basel Convention on transboundary movements of waste.

Sjoerring Maskinfabrik A/S's treatment of waste is monitored by the local environmental authorities. If Sjoerring Maskinfabrik A/S breaches the Danish regulations on waste, including recyclable waste, those responsible may be punished by fine and in aggravated cases by imprisonment for up to two years.

2. Working conditions - incl. accidents

Sjoerring Maskinfabrik A/S ensures that:

All steps in production are planned and organised with full consideration for health and safety concerns.

Work in Sjoerring Maskinfabrik A/S takes place in consideration of a.o. the following principles of prevention:

- Risks are eliminated at the source.
- As far as possible, work is adapted to the individual employee in relation to a.o. the

construction of the workplace and choice of work equipment as well as work and production methods.

- Monotonous and repetitive work is limited in order to minimise the health effects of this work.
- Sjoerring Maskinfabrik A/S does not use installations and work methods which may pose a significant danger for employees in the course of their work.

Sjoerring Maskinfabrik A/S regularly performs written assessments of health and safety conditions in the workplace. All working environment conditions are included in the workplace assessment, and company employees are involved in the process.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations concerning safe and healthy working conditions as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005, Executive Order No. 559 of 17 June 2004, and Executive Order No. 516 of 14 June 1996 on the work of young people.

The Danish legislation is in accordance with EU Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, EU Directive 89/654/EEC of 30 November 1989 concerning the minimum safety and health requirements for the workplace, EU Directive 94/33/EC of 22 June 1994 on the protection of young people at work, ILO Convention No. 155 of 22 June 1981 on Occupational Safety and Health, ILO Convention No. 182 of 17 June 1999 on the Worst Forms of Child Labour, and ILO Convention No. 138 of 26 June 1973 on Minimum Age.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

3. Working time and rest

Sjoerring Maskinfabrik A/S ensures that:

- The maximum weekly working time is 48 hours on average incl. overtime.
- The employee gets at least 11 consecutive hours of rest within every period of 24 hours.
- There is at least one day of rest per week.
- The employee has the right to a break in which he/she can leave the place of work, if

the working day is longer than 6 hours.

- Night workers do not work more than 8 hours on average within every period of 24 hours.
- Night workers are offered regular medical examinations, and that night workers are offered other work as soon as possible if their health is compromised by the night work.
- The employee has the right to at least 4 weeks of holiday with pay.

Sjoerring Maskinfabrik A/S is aware of and respects the employees' rights regarding working time, rest and holiday as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005, and in the law on implementation of parts of the working time directive, Executive Order No. 896 of 24 October 2004.

The Danish legislation is in accordance with the EU working time directive 93/104/EC of 23 November 1993, the EU working time directive 03/88/EC of 4 November 2003, the UN Convention on Economic, Social and Cultural Rights of 16 December 1966, ILO Convention No. 14 of 17 November 1921 on Weekly Rest and ILO Convention No. 106 of 26 June 1957 on Weekly Rest in Commerce and Offices.

The Danish authorities monitor whether Sjoerring Maskinfabrik A/S complies with Danish regulations in this area. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S breaches the regulations, those responsible may be punished, in the form of a fine or imprisonment.

4. Lighting

Sjoerring Maskinfabrik A/S ensures that:

Workplaces of individual employees are constructed, designed and can be used in such a way that the work can be performed without inconveniences from the lighting conditions. This means that:

- There is always enough light to work, and it is safe to move around.
- Lighting in all spaces is adjusted to the work and movements taking place, in order to avoid the risk of accidents.
- Work areas have access to sufficient daylight so that they are well-lit. Windows and top lighting are constructed, placed and if necessary screened off in such a way that they do not induce blinding, overheating or disturbing temperature conditions.
- There is sufficient general lighting in the work area and suitable extra lighting in the workplaces of individual employees, so that work may take place safely and in

appropriate working positions.

