

Sustainability report

2022



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About the report

The Sustainability report covers the financial year 2022 from 1 January 2022 to 31 December 2022 and is published in March 2023. The report represents Kamstrup's objectives, targets and actions towards a more sustainable business and addresses the requirements outlined by the Danish Financial Statements Act § 99a and 99b on reporting of Corporate Social Responsibility (CSR). The purpose of Kamstrup's Sustainability report is to transparently communicate on topics which are material to our stakeholders and to report on progress for the year 2022, as well as future priorities. The report's compliance with The Danish Financial Statements Act is confirmed by an independent auditor.

Since 2010 Kamstrup has been a member of UN Global Compact, and this report represents our COP (Communication On Progress), containing information about our activities and developments according to the ten principles of the UN Global Compact covering topics within human rights, labour, the environment and anti-corruption.

The materiality of topics in this report was prioritised through a materiality assessment in which sustainability topics were evaluated in terms of their importance to stakeholders and what significance they have on Kamstrup's economic, environmental, and socially responsible performance.

Important stakeholders for Kamstrup include among others: employees, customers, distributors, suppliers, the board, local society, NGOs as well as industry associations. The assessment involved a combination of surveys, interviews, and desktop research.

The report is split into three parts: *People, Planet, and Partnerships*, covering relevant areas of topics and activities impacting Kamstrup and our stakeholders. The People chapter covers areas within; Employee engagement, satisfaction & development, Health & Safety and diversity, equality & inclusion. The Planet section covers areas of our solutions contribution to society, climate- & environmental impact, and circular design thinking. The Partnership chapter covers supplier management, collaborative partnerships and good corporate citizenship related to societal engagement and donations.

The report covers Kamstrup's headquarters in Denmark, subsidiaries, representative offices and branches. The main focus in this report concerns our headquarters in Stilling, Denmark, as the majority of our activities take place here.

Frontpage:

In 2022, Kamstrup won the prestigious DI Award. The award was this year granted to a company which has developed products and services that make Denmark a technological pioneering country related to climate. We won the award based on our innovative technology that monitors water distribution networks and detects leaks through acoustic and smart metering.

From the left: Sune Dupont, Development Engineer, Kamstrup, Ole Pjengaard, Commercial Product Manager, Kamstrup, Mads Sckerl, Senior Vice President, Kamstrup, HRH The Crown Princess Mary, Lars Sandahl Sørensen, CEO, Danish Industry, and Klaus Holve, Chairman, Danish Industry. [Photo: Thomas Arnbo]

CEO statement



2022 was characterised by new and extreme challenges to us and to the rest of the world. While recovering from a global pandemic we now face a war at Europe's doorstep with the Russian invasion of Ukraine. This geopolitical conflict has fuelled the global component shortage and created a historic energy crisis and high inflation impacting businesses across the world. At the same time, the climate challenges are only increasing, and this is where we see ourselves playing an important role as provider of intelligent solutions and services for the water and energy utility industry and residential and commercial property management.

We all face a new everyday life with increased concerns for the future – with the environmental sustainability being one of the main challenges we must conquer. This means companies must show leadership and be part of the solution. At Kamstrup, we are dedicated to helping our customers with eliminating water loss and increasing energy efficiency by utilising the knowledge and insights from digital solutions on their journey for a green transition.

We believe that innovative digital solutions and services drive the green transition for utilities and the industry, and we keep investing in new offerings that can impact sustainability globally. This was acknowledged when we received the Danish Industry Award 2022 for our acoustic leak detection technology that can help identify leaks in service connections, saving clean water and energy.

In 2022, we increased our focus on developing a long-term strategy and targets for our strategic work with sustainability to be implemented in our processes going forward. With this strategy, we want to raise the bar for sustainability in our products, solutions, and services at Kamstrup in relation to our employees, customers, partners, and the society.

In December 2022, we joined the Science Based Targets initiative to follow ambitious emission reduction targets, in line with the latest climate science and to actively support the limit of global temperature rise to 1.5° C. We will therefore start ambitious initiatives to support the international targets of achieving net zero emissions before 2050.

We continue to support and commit ourselves to the ten principles of the UN Global Compact and the UN Sustainability Development Goals, paying particular attention to goals no. 6, 7, 12, and 13. We will keep working with these goals, letting our fact-based approach influence our decisions to create impactful outcomes.

Our sustainability report 2022 highlights our work with improving energy efficiency, reducing waste, and increasing water-use efficiency. It also emphasises how we are taking care of our employees and being responsible to everyone we are doing business with.

I hope you will enjoy reading it

Kim Lehmann, CEO



Enabling change



The world and how we live in it are changing rapidly. Today, more than ever, there is an urgent need for a more sustainable path. And when the world changes it requires more from all of us. We see it clearly reflected in new customer demands and expectations.

At Kamstrup, our core values are to inspire, to lead and to deliver, also on the green transition. We are always committed to delivering the actionable insights needed to help our customers reducing waste of water, increase energy efficiency, and handle the increased electrification. If we keep understanding our customers pains and develop the solutions needed, we believe sustainability will be a business enabler, an opportunity to protect our stronghold in the market and a key element in the green transition.

As an innovative and responsible company, we have an obligation to continuously improve our own contribution to a more sustainable future. Not only to ourselves, our colleagues, and our customers, but also to the world that surrounds us.

It is time for the world to know how to enable change for a sustainable future.



[Watch the movie here](#)

Kamstrup sustainability strategy – enabling change

Our sustainability strategy was finalised in 2022 and will be implemented from 2023, covering the areas of Planet, People & Partnerships.

We have identified three overall strategic targets supported by a variety of supporting activities and targets, that will be implemented and executed in the company from 2023 and onwards. To enable change for a more sustainable future and continue to inspire, lead, and deliver on our solutions & services, as well as to improve our own impact as a company, the following targets have been identified as guiding stars for our sustainability journey.

The three strategic targets are:



All solutions & services enable the green transition and improve sustainable living – by 2030.



Best work environment in the industry – by 2030.



Our targets and emission reduction activities will be in line with Paris Agreement 1.5 degrees scenario.

Kamstrup has committed to Science Based Targets initiative and climate targets will be formulated and validated within the next two years.



Highlights 2022

Purpose

We ensure clean water and energy to a maximum number of people.

Ambition

We revolutionise the supply of clean water and energy through intelligence.

- Employees: **1,575**
- Production sites: **2**
- Sales offices, countries: **25+**
- Distributors, countries: **90+**
- **20%** are employed in R&D

DKK 308.1 mill.

earnings before tax

DKK 2,799.9 mill.

revenue

11%

of revenue used for innovation



THE GLOBAL GOALS



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION

Science Based Targets initiative Commitment

Kamstrup has in 2022 joined the Science Based Targets initiative and commits to set, submit and follow targets for validation and in line with 1.5 degrees scenario, within 2 years.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C 

Our own environmental achievements

8%



2019-2022

**Electricity
reduction**

kWh/produced product

19%



2019-2022

**Heat
reduction**

kWh/produced product

6%



2020-2022

**Water
reduction**

m³/produced product

8%



2019-2022

**Waste
reduction**

kg/produced product

73%

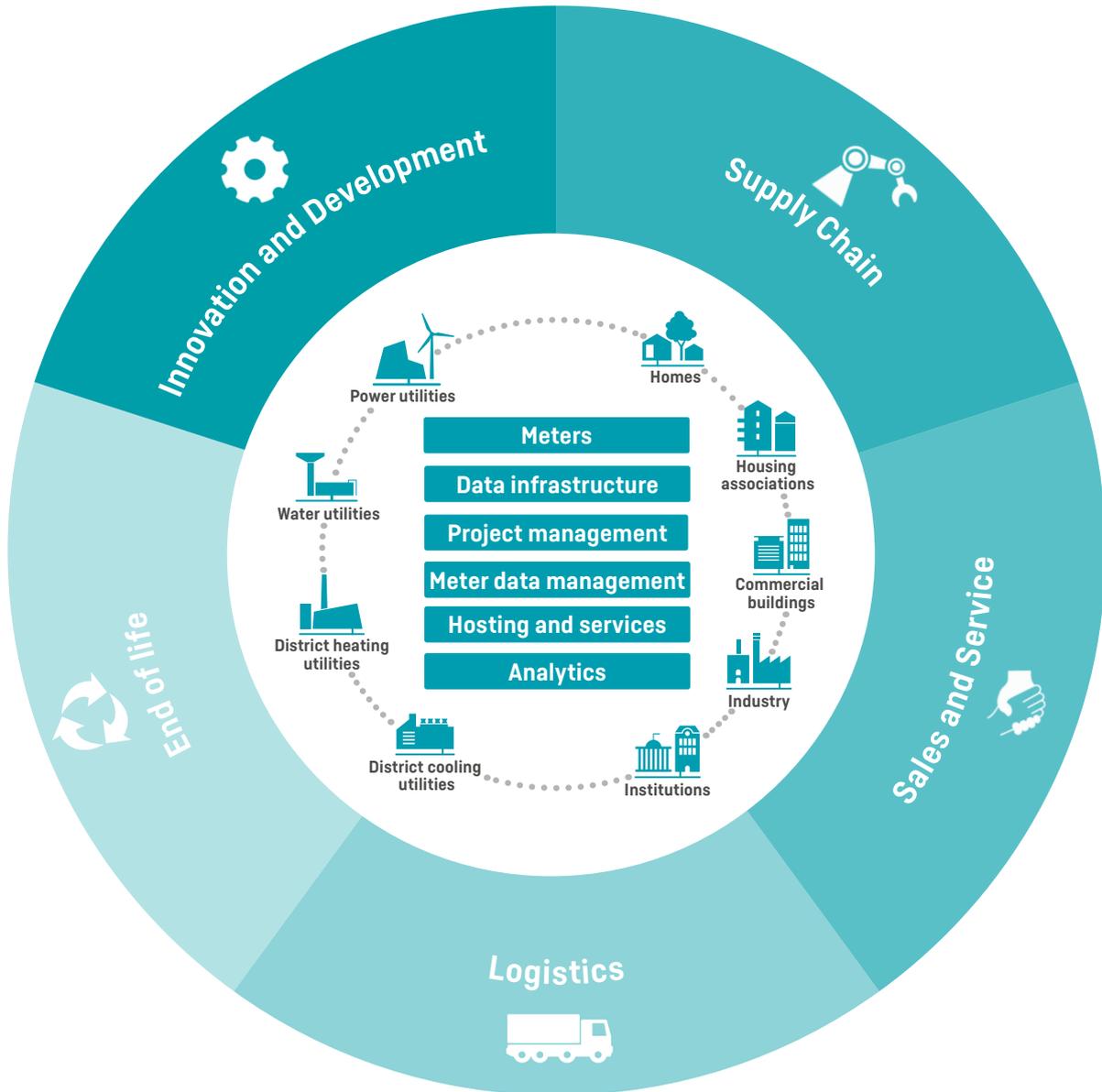


2022

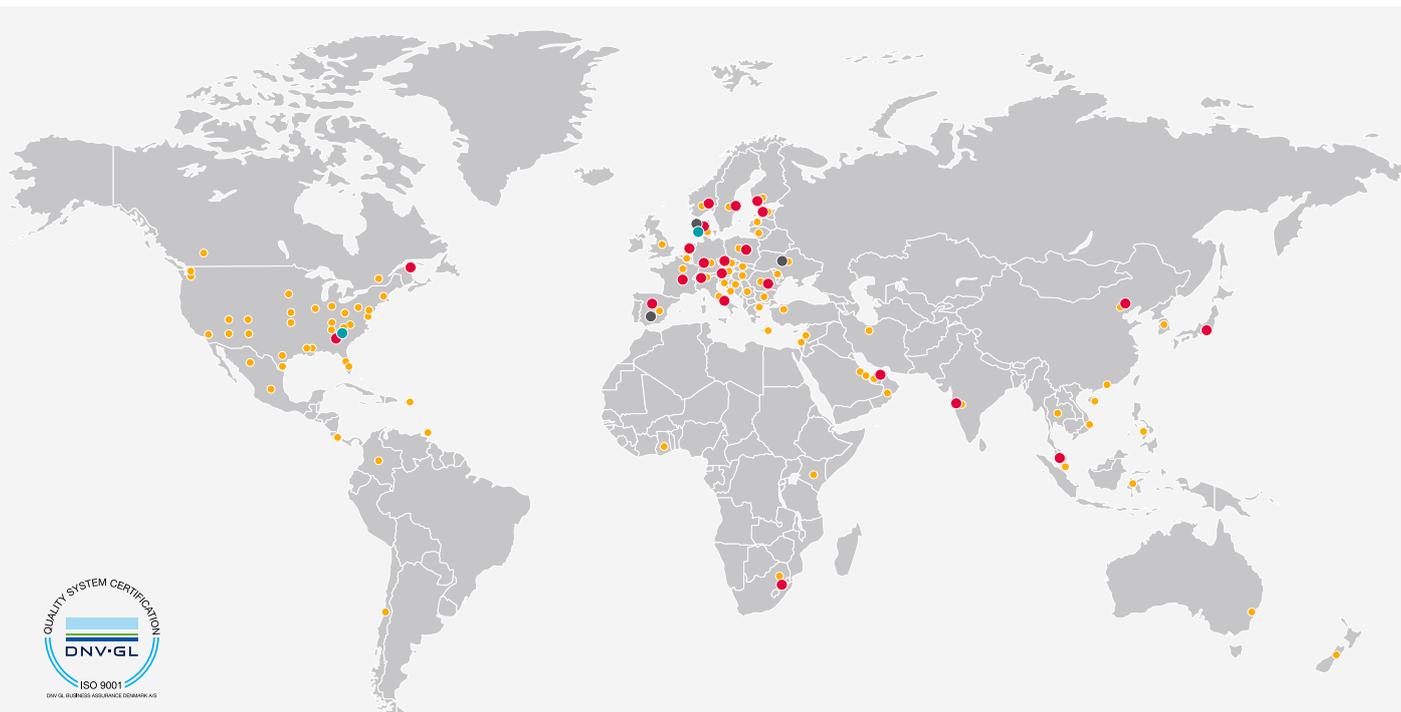
**of waste are
recycled**

About Kamstrup

Business model



In each of the steps in Kamstrup’s Business model for responsible solutions, we focus on ensuring sustainability and strive to reduce the impacts from innovation and development, supply chain, sales and service, logistics as well as end of life of our products and solutions.



