

The VELUX Group

Corporate Responsibility Report 2013

Building a Model Company





Our approach

Corporate responsibility at the VELUX Group describes the principles, policies and processes that help us deliver on our objective to be a Model Company.



Citizenship

The long-term success of our company depends on the health and prosperity of the societies where we do business. We take our social responsibilities seriously and aim to use our influence and resources to create value for both our company and society. Each year, a share of the profits is distributed to society by the VELUX Foundations.



Products and services

Through research, innovation and partnership, we are helping to define the sustainable buildings of the future, whilst continually working to improve the performance of our products.



Customer interaction and business partners

The VELUX Group strives for the highest standards of business practices in our interactions with our customers and business partners. We promote responsibility and respect for human rights in our supply chain.



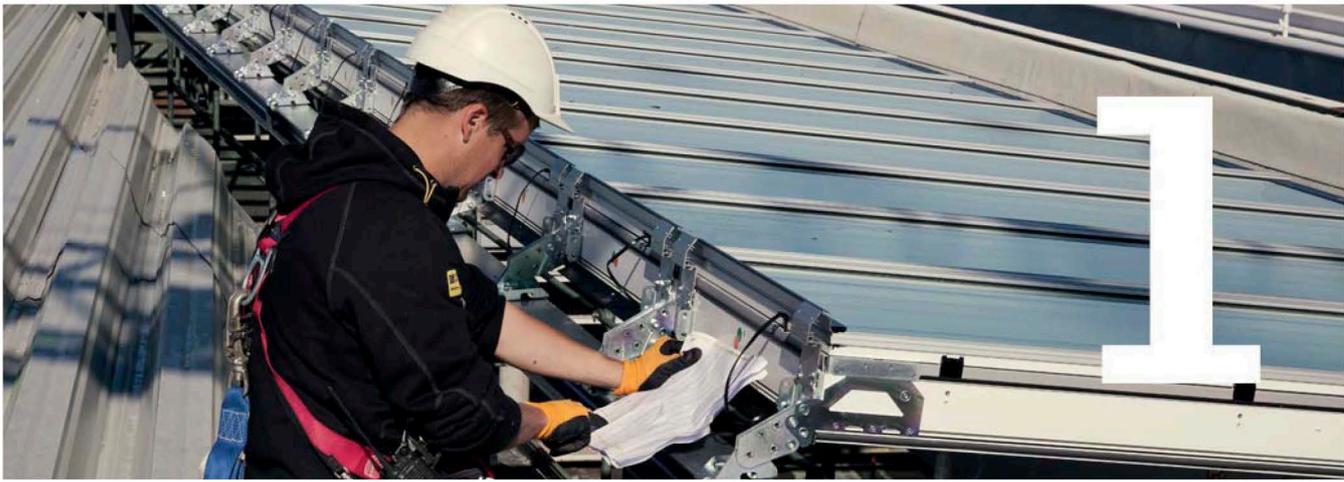
Organisational behaviour

Our values-based approach and focus on creating a workplace built on innovation, teamwork and mutual respect helps us to attract and retain the talent we need. We are systematically working to reduce environmental impacts of our operations and to achieve our goal of zero accidents at work.



Performance

To get the overview of how we have done in selected areas, our performance is measured by the indicators below and progress is tracked against these indicators. You will also find more information about the report and the guidelines we have applied to determine what to include and the contents of the report.



Our approach

Corporate responsibility at the VELUX Group describes the principles, policies and processes that help us deliver on our objective to be a Model Company.



VELUX Management Group
Klaus Lorentzen, Product Development
Jacob Schambye, Market & Product Management
Michael K. Rasmussen, Brand, Communication & Marketing
Patrick W. McKenzie, People & Strategy
Jorgen Tang-Jensen, CEO
Peter Bang, CFO
Peter Kragh Knudsen, Logistics and Facilities

A message from our Management



It is our ambition to lead the development of better indoor environments with daylight and fresh air through the roof. Our products help to optimise human health and well-being and minimise the environmental impact of buildings.