- Artificial lighting, in regard to the distribution, strength and quality of the light, is adjusted to the nature of the work and the colours of the work space.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on lighting in the workplace as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish legislation is in accordance with EU Directive 89/654/EEC of 30 November 1989 concerning the minimum safety and health requirements for the workplace.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

5. Fire safety

Sjoerring Maskinfabrik A/S ensures that:

Sjoerring Maskinfabrik A/S has taken the necessary precautions and made the necessary plans in regard to fire and evacuation of the employees.

Sjoerring Maskinfabrik A/S has selected and trained the people who will be in charge of implementing the measures and plans.

Sjoerring Maskinfabrik A/S's employees are informed about the content of these measures and plans.

There are sufficient means of escape and rescue in the workplace. This means a.o. that:

- There are a sufficient number of escape routes and emergency exits.
- Emergency exit doors and gates may be opened in an easy and safe manner, and there is free passage through them.
- There is free passage through escape routes.
- Signs provide information or warnings about conditions which are important to health and safety.
- In the event of a risk of particular danger situations, the workplace is equipped with the necessary alarm systems and first aid equipment in case of accidents.
- A sufficient number of functional fire extinguishers have been installed.

- Flammable waste is secured in fire-proof containers which are emptied regularly.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on fire safety as expressed in the Danish housing code, Act No. 452 of 24 June 1998, and the Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish working environment legislation is in accordance with EU Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, EU Directive 89/654/EEC of 30 November 1989 on safety and health in the workplace, EU Directive 92/58/EEC on the minimum requirements for the provision of safety and/or health signs at work, and ILO Convention No. 155 on Safety and Health in the Workplace.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

6. Child labour

Sjoerring Maskinfabrik A/S ensures that:

- All employees are over 13 years of age.
- Employees between the ages of 13 and 15 only perform light work.
- Employees between the ages of 13 and 15 work a maximum of two hours per day.
- Parents of employees between the ages of 13 and 15 are informed of the work and the conditions under which the work is performed.
- Employees under the age of 18 do not perform dangerous work or work at night.
- All apprentices in Sjoerring Maskinfabrik A/S are above the age of 15 and work as part of their education.

Sjoerring Maskinfabrik A/S is aware of and respects the ban against child labour as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18 March 2005 and in the Executive Order on the work of young people No. 239 of 6 April

2005.

The Danish legislation is in accordance with EU Directive 94/33/EC of 22 June 1994 on the protection of young people in the workplace, the UN Convention on Economic, Social and Cultural Rights of 16 December 1966, ILO Convention No. 138 of 26 June 1973 on Minimum Age, ILO Convention No. 182 of 17 June 1999 on the Worst Forms of Child Labour as well as the UN Convention on the Rights of the Child of 20 November 1989.

The Danish authorities monitor whether company complies with Danish regulations in this area. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S breaches the regulations, those responsible may be punished, in the form of a fine or imprisonment.

7. Establishment and operations

Sjoerring Maskinfabrik A/S ensures that:

- Sjoerring Maskinfabrik A/S is aware of and observes the requirements in its environmental approval.
- Sjoerring Maskinfabrik A/S has an environmental approval following the Danish regulations and must follow specific environmental requirements for Sjoerring Maskinfabrik A/S's operations.
- On approval, the environmental authorities have assessed whether Sjoerring Maskinfabrik A/S fulfils the requirements for least possible pollution, a.o. by using the best available technology (BAT).
- On setting the requirements, the authorities have assessed whether Sjoerring Maskinfabrik A/S lives up to the Danish requirements for the protection of water, air and earth, accident prevention and noise emission.

Sjoerring Maskinfabrik A/S is aware of and respects Danish legislation, as expressed in the Danish Environmental Protection Act and statutory order No 943 of 16 September 2004 with later amendments on the approval of companies on the list.

The Danish legislation is in accordance with EU directive 96/61/EC of 24 September 1996 concerning integrated pollution prevention and control.