ISO 9001: Austria, Czech Republic, China, Denmark, Finland, France, Germany, Netherlands, Norway, Poland, Spain, Sweden, Switzerland, USA

ISO 27001: Denmark, Norway, Sweden

ISO 14001: Denmark, Norway, Sweden

ISO 45001: Denmark · **ISO 17025:** Denmark, USA

- Innovation and development
- Manufacturing sites
- Kamstrup offices
- Kamstrup distributors

Kamstrup is a leading supplier of intelligent metering solutions and services. We enable utilities all over the world to optimise their production and distribution of clean water and energy and we enable a more energy efficient management of buildings. For more than 75 years, Kamstrup has been dedicated to deliver the actionable insights, that water and energy professionals need when managing their network and supply. Because we believe that frequent and accurate data enables the best decisions.

We offer a wide range of intelligent solutions covering consumption meters, communication infrastructure, data management, data analytics, hosting and services.

Our solutions are sold in more than 90 countries, and we are headquartered in Denmark and have production facilities in both Denmark and USA.

Kamstrup holds multiple ISO certifications across several locations (see map), with the main one being our ISO 9001 (Quality), ISO 27001 (Information security) certifications, and our ISO 17025 (Testing & calibration) accreditation.

In order to sanitise, optimise and align across our locations, recertification for ISO 9001, 14001 and 45001 will be conducted during April 2023, in agreement with the certification agency.

This, however, means that the recertification according to ISO 45001 was deliberately postponed with a letter of intent from the certification agency explaining the postponement.



Policies

Code of conduct

In December 2022, we have launched a new Kamstrup Code of conduct which includes behavioural elements for how we comply with the 10 principles of the UN Global Compact covering areas within: Human and Labour rights, Environment, and Anti-corruption. And thereby reflecting our sustainability standpoints and policies within these areas. In 2023, all employees will receive further training in the Code of conduct, which will be customised depending on their specific role in Kamstrup. Besides an Employee Code of conduct we have in 2021 also formalised a Supplier Code of conduct.

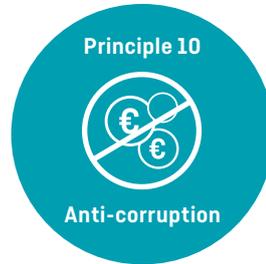
We support and respect the protection of internationally proclaimed human and labour rights. We consider all forms of forced labour, including child labour, as completely unacceptable. Additionally, we acknowledge and support freedom of association in relation to unions and the right to collective bargaining. We seek to be an inclusive workplace with respect for employees in terms of nationality, gender, sexual orientation, age, ethnicity, religion, political orientation, freedom of association, and special needs.

Furthermore, we take pride in developing solutions that enable our customers to reduce their environmental footprint and undertake corporate initiatives that promote greater environmental responsibility and reduce environmental impact. We also encourage the development and diffusion of environmentally conscious technologies. Finally, we oppose all forms of corruption, including extortion and bribery.

Kamstrup Code of conduct addresses the following areas of business ethics:

- Securing information, data, and systems.
- Ensuring fair trade and competition.
- Avoiding conflict of interests.
- Preventing fraud and misuse of Kamstrup assets.
- Design, produce, and deliver for quality.
- Considering environmental sustainability.
- Respecting and protecting our colleagues.
- Whistleblower scheme.

Kamstrup has a sustainability policy based on the 10 principles of the UN Global Compact



Quality, Health & Safety, and Environmental policy

Besides our Code of conduct, we have specific policies covering Quality, Health & Safety, and Environment. The policies highlight our commitments to continuously improve within each specific area and to follow the directions set in the policies.

Diversity, Equality & Inclusion

Kamstrup puts an effort in being a diverse and inclusive workplace where employees are valued, equally treated, and supported in succeeding within their individual tasks and visions.

Investing in the health of our employees and creating a sound working environment, where our employees feel engaged, motivated, respected, and included – is essential for Kamstrup’s culture, performance, and growth journey.

Kamstrup actively seeks to increase the share of women in the Kamstrup Management Team and in the Board of Directors. We will continue to work on our commitment to the Gender Diversity Pledge from Danish Industry.



No known cases of corruption or bribery during 2022.

Data Ethics Policy

The overall objective of this Policy is to encourage and motivate all employees in the Kamstrup Group to handle data with the appropriate care and respect. The policy covers areas as; Security, handle data confidentially and responsibly, conduct data protection impact assessments, relevant valuable data for customers and focus and awareness when processing data.

Kamstrup has a Data Ethics Policy. The overall objective of this Policy is to encourage and motivate all employees in the Kamstrup Group to handle data with the appropriate care and respect. The policy covers areas as; Security, handle data confidentially and responsibly, conduct data protection impact assessments, relevant valuable data for customers and focus and awareness when processing data.

Governance

To ensure data collection, progress, and risk mitigation related to sustainability associated topics, Kamstrup has leading specialists from various functions contributing and supporting the agenda. By August 2021, a Sustainability department was established expanding the existing Quality function to a Quality & Sustainability function. During 2022, the Sustainability team has grown to 3 FTEs and a student worker covering responsibility areas within Sustainability including Health & Safety and Environment (HSE).

End of 2021, “Kamstrup Way of Working - KamWay” was initiated as an internal project to further improve transparency and mature our global governance, visualising and describing policies, processes, and procedures incl. roles & responsibilities and at the same time ensuring easy access to relevant documentation across Kamstrup. Deployment of our KamWay platform and governance is initiated Q1 2023 and will continue into 2024 based on a stepwise roll-out plan.

Compliance

Kamstrup operates with a common understanding of our responsibilities based on the following principles:

- We conduct business with respect and follow all relevant laws and regulations in all countries in which we operate, and in accordance with the internal rules and policies.
- We conduct business in line with the UN Global Compact principles.

Risk and handling of risks

We acknowledge the risk of corruption and bribery taking place, when doing business related to suppliers and in sales negotiations. Also, there is a risk of employees being offered large gifts to promote business. To mitigate these risks, we have addressed the theme in our Code of conduct and will provide relevant training for different functions.

A whistleblower scheme was implemented in 2021 to provide the option of anonymously report breaches with our Code of conduct. There were four reports filed in the whistleblower portal during 2022. These have been handled according to our internal procedure.

Kamstrup Code of conduct

The introduction of Kamstrup Code of conduct was initiated ultimo 2022 and has end of 2022 and beginning of 2023 been communicated and implemented across divisions and countries to further enhance our focus on a common behavioural conduct. Through 2023 this will be implemented through mandatory training for all Kamstrup employees including special training requirements for selected groups.



Cyber security and data ethics

Kamstrup protects data privacy by handling customer and employee data in a secure manner which is demonstrated through our ISO 27001 (Information security) certification as well as our ISAE3000 declaration (GDPR).

We obtained an ISAE3000 type 2 audit declaration, which proves our commitment to responsible and compliant data processing for the data we are entrusted with from our customers.

Kamstrup worked extensively and in continuous close dialogue with our customers to improve our setup regarding international transfers, always keeping personal data adequately safeguarded.

We continuously improve our protection of information security assets corresponding to the changing risk landscape. Our ISO 27001 certification demonstrates our continuous effort and dedication to ensure confidentiality and information integrity throughout the lifecycle of valuable information.

Our approach to data ethics are covered in our Data Ethics Policy Kamstrup continuously improve the protection of information security assets corresponding to the changing risk landscape. The ISO 27001 certification demonstrates the continuous effort and dedication to ensure confidentiality and information integrity throughout the lifecycle of valuable information.



Whistleblower Hotline

Kamstrup is a responsible company with a transparent and open company culture, where employees are encouraged to speak up, if they experience compliance issues or other irregularities.

We have a guaranteed anonymous whistleblower portal “Kamstrup Whistleblower Hotline”, where Kamstrup employees and external stakeholders having an interest in Kamstrup in good faith can submit personal or anonymous reports about serious incidents.

People



A great place to work

Achievements 2022

- ✓ Won **Internationalisation Prize** for interns
- ✓ Won **Special Prize for recruiting talents** in Denmark
- ✓ **127% increase of courses offered** compared to 2021 - 150 courses offered in 2022
- ✓ Implementation of an **introduction programme for new leaders**
- ✓ 60% expansion of our **graduate programme**
- ✓ **60+ interns** in various functions
- ✓ Established a **Friday bar**, Olaf's Corner

HEALTH & SAFETY

- ✓ **Systematic Health & Safety risk assessment** performed in all areas of the business
- ✓ **Improved setup** for both physical and psychosocial **workplace assessment**
- ✓ **First aid training** of 140+ employees
- ✓ **Training of Health & Safety representatives** in improved setup for incident management

Priorities in 2023

- **Attract top candidates within natural science** e.g., IT, technology, and development to support future business
- Continue **leadership, intern, and graduate programmes**
- Investigate employee data to improve **insights and activities related to diversity, equality & inclusion**
- **Follow up on Engagement survey** improvement areas
- Implementation of **Future Workplace project**
- Create **awareness and engagement** in our internal development platform **Learning Management System**

HEALTH & SAFETY

- **New setup for Health & Safety committee**, in line with business processes to increase engagement
- Updated and specified **safety minimum standards**
- **Continued focus** on risk assessment and decrease in number of accidents
- **Follow up** on findings from the **workplace assessment**

Our strategic target for 2030 is to establish the best work environment in the industry



People development

In Kamstrup, we believe that our colleagues are the most valuable asset for the company. Being a sustainable company is highly affected by the wellbeing, motivation, and performance of our people. Therefore, we offer several initiatives to not only get insights of the current state of our colleagues including workplace assessment and satisfaction measurements through our engagement survey, but also continuous employee development conversations, team meetings, and follow up on survey result and employee input.

Our strategic target for 2030 is to establish the best work environment in the industry. The wellbeing and performance of our employees is key to deliver high quality solutions and services and retain and develop our skilled colleagues.

The survey has been completed at both our headquarters and production facilities in Denmark and in the USA including our sales subsidiaries in Austria, Germany, Spain, Norway, Sweden and Switzerland.



GOOD IMAGE
+7 vs GELx world average



RESPECT & TRUST
+3 vs GELx World average



SATISFACTION & MOTIVATION
-1 vs GELx World Average

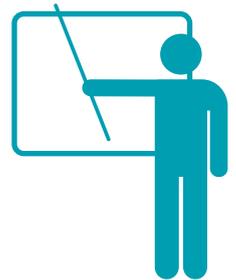
Since 2010, we have annually invited colleagues for engagement surveys measuring the satisfaction of employees, including receiving input, which is actively used to improve Kamstrup as a workplace. This year, the engagement survey also included the physical and psychosocial workplace assessment, thereby connecting our two surveys: the annual engagement survey with our bi-annual workplace assessment. This new format, facilitated by an external vendor, should improve response rate and efficiency as the employee receives the entire survey at once, whilst also achieving 100% confidentiality. To ensure international benchmark opportunities and the best insights as possible, we have changed survey set-up and method to improve follow-up processes and being able to compare to industry index. The new survey framework allows for benchmarking with the World GELx (Global Employee & Leadership Index), which is based on 40,000 answers from 42 countries.

Educating and motivating employees

To fulfil and live our values; inspire, lead, and deliver, you need to have the right prerequisites to succeed based on your area of responsibility, interaction with colleagues, and individual personal goals of development. Therefore, Kamstrup focuses on continuous development through dialogue between employee and manager, internal courses, job training as well as external training and actively encourages our employees to pursue this as part of their individual development plan.

>2800 hours spend on leadership training

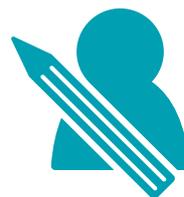
and 150 courses offered during 2022.



All new employees go through both a standard corporate as well as tailored introduction programme and can attend additional online and in-house courses to educate themselves further. Moreover, we ensure individual development and career plans for all employees. Just as we have an integrated graduate programme, with a 60% increase in graduate admission, from two graduates in 2021 to 5 graduates in 2022. Besides continuing our Leadership Development Programme, we also continued a project for all employees in the Danish production offering training during work hours to ensure competencies for future development.

Future workplace

To support our colleague's daily performance and the innovative spirit, we are offering an inspiring and inclusive work environment. To improve the potential of our office and meeting spaces, we are in 2023 renewing several areas of our office spaces to create facilities, that invites for cross organisation collaborative engagements, flexible creative spaces, and casual oases to interact, share, and unfold ideas.



91% response rate on employee engagement survey.

Our target for 2023 is to maintain same or above response rate.

Future workplace

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Employee benefits



Health care center

Dentist

Fitness

Hairdresser

Canteen

Encouraging job rotation

At Kamstrup, we welcome job rotation and consider it part of our corporate identity. We believe that applying for a job elsewhere within Kamstrup is a token of loyalty. Job rotation provides an opportunity to learn and helps us stay innovative and at the same time retain highly skilled employees, reducing our overall turnover. During 2022, 135 employees (including interns) made a job rotation within Kamstrup equalling ~8,8% of our workforce.

The employee turnover for 2022 is 14.8%, which is an increase of 3.3 percentage points compared to last year ¹⁾. This we consider high, but acceptable for a period of time, as we understand the different mechanisms affecting the employee turnover.



Being a dynamic company with a wide range of opportunities for career development is the key to holding on to skilled employees when they seek new challenges.

¹⁾ See calculation and argumentation in Accounting Practice chapter.

Health & Safety – a top priority

The health and safety of our employees is of key concern to Kamstrup. We are certified and follow an ISO 45001 certified framework since 2007 to proactively ensure a high safety level across the organisation. To ensure day to day focus on health and safety, the Health & Safety organisation at the headquarters in Denmark consists of 10 groups, from all business areas and functions, ensuring local presence and initiatives. The Health & Safety committee is chaired by Vice President Quality & Sustainability.

Health & Safety incidents

In 2022, the injury frequency for incidents with absence more than one day unfortunately increased from 3.5 to 5.6 lost time injuries per 1 million working hours. The objective for 2025 is an incident frequency (LTIF) below industry benchmark for Kamstrup collectively and for the employees working in the production. In 2030 the objective is an LTIF below 2 for Kamstrup collectively as well for employees working in production. There was an increase in reported near-miss observations compared to 2021, which is considered positive, as employees are more aware of potential risks that may lead to accidents.

Several activities with focus on maturing our proactive risk mapping and root cause investigation to ensure sufficient preventive actions as well as training of our Health & Safety organisation was initiated Q1 2022 and will continue during 2023. There will be a continued focus on reducing the number of accidents in 2023 through systematic risk assessments, preventive measure implementation as well as training. The graph below shows the collected frequency data from 2017 to 2022. During 2020, we changed our reporting practice to include the difference between minor incidents with absence below one day and near-miss observations.

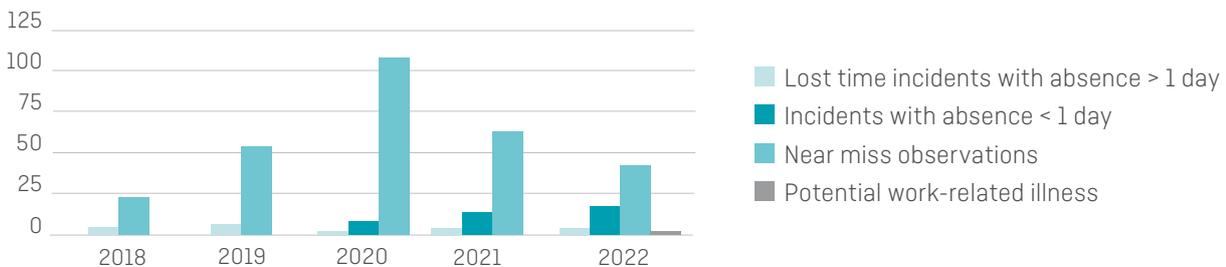
During 2022, more than 45% of the registered incidents (covering accidents, near-miss, and observations) referred to slip, trip & falling, collisions, scratches & bruises.

The accidents with the highest risk score, equalling 12% of the incidents, relate to:

1. **Slip, trip & fall**
A stronger focus on clean and tidiness across Kamstrup is continued from Q4 2022 to 2023 to reduce these types of incidents. Continued communication and learning from incidents incl. near-miss registration to raise awareness and improve our safety culture.
2. **Ergonomics**
There has been an increase in potential work-related incidents regarding ergonomics, which together with the workplace assessment results calls for enhanced focus during 2023.
3. **Electrical hazards**
The improvement action plans from 2022 have been progressing with good results and will continue in 2023.



INCIDENT FREQUENCY



Psychosocial working environment

Besides the physical aspects of our working environment, our psychosocial aspects are considered just as important to Kamstrup.

Health & Safety Committee:
3 x quarterly meetings and
1 x annual evaluation meeting

Furthermore an annual Management Review is conducted by the Kamstrup Management Team covering both the physical as well as the psychosocial aspects. During this review targets and actions plans are approved for the coming year.

During 2022, Kamstrup completed the employee engagement survey including both a psychosocial and physical workplace assessment. The survey results are sent to department managers who follow up on the results and take the necessary actions. Due to the new format of the engagement survey, the data gathered differs from previous years, but is now more comprehensive with more data points to analyse and act upon. Going forward, we will strengthen our efforts and follow up on identified areas of concern and conduct a follow-up survey already in the beginning of 2023.

Based on the workplace assessment survey insights and information from the Health & Safety organisation, we consider our most material risk related to psychosocial working environment to be work related stress.

Work-related stress

Work-related stress is handled through leadership courses, education of HR and the Health & Safety organisations and regular talks between manager and employee. The issue regarding stress became apparent in the new psychosocial workplace assessment.

There appears to be a correlation between stress and satisfaction level regarding "Processes and Tools", which is assumed to be interlinked by the implementation of a new ERP system during 2021-2022, as well as the continued component shortage. Improving the implementation and utilisation of our new ERP system continues to be a strong focus during 2023.

Just as the after-effects of COVID-19 impacted ways of working and how we reflected over daily routines and challenges. The introduction of Kamstrup Way of Working - KamWay (New Management System), being launched in Q1 2023, was motivated by the desire to improve global governance, visualising, and describing policies, processes, and procedures incl. roles & responsibilities, and ease access to documentation which will increase transparency and collaboration globally in the daily operations.

Bullying and discrimination

The psychosocial workplace assessment did not directly show a cultural problem but due to our zero-tolerance policy we find it essential to continuously communicate our standpoint on the matter.

- A zero tolerance has been clearly communicated by Executive Management.
- Action plans are made at division/department level based on the survey result.



Diversity, Equality & Inclusion



Diversity, Equality & Inclusion

Kamstrup puts an effort in being a diverse and inclusive workplace where employees are valued, equally treated, and supported in succeeding within their individual tasks and visions.

Investing in the health of our employees and creating a sound working environment, where our employees feel engaged, motivated, respected, and included – is essential for Kamstrup’s culture, performance, and growth journey.

We believe that a diverse work force supports the creation of an innovative high-tech workplace leading to better cooperation and enabling us to better understand and serve our customers.

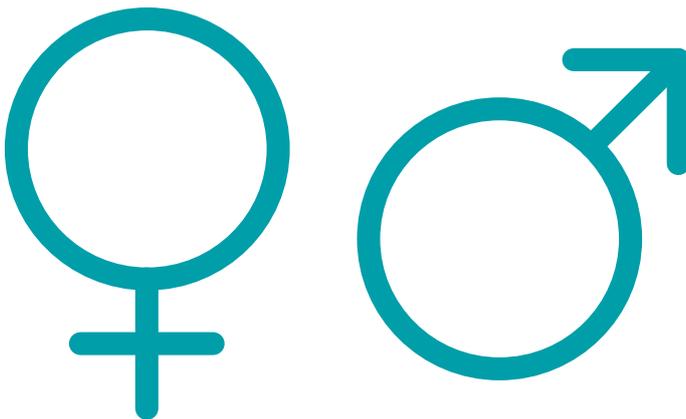
Risk related to gender diversity

Like other technical engineering companies, Kamstrup is challenged by an underrepresentation of women in technology and engineering functions. This risk of not having a diverse representation in the teams can affect our ability to look at projects from different perspectives; how we perceive success, values, and solutions. A great diverse representation in the teams will reflect positively in our solutions. Kamstrup seeks to decrease the gender diversity gap by supporting the Danish Industry Gender Pledge.

Gender diversity at Kamstrup

To increase the share of women, Kamstrup has signed the Gender Diversity Pledge from Danish Industry. This includes commitment to 16 principles enhancing gender diversity and to set own objectives to contribute to increased gender diversity in 2030. Based on the Pledge, Kamstrup is currently working on defining short and long-term targets for gender diversity.

Kamstrup actively seeks to decrease the gender diversity gap, also in the Board of Directors, the Kamstrup Management Team and for employees in managing positions. Below is shown the ratio of men and women respectively.



Board of Directors

2020: 75% men/25% women
2021: 75% men/25% women
2022: 78% men/22% women

Kamstrup Management Team

2020: 94% men/6% women
2021: 88% men/12% women
2022: 89% men/11% women

Employees in managing positions

2021: 84% men/16% women
2022: 83% men/17% women

All employees

2021: 70% men/30% women
2022: 72% men/28% women

Board of Directors

The Board of Directors consists of 9 members in total divided into 6 members appointed at the annual general meeting and 3 employee representatives.

- The appointed members consist of six men.
- The employee representatives consist of two women and one man.

The relative number of women and men has increased among the appointed members in 2022 as a member has joined the Board of directors. Going from five appointed male members to six. All members elected at the annual general meeting are men. During the year, an additional member has joined the board of directors, the new appointed member is a man, however, the appointment is based on the fact that he is CEO of Kamstrup's owner, and thus no election process involving other candidates has taken place during the year. The appointment of employee representatives happens every fourth year and therefore are there not any changes in the increase of the underrepresented gender during this reporting period.

Kamstrup's objective is to obtain a representation of at least one woman, appointed at the annual general meeting, of the Board of Directors by 2025.

Kamstrup Management Team

Kamstrup's Management Team consists of 18 managers of which 2 are women. In 2022 the share of women in the Kamstrup Management Team decreased from 12% to 11%. Our objective is to increase the share of women in the Kamstrup Management Team by 2025.

Recruitment process

Kamstrup strives to keep the recruitment process transparent. When recruiting managers, Kamstrup is particularly aware of the candidates from the underrepresented gender.

Employee development interviews are carried out regularly to clarify employees' ambitions and competencies in relation to advance internally to a potential future management role.

Kamstrup is challenged by the fact that the candidates for a number of managerial and executive positions come from technical institutions where the share of women is significantly lower than the share of men. To increase the interest of young women candidates in taking on a technical career Kamstrup arranges events for young students and at the same time tries to attract new female candidates by joining university events.

Senior club

Five years before the pension age, employees are offered a talk with their manager to create an individual plan going forward until retirement. Colleagues who retire from Kamstrup in Denmark can join an active senior club with a variety of activities and have access to free training facilities.

Kamstrup Youth

In 2022, a new initiative, Kamstrup Youth, was put into work. The initiative is for all employees under 31 years old, with the purpose of creating a community which focuses on establishing a supporting, professional and social network among the younger generation of employees across all functions at Kamstrup. Kamstrup Youth will be launched in the beginning of 2023.



Our objective is to increase the share of women in the Kamstrup Management Team by 2025.

From reversing massive water loss to partnering up and solving the challenge

“We’ve been able to cut back our water treatment plant operations by 3 hours a day, which means our guys can do other things like fixing leaks.”

RONNIE JOE DUNCAN, PLANT MANAGER AT ONEIDA WATER TREATMENT PLANT



Non-Revenue water loss reduced **23%** in three months.

Oneida was experiencing **51%** water loss



ONEIDA WATER TREATMENT PLANT, TENNESSEE, US

In the first three months after the Kamstrup meters were installed, Oneida’s non-revenue water was reduced by 23%. The city’s 51% water loss was reduced to 38% loss, and the water treatment plant operation was reduced by three hours per day. With leak detection on its side, Oneida has transitioned to recovery and are steadily upgrading their infrastructure, utilising a two-man crew to fix an average of five to six leaks per day.

Planet



Enabling a more sustainable future

Through our solutions and daily operations, we strive to minimise our impact on the climate and environment. We are using a certified ISO 14001 framework combined with an annual energy review in accordance with ISO 50001 § 6.3, to proactively ensure a high environmental performance level across the organisation.

During 2022, we finalised the cross organisational strategic project Sustainability, defining Kamstrup's Sustainability strategy and targets.

Achievements 2022

- ✓ **Science Based Targets Initiative** Commitment.
- ✓ **Sustainability strategy** including climate impact reduction targets and action plans.
- ✓ **DI Award** for our ALD (leak detection) solution.
- ✓ **32 charging stations for electrical vehicles** established. Kamstrup now offers charging opportunities at 44 parking lots reserved for electrical vehicles.
- ✓ **Re-designed packaging** for bulk delivery within Heat/Cooling.
- ✓ **Water meter KWM 2231** introduced - **Designed using less material.**
- ✓ Removed artificial small lake and **saved 1.600 m³ of water** per year.
- ✓ Added LED light in one of the remaining buildings to **support better work environment.**
- ✓ **Reduction of the nitrogen consumption by 2/3** in hourly operation time.