The Danish authorities supervise the observance of the terms in Sjoerring Maskinfabrik A/S's environment approval. If Sjoerring Maskinfabrik A/S breaches the terms in its environment approval, those responsible may be punished by fine and in aggravated

cases by imprisonment for up to two years.

8. Dangerous substances

Sjoerring Maskinfabrik A/S ensures that:

Employees' work with dangerous substances in the workplace — including manufacturing, storage, use and handling — takes place in a safe manner with minimized health risks. This means a.o. that a comprehensible guide to work place use has been produced for each dangerous substance or material, containing all necessary information (precautions, first aid etc.).

In addition:

- The guides are up-to-date and handed out to employees, and employees have been effectively trained in using the guides.
- All relevant employees have been trained in using the substance or material.
- The necessary first aid equipment is available and ready for use.
- No children under 18 work with dangerous substances.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on handling dangerous substances as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish legislation includes provisions in accordance with EU Directive 2004/37/EC of 29 April 2004 on the protection of the health and safety of workers from the risks related to exposure to carcinogens at work, EU Directive 98/24/EC on the protection of the health and safety of workers from the risks related to chemical agents at work, EU Directive 94/33/EC of 22 June 1994 on the protection of young people at work, ILO Convention No. 138 of 26 June 1973 on Minimum Age, ILO Convention No. 155 of 22 June 1981 on Safety and Health in the Workplace, and ILO Convention No. 182 of 17 June 1999 on the Worst Forms of Child Labour.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

9. Freedom of association

Sjoerring Maskinfabrik A/S ensures that:

- Sjoerring Maskinfabrik A/S does not discriminate or in any other way make decisions that are affected by the employee's affiliation with a trade union or other association.
- Sjoerring Maskinfabrik A/S does not attempt to influence the employees to be members of a particular trade union.
- Union representatives are given special protection in carrying out their duties.
- Sjoerring Maskinfabrik A/S does not interfere in which trade unions or other associations are formed in the workplace.
- Employees are not dismissed because of their affiliation with a trade union.
- A particular trade union is not favoured.
- The right to collective bargaining is respected.
- Elected representatives for the employees are given special protection against dismissal.

Sjoerring Maskinfabrik A/S is aware of and respects the employees' right to organise and enter into collective bargaining as expressed in Danish legislation in the law on protection against dismissal for union-related reasons, Act No. 443 of 13 June 1990 as well as in the General Agreement between The Danish Confederation of Trade Unions and the Danish Employers' Confederation of 1973.

The Danish legislation and the General Agreement are in accordance with the European Convention on Human Rights of 4 November 1950, the UN Convention on Civil and Political Rights of 16 December 1966, the UN Convention on Economic, Social and Cultural Rights of 16 December 1966, ILO Convention No. 87 of 9 July 1948 on Freedom of Association, ILO Convention No. 98 of 1 July 1949 on the Right to Organise and Collective Bargaining, ILO Convention No. 111 of 25 June 1958 on Discrimination, ILO Convention No. 135 of 23 June 1971 on Workers' Representatives.

The Danish authorities monitor whether Sjoerring Maskinfabrik A/S complies with Danish regulations in this area. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S breaches the regulations, those responsible may be punished, in the form of a fine or imprisonment.

10. Discrimination

Sjoerring Maskinfabrik A/S ensures that:

- Within the company, no person is subject to discrimination based on gender, race, colour, religion, political opinion, sexual orientation, national extraction, social origin, ethnic origin, age or handicap.
- Within the company, no person is subject to discrimination in hiring, dismissal, transfer, promotion, wage setting, setting of working conditions or competency development. All decisions regarding employment, promotion, dismissal, wages and other working conditions are based on relevant and objective criteria.