Priorities in 2023

- **Greenhouse Gas (GHG) mapping scope 1-3** will be finalised.
- **Screening circular potential** in our solutions and new developments.
- **Phasing out polystyrene** Styrofoam from our packaging choices.
- **Optimise take-back processes** and services for end-of-life hardware.
- Initiate **EPDs (Environmental Product declarations)** on selected solutions.
- Collaboration with waste handler to **increase re-use and recycle percentage.**
- Introduce **bulk delivery** to customers on selected solutions.
- **Finalising new ventilation system** and humidifier installation. Energy savings estimated around **500,000 kWh/ year.**
- Investigate **solar panel** options on the facilities roofs in Denmark.
- LED light in one of the remaining buildings to support **better work environment.**
- Increase the installation of submeters in our production facilities to **enhance data insight** of our resource consumption.

Reactive fault detection were transformed to proactive low-temperature operation

“We have deep knowledge of heat solutions, and Kamstrup has deep knowledge about technology and metering. This combination can lead to a huge difference to the green transition.”

CLAUS A. NIELSEN, HEAD OF BUSINESS DEVELOPMENT AT DIN FORSYNING



DIN FORSYNING, ESBJERG, DENMARK

Together with DIN Forsyning we are co-creating and developing a solution that perfectly fits the reality of all our ambitious customers and benefits the green transition. We have selected DIN Forsyning as a partner as they represent a multi utility operating as a frontrunner within integration of renewable energy sources into the district heating system. Together we are developing a solution that efficiently addresses faulty and misadjusted heat installations on the demand side to secure a cost-effective transition to low-temperature district heating. The solution will bring significant yearly savings for DIN Forsyning and a better service to their customers.

Our solutions & services – Enabling change

Unleash the potential of real knowledge

There's an urgent need for a "greener" and more sustainable path. With our intelligent metering solutions, we are committed to deliver the actionable insights needed to help our customers ensure a clean water and energy supply. If we know the best way to act, we will make the biggest impact. The knowledge and insights we provide our customers, can enable change for a more sustainable future.

Heat/Cooling



HEAT/COOLING

Today's challenges we enable to solve

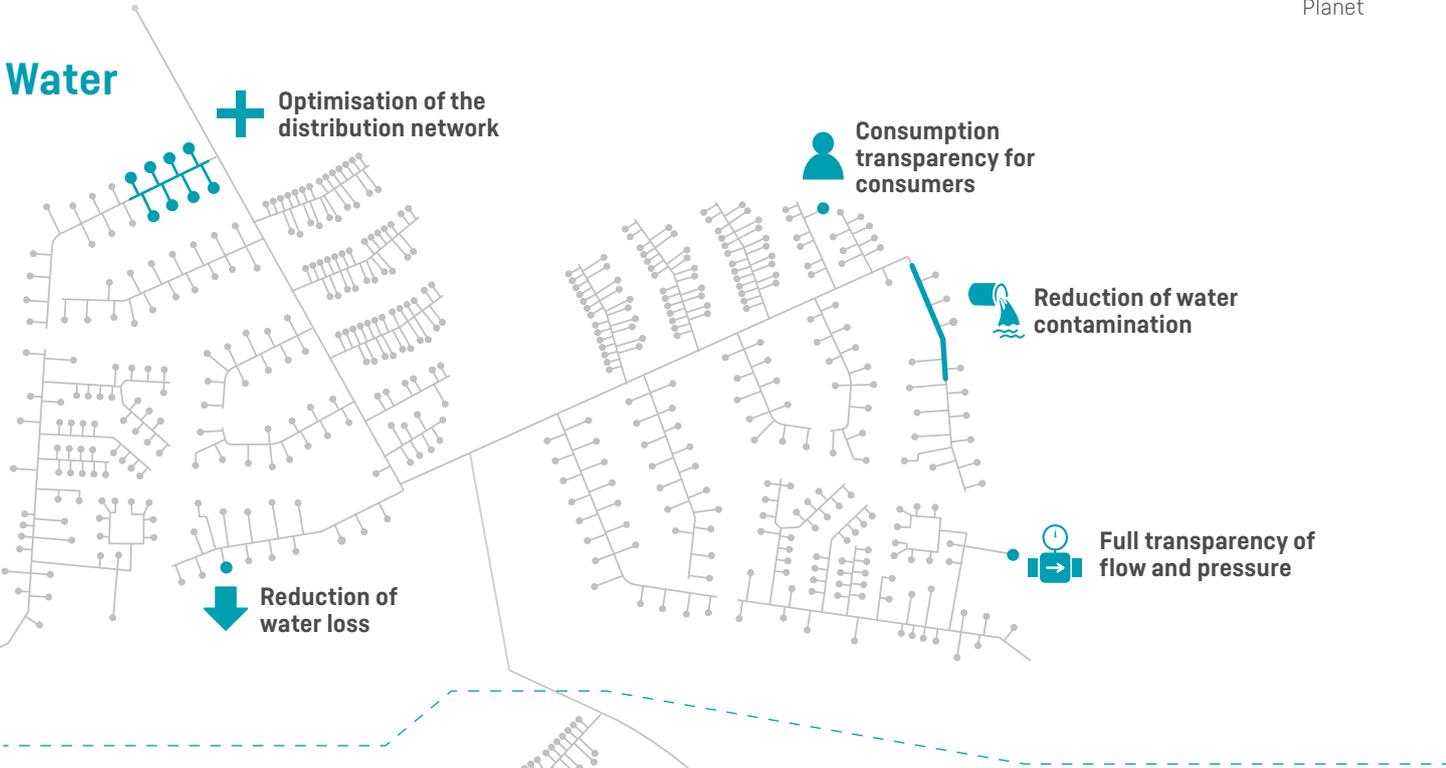
Heating and cooling are energy intensive and currently face the need for a flexible independent and renewable energy supply like district heating. We contribute with insights to optimise and maintain networks and integrate the growing number of fluctuating heat sources efficiently into the distribution network. We enable to reduce energy consumption and thereby lower GHG emissions through insights to flow, temperatures, and actual system capacity and forecast production or knowing exactly at how low a temperature you can run the grid.

WATER

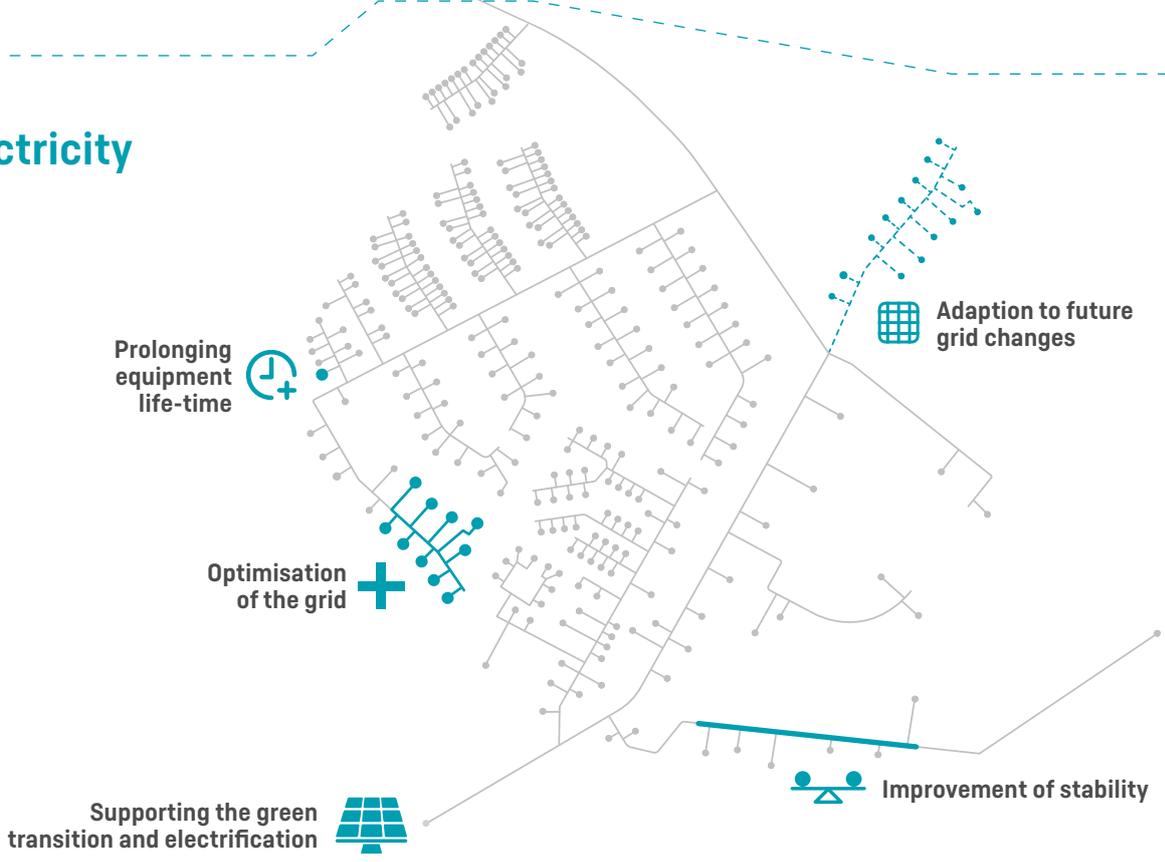
Today's challenges we enable to solve

Maintaining distribution networks, using resources most efficiently, as well as detecting water leaks and thereby saving a valuable scarce resource of clean drinking water. Leak detection of non-revenue water does not only save valuable drinking water and securing supply but also optimises energy use in water pumps, where less leaks corresponds to less pressure and energy and thereby reduced GHG emissions.

Water



Electricity



ELECTRICITY

Today's challenges we enable to solve

The landscape of electricity distribution is changing rapidly. Renewables like wind and solar power lead to a more decentralised production, while the increasing representation of electric vehicles and heat pumps create unprecedented usage peaks that challenge the current grid capacity. Our solutions enable reliable data insights to manage fluctuating consumption patterns, deciding on grid expansions, and detecting irregularities. Intelligent metering is ensuring optimal use of energy resources, utility assets and security of supply.



Climate impact

Science Based Targets commitment



In December 2022 Kamstrup joined the Science Based Targets initiative, a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It focuses on accelerating companies across the world

to halve emissions before 2030 and achieve net-zero emissions before 2050.

The latest climate science from the IPCC - described by the UN as "code red for humanity"- shows it is still possible to limit global temperature rise to 1.5°C, but we as global citizens are dangerously close to that threshold.

The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments.

The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets ²⁾.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Kamstrup has committed to set near-term company-wide emission reductions in line with climate science with the Science Based Targets initiative. Within a 2-year timeframe, we will set, submit, and follow climate targets for emission reduction activities in line with Paris Agreement 1.5 degrees scenario.



Product footprint

We currently calculate the carbon footprint of our products by using the internationally recognised programme SimaPro. End of 2023 we will initiate the work of declaring the environmental footprint on selected solutions establishing LCA (Life Cycle Assessment) in an EPD (Environmental Product Declaration) format. Following the principles of the ISO 14040 & ISO 14044 standards for life-cycle assessment. The model will be based on the standard EN 15804 and will be structured according to the EU's model for product environmental footprint (PEF). The first EPDs are expected to be ready in 2024.

Carbon footprint
Ton CO₂e per product
depending on product size



Electricity
meters



0.04-0.14

Heat/cooling
meters



0.025-0.08

Water
meters



0.02-0.054

Carbon footprint of our product range based on the raw materials, packaging materials, 500 km of transportation, operation for 12 years and disposal.

²⁾ www.sciencebasedtargets.org

Greenhouse gas emissions from manufacturing sites

In our product solutions and daily operations, we continuously strive to operate in the most energy efficient way possible and continuously reduce our emission impact. As an international company delivering intelligent solutions, we have a great understanding on how insights and overview of energy and resource consumption can contribute to emission reduction initiatives to reduce company footprint and costs as well as supporting global goals and enable change for a more sustainable future.

Therefore, climate impact and initiatives to measure and reduce greenhouse gas (GHG) emissions in scope 1-3 are highly prioritised in 2023. Greenhouse gas emissions from our facilities in Denmark and the USA are calculated by converting greenhouse gasses to metric tons expressed in CO₂ equivalents as CO₂e. In this report we show emissions based on our activities in headquarters and production facilities in Stilling, Denmark and our production in Atlanta, USA. Sales offices are currently out of scope but will be included the GHG mapping initiated in 2023.

We report on:

- Direct emissions from owned or controlled sources which include fuel and gas (scope 1).
- Indirect emissions from the generation of purchased electricity and heat (scope 2).

All other indirect emissions that occur in our value chain (scope 3) are also considered important but are currently not part of the report. Scope 3 emissions mapping will be initiated in 2023 to set targets and plan activities following our timeframe and commitment to Science Based Targets initiative.

Kamstrup makes standard climate calculations that includes scope 1 and scope 2 and future mapping will include methodology based on the Greenhouse Gas Protocol and Science Based Targets initiative guidelines. Scope 1 comprises direct emissions derived from the consumption of fuel from company cars and trucks and gas used for heating at our office in the USA. Scope 2 includes indirect emissions from purchased electricity and heating.

The total emissions are unchanged comparing 2021 with 2022 emissions. Even though Kamstrup in general has produced more products the emissions from electricity and district heating in Denmark have not increased considerably. Diesel consumption has decreased and therefore also the emissions from diesel, but petrol consumption has increased. The total fuel consumption from company cars in Denmark have decreased. USA production has also increased its output of produced water meters, which is the reason for increased consumption of electricity and gas.

Emissions [ton CO₂e]

| | 2019 | 2020 | 2021 | 2022 |
|------------------------------------|-------------|-------------|-------------|-------------|
| TOTAL [ton CO₂e] | 1303 | 1192 | 1423 | 1415 |
| SCOPE 1 | 280 | 232 | 276 | 268 |
| DK | | | | |
| Diesel | 51 | 85 | 111 | 87 |
| Petrol | 9 | 5 | 8 | 18 |
| US | | | | |
| Gas, heating | 29 | 32 | 37 | 45 |
| Gas, truck | 0.6 | 0.6 | 0.5 | 0.5 |
| Petrol/Diesel | 192 | 110 | 119 | 118 |
| SCOPE 2 | 1023 | 960 | 1147 | 1147 |
| DK | | | | |
| Electricity <i>Location based</i> | 1011 | 886 | 1067 | 1060 |
| District heating | 11 | 9 | 7 | 7 |
| US | | | | |
| Electricity <i>Location based</i> | 1 | 65 | 73 | 80 |

Improving environmental impact

Kamstrup's impact and processes

Continuously optimising our energy, resource and water consumption at our production and administrative facilities are the focus areas to reduce our internal impact on the environment and climate. Based on our materiality assessment, including updated energy and resource mapping, we continuously define new improvement targets.

Materials and technologies

During our development and manufacturing of products, we balance the selection of materials with the required functionality and lifetime requirements of our products.



We focus on:

- Developing products with low energy consumption and a lifetime up to 20 years.
- Developing products with focus on chemical compliance.
- Product housings are marked with plastic type to enable the most appropriate disposal scenario.
- Product housings are marked with a cross-out bin to clearly indicate that the product contains electronics and batteries and must be disposed accordingly .
- Packaging material (cardboard and plastic) provided with disposal information.

Our environmental mapping identifies energy consumption, product transparency, circularity & waste, freight & packaging, increased legal requirements, and resource scarcity and availability as the most important environmental aspects.

ENERGY CONSUMPTION AND EMISSION



Challenges & risks

To ensure full overview of consumption to continuously monitor and improve impact by focusing on energy efficiency, reductions, and renewables.

What we do

Follow ISO 14001 and 50001 clause 6.3 to ensure a continuous environmental and energy management. The commitment to Science Based Targets initiative means that we will do a GHG-emission mapping according to the GHG Protocol and SBTi guidelines, to identify and rank emission and energy intensive activities. Add more submeters in our processes to increase data insights.

CIRCULARITY & WASTE



Challenges & risks

Waste should be considered a resource and has a great value to a company. Therefore, we focus on reducing waste and optimising recycling to reduce environmental and climate impact, improve utilisation of the materials before ending as waste, and reduce amount of waste and improve recycling for those volumes that cannot be avoided to also reduce costs.

What we do

We are in close dialogue with waste handlers to continuously improve recycling and reuse potential of our waste. Furthermore, we will increase the focus on production waste as well as to increase sorting of waste from canteens and administration. We design our meters for improved circularity, possible to be disassembled for better sorting and recycling.

INCREASED LEGAL REQUIREMENTS



Challenges & risks

During the past years, we have seen a significant increase of environmental legal requirements across markets affecting both us as well as our customers. The need for a strong governance setup has become even more important.

What we do

In Kamstrup, we are using external partners to support the monitoring of new requirements. The different business areas and functional areas are monitoring and implementing requirements. Therefore, we will continuously work with our master data quality and systems to ensure increased accuracy of reporting obligations.

PRODUCT TRANSPARENCY



Challenges & risks

The need for detailed chemical compliance data and material transparency as well as life cycle impact calculations of our product solutions are becoming more and more important, not only in our daily operations as supply chain due diligence and R&D but also to document impact and meeting customer inquiries.

What we do

We will upgrade our current set-up to a more effective managing of product chemical compliance documentation and monitoring by 2024. Just as we will upgrade our current product CO₂ footprint calculations to full life cycle assessment to provide Environmental Product Declarations (EPDs) on selected solutions in 2024.

FREIGHT & PACKAGING



Challenges & risks

Majority of freight solutions today are fossil-based fuels and together with increased business activities including the use of packaging in these processes, we identify impacts we must address and mitigate. customer inquiries.

What we do

Through our GHG mapping we will identify freight impact and make action plan to mitigate the footprint of transportation. Increased data insight of our packaging will support our choices of material, design and processes to reduce environmental and climate impact.

RESOURCE SCARCITY AND AVAILABILITY

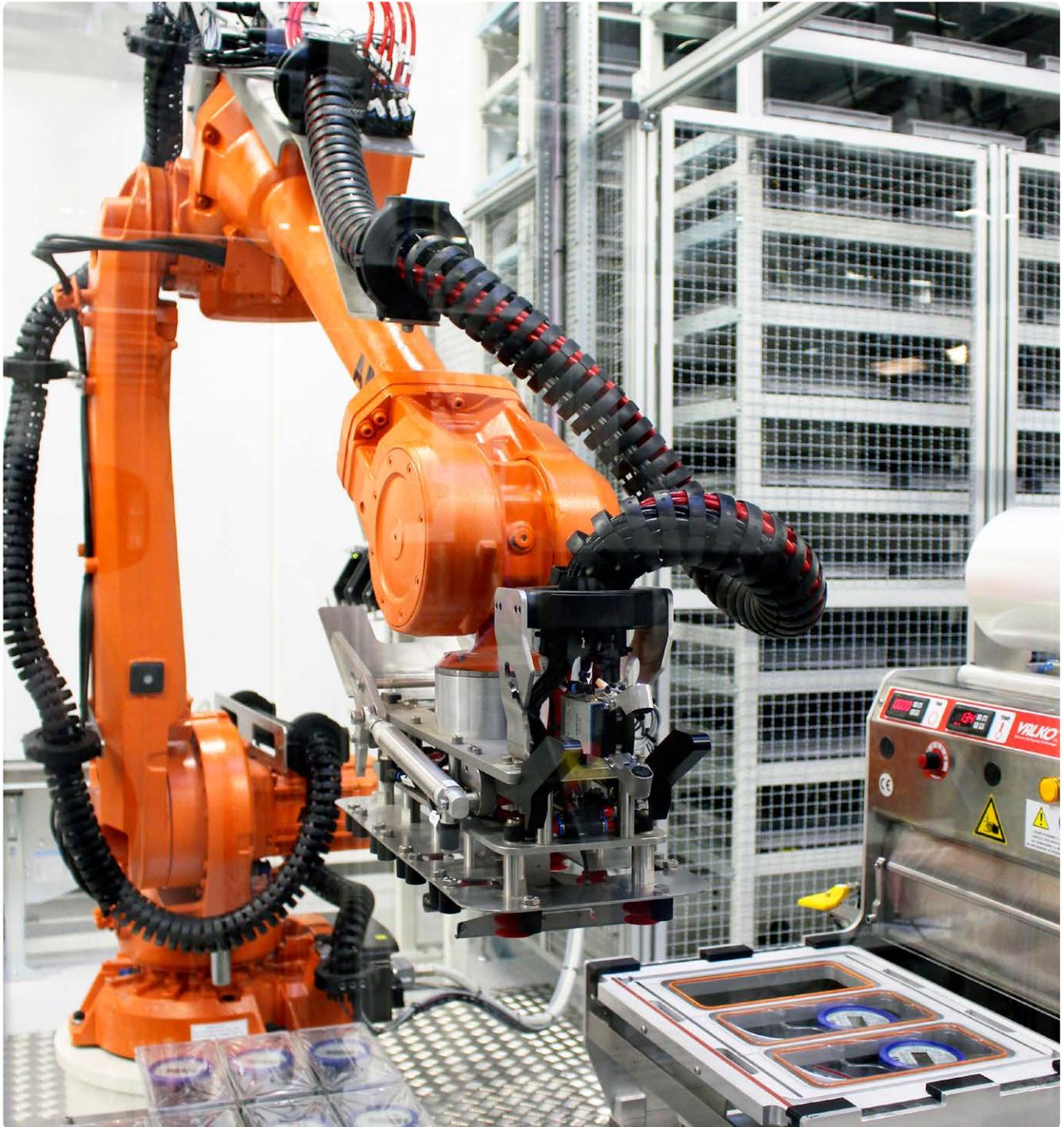


Challenges & risks

Part of our components contain different valuable earth metals or other scarce resources such as cobber, plutonium and titanium. Tantalum is as an example also used in capacitors (electronic component in our products). Just as resources in general like material and water are focus areas that are connected to environmental impact and costs.

What we do

Improving our insights into the occurrence and technological necessity of these metals in our products including how they are mined, is also considered a key future focus point. Add submeters to main water consuming processes to increase monitoring of water resource.

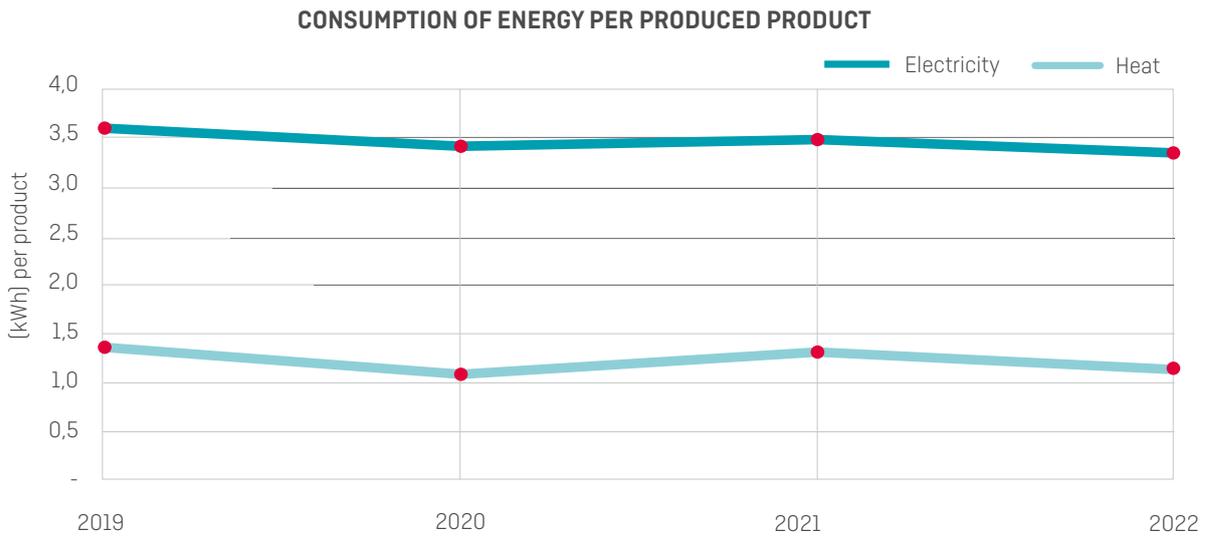


Water meter production.

Energy consumption at Kamstrup DK

The total electricity consumption in 2022 was slightly decreased compared to 2021 even though the total amount of produced meters has increased. Electricity consumption per produced meter for 2022 is similar to 2021. District heating at Kamstrup DK is primarily used for heating, cooling, and ventilation.

The slightly decreased consumption per produced product both for electricity and district heating is a result of increased focus on optimisation of production processes.



8% electricity reduction
2019-2022



19% heat reduction
2019-2022

Nitrogen optimisation

The consumption of liquid nitrogen used for the printed circuit board (PCB) surface soldering process was identified to vary between our three surface mounted technology (SMT) production lines.

One SMT production line was replaced due to age whereas the other two were renovated. This resulted in a significant reduction of nitrogen consumption to almost 1/3 per operating hour, indirectly reducing CO₂ emissions significantly.

The amount of electricity used per manufactured meter were reduced by approximately 21% compared to last year while the amount of natural gas per manufactured meter was reduced by 13% compared to last year. Electricity consumption per produced water meter in the USA is considerably lower than in Denmark. The reason being that part of the manufacturing process, such as printed circuit boards etc. is handled in Denmark and delivered to the USA. Therefore, the numbers cannot be compared.

Energy consumption at Kamstrup production facility USA

Our production facility in the USA uses natural gas for heating purposes and electricity for primarily for air condition in administration and production. Consumption of electricity and heat has increased in 2021 and so has the number of produced meters. Details of electricity and heat are not mapped.