Sjoerring Maskinfabrik A/S is aware of and respects the ban against discrimination as expressed in Danish legislation in the law prohibiting discriminatory treatment, Act no. 756 of 30 June 2004 and law on equal treatment of men and women in regard to employment and maternity leave, Act no. 711 of 20 August 2002.

The Danish legislation is in accordance with EU Directive 00/43/EC of 29 June 2000 on equal treatment between persons irrespective of racial and ethnic origin, EU Directive 00/78/EC of 27 November 2000 on a general framework on equal treatment in employment and occupation, the European Convention on Human Rights of 4 November 1950, the UN Convention on the Elimination of All Forms of Racial Discrimination of 21 December 1965, the UN Convention on the Elimination of All Forms of Discrimination Against Women of 18 December 1979, ILO Convention No. 100 of 29 June 1951 on Equal Remuneration, ILO Convention No. 111 of 25 June 1958 on Discrimination, and ILO Convention No. 169 of 27 June 1989 on Indigenous Peoples.

The Danish authorities monitor whether Sjoerring Maskinfabrik A/S complies with Danish regulations in this area. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S breaches the regulations, those responsible may be punished, in the form of a fine or imprisonment.

11. Chemicals

Sjoerring Maskinfabrik A/S ensures that:

- Sjoerring Maskinfabrik A/S classifies, packs, labels and stores all chemical substances and preparations correctly according to current Danish regulations.
- Sjoerring Maskinfabrik A/S does not use chemical substances which are banned in international conventions on dangerous chemical substances.
- Sjoerring Maskinfabrik A/S does not use ozone-depleting substances for uses which are banned in the EU or Denmark.
- Sjoerring Maskinfabrik A/S regularly assesses if the use of chemical substances which are dangerous to the environment or to health can be replaced by less dangerous substances.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations of the environmental authorities on chemicals, as expressed in the Danish legislation in statutory order No 329 of 16 May 2002 on classification, packaging, labelling, sale and storage of chemical substances and preparations and statutory order No 439 of 3 June 2002 on the list of dangerous substances under the provisions of Consolidated Act No 21 of 16 January 1996 on Chemical Substances and Preparations.

The Danish legislation is in accordance with EU directive 67/548/EEC of 27 June 1967 on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances, EU directive 99/45/EC of 31 May 1999 concerning the approximation of the laws, regulations and administrative provisions of the Member States relating to the classification, packaging and labelling of dangerous preparations, the UN PIC Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, the UN POP Convention on the prohibition and elimination of Persistent Organic Pollutants and the UN Protocol on the elimination of ozone-depleting substances.

The Danish Environmental Protection Agency supervises Sjoerring Maskinfabrik A/S's compliance with the above-mentioned regulations. If Sjoerring Maskinfabrik A/S breaches the Danish regulations regarding chemicals, those responsible may be punished by fine and in aggravated cases by imprisonment for up to two years.

12. Corruption

Sjoerring Maskinfabrik A/S ensures that:

None of Sjoerring Maskinfabrik A/S's employees give or receive unjustified advantages from Danish or foreign public officials or employees in private companies.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on corruption as expressed in the Danish legislation in the penal code, Act No. 960 of 21 September 2004, §§ 122, 144, 290, 299.2 and 306.

The Danish legislation is in accordance with the Council of Europe convention on corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

The Danish authorities punish violations of the Danish regulations on corruption by fine or imprisonment. This may also be the case if the punishable act is committed abroad.

13. Air pollution

Sjoerring Maskinfabrik A/S ensures that:

Sjoerring Maskinfabrik A/S works to lower the emission of air polluting substances as much as possible.

Sjoerring Maskinfabrik A/S is aware of and respects the requirements on limitation of air pollution as expressed in the Danish Environmental Protection Act, Act No 753 of 25 August 2001.

The Danish legislation is in accordance with EU directive No 96/61/EC on integrated pollution and prevention control (IPPC). The Danish environmental authorities work in accordance with the UN Framework Climate Convention on Climate Change with the Kyoto Protocol, as well as the UN Convention on Long-range Transboundary Air Pollution with the accompanying protocols such as the Gothenburg Protocol to Abate Acidification, Eutrophication and Ground-level Ozone.