**CONSUMPTION OF NATRUAL GAS AND ELECTRICITY
PER PRODUCED PRODUCT AT US FACILITY**

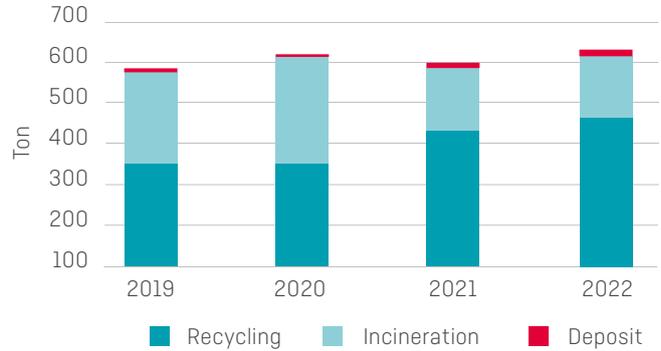
| | 2020 | 2021 | 2022 |
|----------------------------------|------|------|------|
| Electricity pr meter [kWh/meter] | 1.97 | 1.54 | 0.99 |
| Gas heating pr meter [kWh/meter] | 0.09 | 0.07 | 0.05 |

Waste disposal and recycling

Total amount of production waste in tonnes has slightly increased in 2022 compared with 2021. The growth in output of produced products shows, however a positive tendency of a decrease in total waste in kilo per produced meter by 8% compared to 2019. Recycled fraction has increased from 72% to 73%. Incineration fraction has slightly decreased from 27% to 25%, and disposal fraction has slightly increased from 1% to 2%.

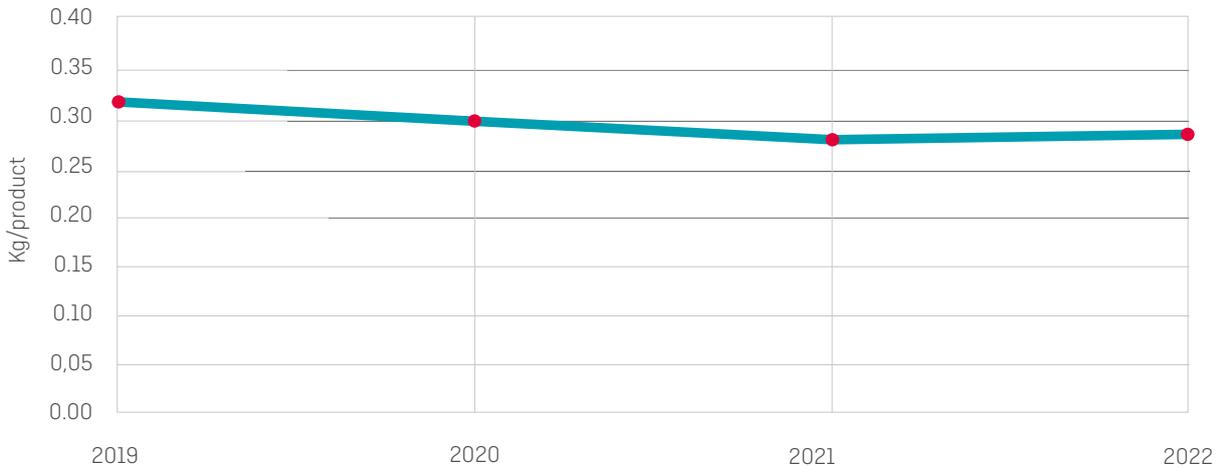
We are first of all working on reducing waste, and secondly implementing processes to ensure more increased recyclability of our waste and returned end of life hardware. The 2022 show a progress in reducing incineration waste category and increasing recycled waste category. However, disposed waste must be held to a bare minimum and this is a continuous focus area for us and our waste handler.

TOTAL WASTE FROM PRODUCTION



73% recycling of waste from own activities during 2022.

WASTE PER PRODUCED PRODUCT

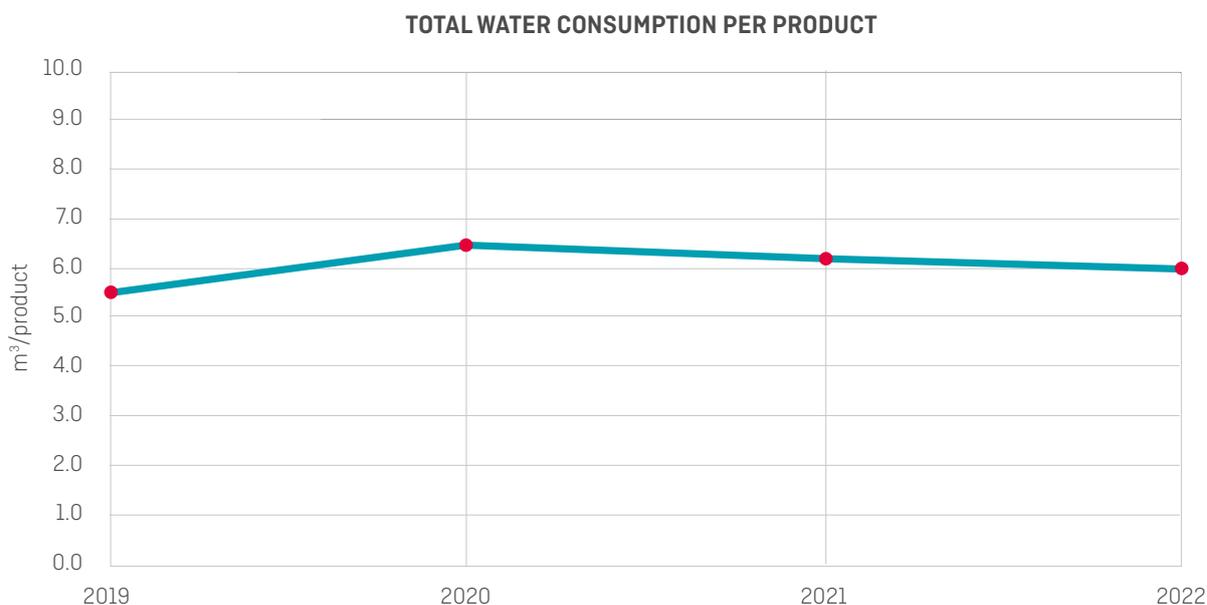


8% reduction
2019-2022

Water consumption

In production, the water consuming processes are related to humidification and flow benches. Other water consuming activities at our sites in Denmark are connected to the canteen and sanitary purposes. The temperature interval in the operation of the flow benches has increased. Therefore, water must be changed more frequently to safeguard good health & safety practices towards the operators. This is the reason why the consumption per product has increased since 2019. However, from 2020 to 2022 we have been able to reduce the total water consumption per produced product with 6% based on previous initiatives like installing sensors on water taps and installing new humidification equipment in one of the production facilities reducing water for humidification with 80% equalling 1,300,000-liter water per year.

Below is illustrated that the amount of water used per product has slightly decreased compared to 2020.



 **6% reduction**
2020-2022

In 2023 we will renovate our humidification and ventilation system in one of our production facilities with an estimated energy saving of 500,000 kWh/year. In 2022 we removed an artificial small lake, which contributes to an annual saving of 1,600 m³ water. Mapping of water consumption shows a potential large consumption for sanitary purposes. We will therefore install submeters to monitor and identify improvement areas.

Wastewater

Kamstrup has two wastewater permits. As part of our compliance programme, we annually take sample testing of the wastewater to ensure compliance with our permit.

Supporting renewable driven transportation

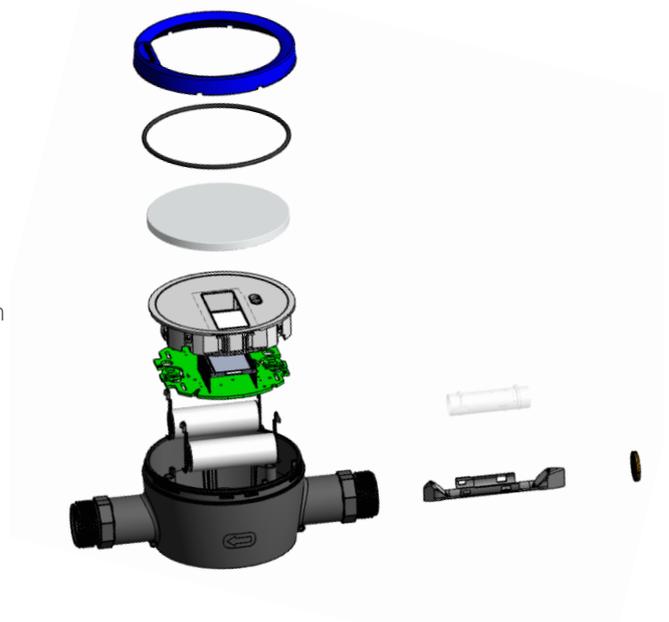
Kamstrup offer company cars that are hybrid and electrical driven to reduce the use of fossil fuels for transportation purposes and to support the green transition. Several locations offer charging facilities e.g., HQ and production in Stilling, Denmark have installed 44 charging stations for electrical vehicles.

To further reduce fossil fuels-based freight transportation we are monitoring new options coming into the market and are in dialogue with shipping companies trying to identify sustainable alternatives for both inbound and outbound transportation offerings.



Circularity

Our solutions are enabling change for a more sustainable future, and we need to ensure that. When addressing climate impact we do not only look at how our solutions deliver positive impact in society, but also how the footprint of these product solutions life cycles can be continuously improved to reduce product life cycle footprint and resources used. We continuously evaluate our product footprint regarding choice of materials, design, and performance. Therefore, we focus on the circular potential of our solutions from the design phase to not only ensure great quality, longevity but also to improve recyclability and improved product footprint.



Recyclability

Reduce, reuse & recycle are elements of our responsible approach to resources used in production. Resource efficiency and recyclability are key to reducing product footprint and climate impact. Therefore, we continuously strive to design and develop solutions that not only meet our high performance and quality criteria but also address the circular agenda, designing for circularity.

An example of this is our 12-year experience of designing and developing water-resistant housing for our water meters. The electronic enclosure of the water meter is hermetically closed and vacuum sealed to protect the electronics from water or humidity entering, even when the meter is completely flooded with water (for instance when mounted in a pit). The Kamstrup design makes it possible to avoid potting with neither epoxy nor silicone, making it possible to disassembly, sort, and recycle.



Our solutions within Water, Heat/Cooling and Electricity are designed with the purpose of ensuring quality performance and product longevity. The longer the lifetime the less average year product life cycle impact during its lifetime.

The components and solutions we collect end of life, are responsibly taken care of by our waste handler. They are manually sorted and separated into clean component/material parts. The materials are then to the widest extent recycled into new product life cycles and potential waste from this process is incinerated with the purpose of energy utilisation. We are in continuous dialogue with our waste handler to improve the waste categories and the re-use and recyclability percentage of material to further reduce impact.

New resource efficient design

Kamstrup has launched flowIQ® 2200, KWM2231, an intelligent water meter with reduced volume and 15% weight reduction compared to MULTICAL® 21. This to not only reduce material use and resources and thereby reduced product life cycle impact, but also to reduce use of packaging and increase freight efficiency when loaded on pallets. This simple design makes it possible to disassemble, sort, and recycle the parts after end of life.



KWM2231

KWM2210

KWM2230

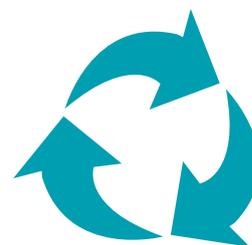
Choice of materials

Performance and quality combined with environmental- and climate impact are essential considerations in our selection of materials in our product development.

Advantages of composite used for Kamstrup water meters:

- The composite material used for Kamstrup water meters enables a compact monolith construction, where the electronic **housing and meter body is moulded in one piece** (residential meters) and hermetically sealed. Improving **water resistance; enabling long lifetime**, as electronic is protected from water and humidity, not flooded with water.
- The Kamstrup design makes it possible to **avoid potting** with neither epoxy nor silicone, making it **possible to disassembly, sort, and recycle**.
- Great quality, strong durable material.

- The composite material is approximately **5 times lighter weight** than other metal-based materials e.g., brass. Lighter weight is an advantage in relation to transportation, freight load, emissions, and when handling the bigger volumes including installation.
- The composite material is a 40% glass fiber reinforced Polyphenylene sulfide (PPS) material. This **composite material has approximately ~3.5 times lower emission impact** for PPS compared to other metal-based alternatives ³⁾.
- **No corrosion:** The composite material is **very resistant** and is not subject to corrosion as seen with metal-based materials. It is chemically compatible to most common solvents and has a **high resistance to chlorine and chloramines used for drinking water disinfection**.



³⁾ Based on SimaPro source, comparing PPS with Magnesium alloy.

Responsible packaging

We are continuously improving our packaging design, content, and processes to reduce use of resources, packaging material and climate impact, enhance recyclability potential and increase efficiency for freight- and delivery processes.

Cardboard: All our plain cardboard packaging is recyclable, just as the majority approx. 2/3 of cardboard contains recycled content. Several items are also FSC certified. In 2023 we will work with suppliers to specify exact number and set targets to increase percentage of recycled content.

Polystyrene Styrofoam: To ensure recyclability of the packaging we use, we have chosen to discontinue the use of polystyrene Styrofoam, which will be phased out during 2023.

Plastic: The plastic packaging used are recyclable. We are looking into the possibility to enhance the content of recycled material in 2023.

The plastic trays used for packaging of our water meters are containing Amorphous Polyethylene (APET) and contains up to 85% recycled content. The tray is 100% recyclable.

Bulk transportation

We acknowledge that customers would like to avoid unnecessary amount of packaging just as we ourselves are working closely on reducing packaging consumption where possible. We have made an analysis on how deliveries in larger volumes can be managed differently and more resource efficient without compromising quality and safety.