The environmental authorities supervise Sjoerring Maskinfabrik A/S's emission of air polluting substances. Breaches of the terms in regulations and authorisations on the emission of air polluting substances may be punished by fine and in aggravated cases by imprisonment for up to two years.

14. Medical care and first aid

Sjoerring Maskinfabrik A/S ensures that:

All company employees have access to free medical care. In Denmark it is not necessary to be insured to receive medical care. In addition Sjoerring Maskinfabrik A/S has taken the necessary measures regarding first aid. This means a.o. that:

- The workplace is equipped with appropriate rescue equipment as well as the necessary equipment for first aid in the case of accidents.
- A sufficient number of people have been trained in first aid.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on access to first aid as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish legislation is in accordance with EU Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, EU Directive 89/654/EEC of 30 November 1989 on safety and health in the workplace, and ILO Convention No. 155 on Safety and Health in the Workplace.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

15. Wages and working conditions

Sjoerring Maskinfabrik A/S ensures that:

- All employees receive a minimum wage in accordance with international standards.
- Before entering employment all employees are given written information about wages, place of work, job content, rights concerning holidays with pay, terms of notice, wage-related conditions, working time and collective agreements, if any.
- All employees at Sjoerring Maskinfabrik A/S receive at least 25 days of holidays with pay per year.
- All employees who work over a shorter period of time receive holiday, and the holiday is adjusted to the length of employment.

Sjoerring Maskinfabrik A/S is aware of and respects the Danish requirements on wage conditions, benefits and terms of employment as expressed in Danish legislation in the law on certificates of employment, Act No. 692 of 20 August 2002, the Holidays Act, Act No. 407 of 28 May 2004, the law on equal treatment of men and women in regard to employment and maternity leave, Act No. 711 of 20 August 2002, the law amending the law on equal treatment of men and women in regard to employment and maternity leave, the law on benefits for sickness or birth and the law on parental leave, Act No. 141 of 25 March 2002.

The Danish legislation is in accordance with EU Directive 91/533/EEC of 14 October 1991 on confirmation of employment, the UN Convention on Economic, Social and Cultural Rights of 16 December 1966, the UN Convention on the Abolition of All Forms of Discrimination Against Women of 18 December 1979, and ILO Convention No. 132 of 24 June 1970 on Holidays with Pay.

The Danish authorities monitor whether Sjoerring Maskinfabrik A/S complies with Danish regulations in this area. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S breaches the regulations, those responsible may be punished, in the form of a fine or imprisonment.

16. Environmental management

Sjoerring Maskinfabrik A/S ensures that:

Sjoerring Maskinfabrik A/S's environmental work is certified according to the ISO 14001 standard. This means that Sjoerring Maskinfabrik A/S engages in targeted and systematic efforts to continuously improve its environmental performance.

Sjoerring Maskinfabrik A/S's environmental management system is monitored annually by external auditors who assess Sjoerring Maskinfabrik A/S's actual environmental performance in relation to the procedures in the environmental management system. A copy of Sjoerring Maskinfabrik A/S's environmental certificate is attached.

17. Psychological working environment

Sjoerring Maskinfabrik A/S ensures that:

- The work in Sjoerring Maskinfabrik A/S poses minimal risks to the deterioration of physical or psychological health.
- An assessment has been made of the physical, ergonomic and psycho-social conditions in the working environment which in the short or long term may affect physical or psychological health. The assessment has been made for all work elements and helps to ensure that the work takes place in full consideration of safety and health concerns.
- Monotonous, repetitive work, which may be hazardous to physical or psychological health in the short or long term, is avoided or limited.
- The work pace does not constitute a danger of deterioration of physical or psychological health in the short or long term.
- Isolated work, which may be hazardous to physical or psychological health, is avoided or limited.
- The work does not constitute a risk of deterioration of physical or psychological health as a result of bullying, including sexual harassment.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations regarding the psychological working environment as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish legislation is in accordance with EU Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

18. Safe buildings

Sjoerring Maskinfabrik A/S ensures that:

All buildings, facilities, areas etc. to which company employees have access in the course of their work are designed, constructed and used in such a way that they are safe and without risks to the health of the employees.