In 2022, we made a pilot test for bulk delivery and offer bulk delivery on selected meters from the beginning of 2023. For some of the heat meters we have calculated an average saving on cardboard per pallet to be approx. 14.5 kg when using bulk.

Furthermore, in many cases there is also an incentive related to saving costs by transporting more meters in one pallet and potential in GHG emission reduction as you can transport more meters in one load. We look forward to offering this bulk transportation service to customers and to collect data through 2023 on the resource savings and climate reductions achieved.



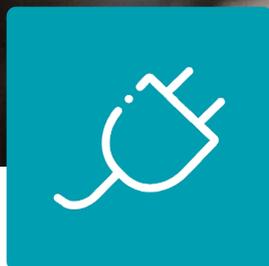
Partnerships



Technology and smart metering prepares for the green transition

“In the future, we want to have a systematic overview. We want to work further with things like voltage, max effect and zero error. The future is knowledge.”

PETER JENSEN, HEAD OF METERING AND INSTALLATION AT NORD ENERGI NET



Utilities must report data 4 times more in the future as presently.



NORD ENERGI NET, HJØRRING, DENMARK

With an increasing electricity demand for the green transition, it is more important than ever to have secure and reliable electricity grids. Utilities face more challenging new regulations and an increasing need for technological solutions. Therefore, Nord Energi Net has partnered up with Kamstrup to make sure they are ready for the future.

Partnerships

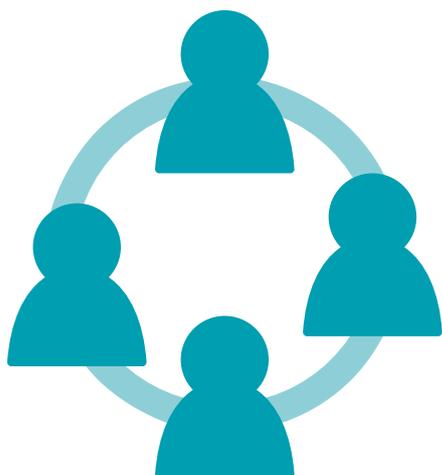
As a company leading within innovative solutions and a vision to support the green transition through our solutions and services, we are convinced that collaboration and partnerships are key to drive change. Therefore, we cherish our close collaboration and relationship with our suppliers, just as in our R&D, business- and functional areas are keen to reach out to renowned institutions, universities, and organisations to harvest the synergies and knowledge created through partnerships and knowledge sharing. It is not only in our solution development and daily work we reach out to collaborate. Also, when it comes to value adding society activities, where our solutions are donated to support in critical water infrastructure, changing lives for several hundreds of people or Kamstrup colleagues partnering up to support good causes, changing lives, and making impact through action and commitment.

Achievements 2022

- ✓ Implementation and dialogue with suppliers regarding supplier code of conduct.
- ✓ Water Valley partnership kick off.
- ✓ Water2Nepal project initiated.
- ✓ Employee donations to Ukraine.
- ✓ Employee donations to Danish Cancer Society.

Priorities in 2023

- Deliver 450 water meters for Water2Nepal project.
- Continuous close supplier dialogue.
- Update sustainability assessment process.



Supplier management

Setting clear expectations

Working with different suppliers all around the world requires great awareness regarding compliance with relevant regulations and customer demands. We do not compromise on our policies, and we set clear directions on how we conduct business. Therefore, we have listed mandatory requirements in our Supplier Code of conduct covering the following main topics:

- **Compliance** with applicable laws and regulations
- **Business integrity:** Corruption and bribery, money laundering, conflicts of interest, protecting and safeguarding intellectual property rights, fair competition
- **Quality:** Mutual beneficial relationships with focus on delivering high quality, quality certifications and documentation
- **Environment:** Chemical compliance, conflict minerals, environmental responsibility
- **Labour standards:** Freedom of association, no child labour, no forced labour, minimum wages and working time regulations
- **Human rights:** Comply with international proclaimed human rights including but not limited to; harassment, discrimination, respecting culture and religion

Suppliers

We have implemented an updated version of our Supplier Code of Conduct which Kamstrup suppliers are required to sign and adhere to. This is done to facilitate that our suppliers act in compliance with relevant law, ensures business integrity, sets certain standards of quality, environment, labour standards and human rights. See separate section for Supplier management for more details.

Supplier responsibilities and due diligence for components

Kamstrup prioritises its sustainable efforts and has systematised the efforts within supplier management mainly focusing on components covering the purchase of materials, semi-finished products, subcontracted activities, and deliverables included in Kamstrup’s product range.

We work in 2 steps

Step 1: Component suppliers must accept and sign the Supplier Code of Conduct.

Step 2: Based on the score of the anti-corruption index the component supplier is required to complete a self-assessment or participate in a third-party WCA (Workplace Conditions Assessment) audit assigned by Kamstrup.

If the self-assessment report is satisfactory, the supplier will be approved. However, if the self-assessment report is unsatisfactory, a WCA audit will be carried out.

Step 1: Supplier Code of Conduct

We continuously work on reducing the impact on the environment caused by our products. To do so, we have assessed the entire supply chain including our suppliers and our partners. We demand that they fully comply with our requirements.

Step 2: Anti-corruption risk-based approach

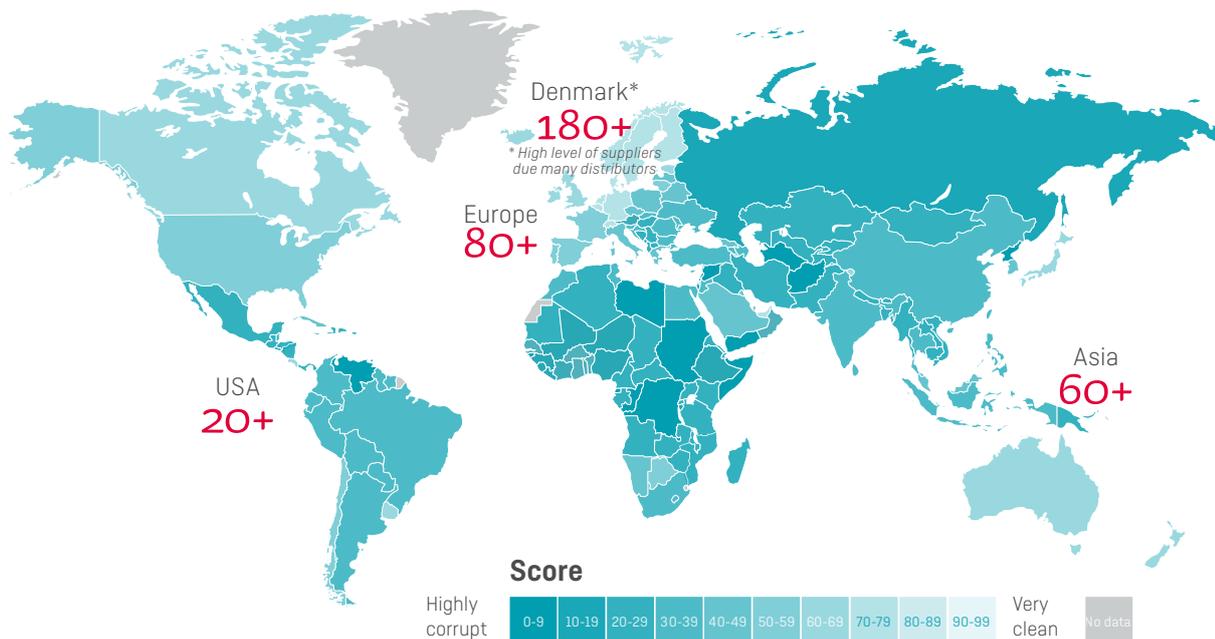
Working with suppliers, Kamstrup faces risks related to Management Systems, Environment, Health & Safety, Labor, Wages & Working Hours. The likelihood of a risk varies from country to country. To mitigate risk, we have implemented a supplier programme. The risk-based approach is based on the global anticorruption index as there is a correlation between high degree of corruption and low performance within other aspects. Above is the dispersion of Kamstrup suppliers based on sustainability numbers.



Approval process of supplier



All results from WCA audits are handled and evaluated the same way as quality audits ensuring that no purchaser can implement a new supplier single-handedly.



Corruption risk index. Source: www.transparency.org

WCA audits

Kamstrup uses the certifying body Intertek to conduct WCA audits also referred to as WCA audits. Intertek performs audits worldwide and their format is the best match to Kamstrup’s needs. The audits serve to obtain a professional/objective evaluation in accordance with local laws and practices. Using an external auditor with local presence improves the audit quality due to communication aspects as well as knowledge of local laws, and easier review of documentation in local language.

The audit covers the following areas:

- Labour
- Wages & Working Hours
- Health & Safety
- Management Systems
- Environment

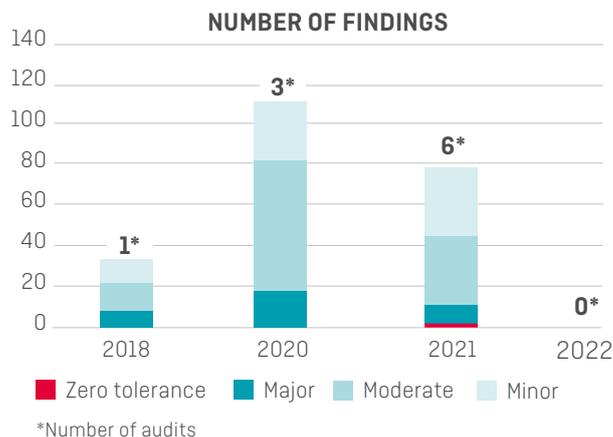
The Supplier Compliance Management team within Strategic Sourcing at our headquarters coordinates and follows all audits performed by the external auditing company. Depending on the audit result the supplier must submit an improvement plan within three months after the audit report is disclosed.

As a standard, zero tolerance findings are not tolerated if considered a severe breach to our Supplier Code of conduct. If accepted, necessary improvements must be decided and coordinated with the supplier. Major, moderate, and minor findings: Findings and improvement plan will be evaluated in the supplier evaluation and through a risk analysis. Necessary actions will be decided and coordinated with the supplier. All results from WCA audits are handled and evaluated the same way as quality audits, ensuring that no purchaser can implement a new supplier single-handedly.

Kamstrup had no zero tolerance findings in 2022. All findings from previous years have been evaluated, followed up upon and are now closed.

Suppliers of non-product related materials and services

For new suppliers of production equipment, services related to shipping, maintenance, IT, and hosting follow step 1.



Number of audits performed at new suppliers.

COVID-19 and its impact on the daily operations

The COVID-19 pandemic in 2020 and its appearance in new mutations during 2020-22 has changed for the better due to several governmental and international initiatives. In 2022, Kamstrup has continued to urge colleagues with symptoms to stay at home as with any other sign of disease or flu. Just as disinfectants have continued to be supplied in the landscape of the daily operations including canteens and toilettes.

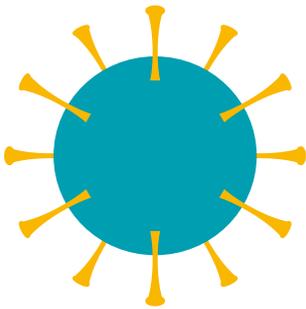
As the governmental guidelines and international recommendations have changed back to normal, we have also in a wider extent returned to daily operation routines as they were before COVID-19. However, there are more focus on hygiene, illness, and a more flexible working week, where online meetings have been adopted in a larger degree than before the pandemic.

Our main risks related to COVID-19 include

The biggest impact of COVID-19 in 2022 has been connected to supply shortages due to lock down in some of these areas where our suppliers are located. This has caused loss of business, delays, and shortages in the supply chain.

Supply chain issues are handled through close cooperation between Supply Chain, Technology and Sales to minimise impact on delivery time to our customers. Kamstrup has also initiated a cross organisational project to close the gap caused by these shortages.

Positively we now see an improvement in the delivery time from suppliers and are mobilising the organisation to continue the delivery of our high-quality products and solutions and closing the delivery gap towards customers.



Enabling change – Together

Partnering for change and development lies in our innovative DNA. The Sustainable Development Goal 17, *Partnerships for the goals*, emphasises the significance of partnerships and cooperation, to achieve the insights and changes necessary for handling current and future challenges. Therefore, Kamstrup aims to not only create change through our solutions, but also by engaging in research alliances and partnerships with companies, institutes, and organisations in the industry, to support innovation and technological development, the green transition, and knowledge-sharing.

Water2Nepal

Water2Nepal is a project initiated by the non-profit organisation, Jysk Village Development in Nepal (Jysk landsbyudvikling i Nepal), with the purpose of delivering clean drinking water to three villages and defining the future criteria for Nepalese water supply. The project covers the construction of a 16 km pipeline solution, that will supply 4,000 people with water. Furthermore, the project will test new technology, and educate the next generation of water engineers. Kamstrup will donate 450 water-meters and remote reading solutions. The project is managed by the engineering consultancy company Envidan and funded by the Grundfos Foundation (Poul Due Jensen Fond). The meters will be delivered and installed during 2023.



No life without water
 The world is facing numerous challenges relating to water distribution, management and recycling.