This means a.o. that:

- The workplace is designed with full consideration for safety and health concerns, based on an assessment of the working environment conditions that may have an effect on physical or psychological health.
- The workplace is designed so that it is possible to escape and to rescue people in the event of fire and other accidents.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on safe buildings as expressed in the Danish housing code, Act No. 452 of 24 June 1998 and in the Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish working environment legislation is in accordance with EU Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, EU Directive 89/654/EEC of 30 November 1989 concerning the minimum safety and health requirements for the workplace and ILO Convention No. 155 on Safety and Health in the Workplace.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

19. Wastewater

Sjoerring Maskinfabrik A/S ensures that:

- Sjoerring Maskinfabrik A/S's wastewater is cleaned in a public wastewater treatment facility before it is discharged to the water environment.
- Sjoerring Maskinfabrik A/S follows the requirements for discharge in the wastewater license.

Sjoerring Maskinfabrik A/S uses the best available technology for minimising the environmental impact. Sjoerring Maskinfabrik A/S is aware of and respects the regulations on the discharge of wastewater, as expressed in Danish legislation in Act No 753 of 25 August 2001 on environmental protection and statutory order No 501 of 21 June 1999 on the licensing of waste water discharges.

If Sjoerring Maskinfabrik A/S does not observe the terms of the wastewater license, those responsible may be punished by fine and in aggravated cases by imprisonment for up to two years.

When Sjoerring Maskinfabrik A/S discharges wastewater to the public treatment plants, the municipality is responsible for cleaning Sjoerring Maskinfabrik A/S's wastewater before it is discharged to the water environment. On discharge the Danish environmental authority must ensure the observance of the requirements for the water quality in the water environment, as expressed in statutory order No 921 of 8 October 1996 on quality standards for water bodies and emission standards for discharges of certain hazardous substances to watercourses, lakes or the sea.

The Danish legislation is in accordance with EU directive 76/464/EEC on pollution caused by certain dangerous substances discharged into the aquatic environment of the Community and with the Marine Environment Convention OSPAR, of which Denmark is a signatory.

20. Eating facilities and drinking water

Sjoerring Maskinfabrik A/S ensures that all employees have:

- Access to eating facilities with adequate hygienic conditions.
- The possibility to store own food and drink without health risks and the possibility to heat food and drink.
- Access to drinking water in the course of their work.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on access to eating facilities as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish working environment legislation is in accordance with EU Directive 89/654/EEC of 30 November 1989 concerning the minimum safety and health requirements for the workplace.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

21. Temperature

Sjoerring Maskinfabrik A/S ensures that:

- Sjoerring Maskinfabrik A/S's workplaces are constructed, designed and used in such a way that employees can perform the work without inconveniences from the temperature.
- The temperature in the workspaces is adjusted to the work methods and the physical exertion of the employees.
- Temperature conditions in the workspace are without inconvenient differences in temperature.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on temperature in the workplace as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish working environment legislation is in accordance with EU Directive 89/654/EEC of 30 November 1989 concerning the minimum safety and health requirements for the workplace.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

22. Toilet and bathing facilities

Sjoerring Maskinfabrik A/S ensures that:

Sjoerring Maskinfabrik A/S's employees have access to good sanitary facilities. This means a.o. that:

- All employees have access to a toilet with flush, a washbasin with running cold and hot water as well as soap or skin cleaning products.
- Employees have access to shower facilities if the work is e.g. dirty, physically exhausting, or leads to a risk of coming into contact with substances or materials that are hazardous to health.
- Wash basins are suitably placed in relation to work spaces, eating facilities, toilets, cloakrooms or changing rooms.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on sanitary facilities in the workplace as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish working environment legislation is in accordance with EU Directive 89/654/EEC of 30 November 1989 concerning the minimum safety and health requirements for the workplace.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be

punished, in the form of a fine or imprisonment.