Water Valley

Water Valley Denmark is an alliance between Danish and international players, including global supply companies such as Kamstrup, as well as science- and research institutes and startups. The purpose of the project is to “accelerate global green growth by establishing one of the world’s strongest platforms for water innovation.” Kamstrup has been a proud partner since the launch of the project, on World Water Day 2021, March 22nd. We participate in various innovation processes in the project, as well as being on the Board and involved in the mentoring some of the start-up companies that Water Valley Denmark supports. Kamstrup also contributes with a yearly donation to the project.

The Water Tower

Kamstrup US is a “Sustaining Partner” of The Water Tower, which seeks to bring together the public and private sectors of the water industry, side by side with academia and non-profits, to tackle the industry’s greatest challenges. The vision of The Water Tower is to support “a thriving ecosystem of water innovation fueled by imagination, informed by research, and powered by pioneers.”, which Kamstrup in our solutions and vision represents and is proud to be part of.



Supporting the green transition

Think-tank representation

Kamstrup is represented in Board of Grøn Energi (Green Energy), a think-tank creating knowledge about sustainable energy systems. They analyse and initiate innovation projects that can enlighten and document district heating's key role in a sustainable and integrated energy system. The work will make the district heating industry visible in the Danish political debate and contribute to a larger export of green district heating solutions to international markets.⁵⁾

A cross boarder partnership

Danish District Heating Alliance (Dänische Fernwärme Allianz (DFA)) is a partnership between the Danish Energy Agency, the Trade Council of Denmark, and the Danish district energy industry, working on creating a platform that facilitates knowledge-sharing and collaboration between Denmark and Germany. Kamstrup is one of 10 Danish companies working together with DFA, to support the green transition of the entire value chain of the district energy in Germany⁶⁾. The strategic business alliance has the purpose of expanding Danish solutions, based on green and renewable energy sources as an alternative to coal and gas, on the German market.

International network

Euroheat & Power (EHP) is an international network for district energy, with the purpose of promoting sustainable heating and cooling. Kamstrup is working actively in EHP, alongside various players within the sector from over thirty different countries.

Donations

Support to Ukraine and our Ukrainian colleagues



During 2022, the Kamstrup employees initiated two fundraising events to support the people of Ukraine and to stand by and show our support to our dear Ukrainian colleagues. The two fundraisings were initiated by engaged and dedicated Kamstrup employees, and included both donations of clothes, food, sleeping bags, and other essential goods. Besides donating critical items to improve the daily living through this time of war. Kamstrup colleagues have raised money through bake sales and donations. Colleagues all over Kamstrup have in total donated 154,712 DKK to support the Ukrainian people. Kamstrup as a company has chosen to more than double this amount adding additional 165,311 DKK to the good cause. The total amount of 320,023DKK has been donated to the organisations; Red Cross, UNICEF, and Bevar Ukraine (Save Ukraine).

Beat breast cancer



Kamstrup had its annual bake sale fundraising for "Beat breast cancer" (Støt Brysterne) 4 November, 2022, initiated by passionate employees. Danish Cancer Society and their campaign to beat breast cancer (Støt Brysterne) is a charity supporting research in the treatment of breast cancer, prevention, and supporting the patients.

This year, over 2,200 cakes, all baked by Kamstrup employees who wanted to support the important cause, were bought, and the donations from the bake sale amounted to 23,375 DKK, beating the 2021 record by nearly 5,000 DKK was donated the Danish Cancer Society.

⁵⁾ <https://www.danskfjernvarme.dk/groen-energi>

⁶⁾ <https://tyskland.um.dk/eksportraadet/energy-environment-industry/district-energy-advisory/services/daenische-fernwaerme-allianz>

Accounting practice

HIGHLIGHTS 2022

Earnings before tax

EBT **308.1 mDKK** – Kamstrup’s annual report 2022.

Revenue

2,799.9 mDKK – Kamstrup’s annual report 2022.

Innovation investment

Cost in 2022 within innovation corresponds to **11%** of the revenue of **2,799.9 mDKK**, of Opex and Capex invested in R&D.

Employees

1,575 employees, based on FTE from 31.12.22.

Production sites

Production sites include 4 production facilities in Stilling, Denmark for PCB, Water meter, Heat/Cooling meter and Electricity meter production. As well as 1 production meter site in Roswell, GA, USA

Locations

Addresses and contact information for sales offices and distributors can be found on:

<https://www.kamstrup.com/en-en/about-us>

Customer cases

Results are based on customer experience from the data input their meters and systems have provided.

Environmental achievements

Reductions from 2012-2022 calculated in percent.

ABOUT KAMSTRUP

Business model

Kamstrup’s business model illustrates how our products and services are initiated in the innovation and development phase. We source through our supply chain and manufacture our products and develop solutions.

We go to market with sales and services and distribute our products worldwide through logistic solutions to several different types of customers before the product has reached its end of life and can be included into new life cycles. This business model illustration is related to the requirements outlined in the Danish Financial Statements Act § 99a.

COMPLIANCE

Corruption cases

No known cases to Executive Management. Based on number of identified cases within Kamstrup’s operations and supply chain, which relate to breach on corruption and bribery.

PEOPLE – A GREAT PLACE TO WORK

Employee satisfaction survey

Response rate of 91% based on total FTE.

LTIF

Count of incident frequency: Count of incidents with injury and > 1 day absence per 1,000,000 working hours.

Reported by employees in accident database, Kamstrup headquarters. From 2020, we report on both near miss observations and minor incidents < 1 day of absence.

The 2025 LTIF objective is to be below industry benchmark. Industry benchmark are to be found on Danish Industry (DI) website, based on statistics from NetStat.

Minor incidents

Accident with injury with < 1 day of absence reported by employees in accident database, Kamstrup headquarters.

Near miss observations

Incidents which could lead to injury reported by employees in accident database, Kamstrup headquarters.

Employee/turnover

The employee turnover is defined as the sum of employees who leave Kamstrup during the year 2022 divided with the average counted employee headcount per month during the year 2022.

Only the following resignation reasons are included in the employee turnover calculation: voluntary, involuntary and pension (e.g., temporary resignations are not included)

All employees that works in Kamstrup in relation to their own education (student workers, interns, apprentices etc., overall defined as “Students”) are not included in the employee turnover calculation.

Only employees in Denmark are included.

The accounting practice has changed from previous year to get better insight. The practice in 2021 and before was: The employee turnover defined as the proportion of employees who leaves the company in the given calendar year divided with total FTE’s counted on 1 January 2021.

DIVERSITY, EQUALITY & INCLUSION

Board of directors

Board of directors consists of 9 members in total. 6 appointed representatives at annual meeting and 3 employee representatives.

Kamstrup Management Team

Kamstrup Management Team consists of 18 members in total. Kamstrup's Management Team (KMT) consisting of Vice Presidents and Senior Vice Presidents. The count of Kamstrup Management Team is head count.

Managing positions

Employees in managing positions consists of 184 people and is head count. Managing positions are defined as employees having minimum 1 FTE in reference.

Total employees (FTE)

Total number of Full Time Equivalent employees on 31 December 2022. Kamstrup has in total 1,575 employees.

§99b

This chapter Diversity covers information related to the requirements outlined in the Danish Financial Statement. Act § 99b about reporting on the underrepresented gender in managing positions on management level and board level.

PLANET

Electricity, Kamstrup DK

Total amount of electricity purchased for our own operations in Stilling, Denmark. Data is extracted from Kamstrup Energy Management System based on data from electricity provider.

GHG emission factor electricity, Kamstrup DK

lea.org, 2021: 0.144 kg CO₂/kWh.

Electricity, Kamstrup USA

Total amount of electricity purchased for our US-based operation in Atlanta. Based on data from electricity provider.

GHG emission factor electricity, Kamstrup USA

lea.org, 2021: 0.183 kg CO₂/kWh.

Heating, Kamstrup DK

Total amount of district heating purchased for our Danish Kamstrup facilities in Stilling. Data is extracted from Kamstrup Energy Management System based on data from district heating provider.

GHG emission factor central heating, Kamstrup DK

District heating emission 2021 is 31.4 g CO₂/kWh, based on Green accounting report 2021 for Skanderborg Hørning Fjernvarme. There are not updated emission factor for 2022 and therefore emissions for 2021 is used.

Natural gas heating, Kamstrup USA

Total consumption of natural gas used for heating in our US facilities in Atlanta.

GOV.UK conversion factors for company reporting of green house gas emissions.

2022 2.02 kg CO₂e/m³. GHG emission factor natural gas heating, Kamstrup USA.

US Energy Information, November 2021:

55.03 kg CO₂/1000 cubic feet 1000 CF = 10.37 therms
US Energy Information, November 2021:
1 therm = 96,432 cubic feet. 1 CCF = 100 CF.

Truck gas, Kamstrup DK

Amount of propane gas used for trucks at Kamstrup Stilling, Denmark.

Based on GOV.UK conversion factors of GHG emissions 2022: 2.939 kg CO₂e/ton

Petrol and diesel, Kamstrup DK

Data of fuel consumption covers Kamstrup service cars and is based on leasing data.

GHG emission factor petrol and diesel, Kamstrup DK

Based on GOV.UK conversion factors for company reporting of green house gas emissions 2022:
Petrol: Emission factor 2.16 kg CO₂e/liter
Diesel: 2.56 kg CO₂e/liter.

Petrol, Kamstrup USA

Data of fuel consumption cover US Kamstrup service cars and is based on US petrol supplier.

Emission factors petrol, Kamstrup USA

Based on GOV.UK conversion factors for company reporting of green house gas emissions 2022:
Petrol: 2.16 kg CO₂e/L

Greenhouse gas calculation scope

Numbers included in GHG calculations refer to administration and production sites in Stilling, Denmark and Atlanta, USA. The reporting of GHG emissions covers scope 1 & 2. Greenhouse gas emissions from our facilities in Denmark and the USA are calculated by converting greenhouse gasses to metric tons expressed in CO₂ equivalents as CO₂e. In this report we show emissions based on our activities at headquarters in Denmark and our production in Atlanta, USA.

Scope 1: Direct emissions from owned or controlled sources which includes fuel and gas.

Scope 2: Indirect emissions from the generation of purchased electricity and heat.

Scope 3: All other indirect emissions that occur in our value chain are also considered important but are currently not part of the report. We will initiate the GHG mapping of scope 3 in 2023.

Produced products

Total number of finished approved products shipped to customers.

Water, Kamstrup DK

Consumption of water is measured in m³ extracted from Kamstrup's Energy Management System which is based on data from water utility company.

Waste, Kamstrup DK

Generation of various waste fractions refer(s) to Kamstrup A/S generated from production sites and administration in Stilling, Denmark and is weighed in tons. Waste category is generated through the waste handlers customer portal. Incinerable waste from kitchen is estimated as it is not weighed upon disposal.

Waste water sample, Kamstrup DK

Waste water samples tested and approved by accredited company. Based on water samples from 29 September 2021 and 25 October 2021.

Carbon footprint of products

Calculation tool: SimaPro, Ecoinvent Data. Latest versions used at time of calculation. Carbon footprint of our product range is based on the raw material content, packaging materials, 500 km of transportation, operation for 12 years and end of life.

PARTNERSHIPS – SUPPLIER MANAGEMENT**Audits 2022**

Zero (/no) suppliers have been audited as there have been no suppliers during the screening process, which was identified as categories that would require an audit. The audit of a certain new supplier is based on a geographical risk assessment.

UN Global Compact Index

| UN Global Compact Principle | | Activity | Page | |
|-----------------------------|-----------------|---|--|--|
| Principle 1 | Human rights | Businesses should support and respect the protection of internationally proclaimed human rights | About the report CEO statement Policies - Code of conduct Supplier management - Audit | 3 5 10 43 |
| | | Principle 2 | Make sure that they are not complicit in human rights abuses | About the report CEO statement Policies - Code of conduct People Supplier management - Audit |
| Principle 3 | Labour rights | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | About the report CEO statement Policies - Code of conduct Supplier management - Audit | 3 5 10 43 |
| Principle 4 | | The elimination of all forms of forced and compulsory labour | About the report CEO statement Policies - Code of conduct Supplier management - Audit | 3 5 10 43 |
| Principle 5 | | The effective abolition of child labour | About the report CEO statement Policies - Code of conduct Supplier management - Audit | 3 5 10 43 |
| Principle 6 | | The elimination of discrimination in respect of employment and occupation | About the report CEO statement Policies - Code of conduct People Supplier management - Audit | 3 5 10 19 43 |
| Principle 7 | Environment | Businesses should support a precautionary approach to environmental challenges | About the report CEO statement Policies - Code of conduct Planet Supplier management - Audit | 3 5 10 23 43 |
| Principle 8 | | Undertake initiatives to promote greater environmental responsibility | About the report CEO statement Policies - Code of conduct Planet Supplier management - Audit | 3 5 8 23 43 |
| Principle 9 | | Encourage the development and diffusion of environmentally friendly technologies | About the report CEO statement Policies - Code of conduct Planet Supplier management - Audit | 3 5 10 23 43 |
| Principle 10 | Anti-corruption | Businesses should work against corruption in all its forms, including extortion and bribery | About the report CEO statement Policies - Code of conduct Compliance Supplier management - Audit | 3 5 10 12 43 |

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