23. Forced labour

Sjoerring Maskinfabrik A/S ensures that:

- Force, threats or disciplinary means are not used with the aim of forcing people to work.
- Sjoerring Maskinfabrik A/S does not engage in debt slavery or the trafficking of human beings with the aim of forcing people to work.
- Sjoerring Maskinfabrik A/S does not cooperate with other companies which use forced labour or withhold identification papers or wages from employees with the aim of forcing the employees to work.
- Sjoerring Maskinfabrik A/S's employees are free to leave the workplace without being restrained.

Sjoerring Maskinfabrik A/S is aware of and respects the ban against forced labour as expressed in Danish legislation in the penal code, Act No. 960 of 21 September 2004, § 260, 261 and 262a.

The Danish legislation is in accordance with the European Convention on Human Rights of 4 November 1950, the UN Convention on Civil and Political Rights of 16 December 1966, ILO Convention No. 29 of 28 June 1930 on Forced Labour, ILO Convention No. 105 of 25 June 1957 on Abolition of Forced Labour.

The Danish authorities monitor whether Sjoerring Maskinfabrik A/S complies with Danish regulations in this area. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S breaches the regulations, those responsible may be punished, in the form of a fine or imprisonment.

24. Employee training

Sjoerring Maskinfabrik A/S ensures that:

Sjoerring Maskinfabrik A/S's employees are trained in general health and safety. This means a.o. that:

- Each of Sjoerring Maskinfabrik A/S's employees, regardless of the nature and length of the employment relation, receives adequate and suitable training and instruction in how to perform the work free of risks.
- The employees receive information on the risks of accident and disease that may be related to their work.
- Sjoerring Maskinfabrik A/S pays the costs of training and instruction in how to perform the work free of risks.
- The training and instruction take place during work hours.
- Companies with more than 9 employees have a special training programme for both employees and management.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on training of employees in health and safety as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish legislation is in accordance with EU Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, EU Directive 94/33/EC of 22 June 1994 on the protection of young people at work, ILO Convention No. 155 of 22 June 1981 on Occupational Safety and Health, ILO Convention No. 182 of 17 June 1999 on the Worst Forms of Child Labour, and ILO Convention No. 138 of 26 June 1973 on Minimum Age.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

25. Ventilation

Sjoerring Maskinfabrik A/S ensures that:

- Sjoerring Maskinfabrik A/S's workplaces are constructed, designed and used in such a way that employees can perform the work without inconveniences from the airing and ventilation conditions.
- Mechanical ventilation has been installed by those workspaces where the generation of unhealthy gases, dust or disturbing smoke cannot be avoided.
- In those workspaces where unhealthy vapours and dust cannot be removed effectively through ventilation, the work process takes place in a special room or cabin.

Sjoerring Maskinfabrik A/S is aware of and respects the regulations on airing and ventilation as expressed in the Danish Working Environment Act, Consolidated Act No. 268 of 18. March 2005.

The Danish working environment legislation is in accordance with EU Directive 89/654/EEC of 30 November 1989 concerning the minimum safety and health requirements for the workplace.

The Danish authorities inspect whether Sjoerring Maskinfabrik A/S complies with Danish regulations concerning the working environment. Employees who consider that their rights are being violated may bring legal proceedings. If Sjoerring Maskinfabrik A/S violates the regulations on the working environment, those responsible may be punished, in the form of a fine or imprisonment.

29.06.2010

Mogens Nielsen, Managing Director