An important aspect of aiming to be a Model Company is to work with products that are useful to society. In 2013, we conducted Life Cycle Assessments of our core products in Northern Europe. The calculations show that the main CO₂ impact of a VELUX roof window is in the use phase and, in many cases, our roof windows have a positive CO₂ footprint over their complete lifecycle. This means that the positive energy contribution of the roof window through passive solar gain during the use phase exceeds the energy consumption for production, distribution, installation and disposal.

In 2013, we had a historically low number of work-related accidents. On the KPI of hours lost due to accident, the result was below both our target and the lowest number we have ever registered. On the KPI of number of accidents, we have never had so few – but, unfortunately, we did not reach the target we set for 2013. Overall, we are satisfied with the result that shows that we have fewer and less serious accidents. We retain our long-term ambition of zero accidents.

In terms of CO₂ reduction, we did not reach our target – but we were below the 2012 level. This result could, of course be more positive, but it comes as no surprise to us. Because of the low growth in the building sector and the unstable global economy, we have to prioritise our investments, like all other companies – and we have put our investments in CO₂ reduction on hold.

In the previous five-year period from 2007-2012, we reduced our emissions by 14 per cent. The remaining reductions required to reach our 2020 target will be achieved in the coming years by working further on improving our energy efficiency and by using more green energy sources.

The purpose of this report is to document how we act as a responsible company and how we strive to be a Model Company. That is a quest that started with our founder Villum Kann Rasmussen and one that will never end. With this report, we give an insight into the activities we initiated in 2013 as part of this quest.



Being a Model Company



To become a model for others was an important ambition for the VELUX Group's founder, Villum Kann Rasmussen. In 1965, he expressed this goal in the Model Company Objective, which is still the guiding principle for our way of doing business. The Model Company Objective forms the raison d'être for the VELUX Group, inspiring the whole organisation to set a positive example through our behaviour, to create value for our customers and employees, to carry out our activities with the least possible impact on nature's resources and to make a positive difference in society.

Making a profit is an important objective of the Model Company Objective, allowing us to sustain growth and maintain financial independence for future development. A share of our profit is paid back to society by THE VELUX FOUNDATIONS.

Our products support the Model Company Objective by being useful to society, improving people's everyday lives with comfortable and healthy living environments.

The Model Company Objective – why we are here

"It is the Group's purpose to establish a number of Model Companies, which cooperate in an exemplary manner. By Model Company we mean a company working with products useful to society, which treats its customers, suppliers, employees of all categories and shareholders better than most other companies. A Model Company makes a profit, which can also finance growth and maintain financial independence."

Villum Kann Rasmussen, 1965

Our values – who we are

Commitment

We work for the VELUX Group because we want to

Mutual respect

We treat others as we would like to be treated ourselves

Improvements

Our future is shaped by our continued ability to improve

Local initiatives

Local initiatives are essential to achieve our common goals

Thoroughness

The right effort, in the right place, at the right time

Our vision – where we are going

The VELUX Group's vision is to lead the development of better living environments with daylight and fresh air through the roof and to be rated as the best in the eyes of our customers.



Explaining our Model Company Objective



At the heart of the VELUX business is the Model Company Objective, urging us always to do better than most other companies – through the products we develop and through the way we do business.

Our Group is guided by our wish to provide high-quality products that are useful to society and bring daylight and fresh air into people's homes and lives at affordable prices.

The Model Company Objective should also be experienced by our customers and other partners in the way we do business with them. We engage with our stakeholders to make sure our products stay relevant and create value for individuals, for companies and for society as a whole.

Internally, we focus on creating an inspiring and safe working environment and on developing our employees to succeed with their careers and navigate in an ever-changing business environment.

We conduct our business in a way that limits the impact on the surrounding environment and natural resources.



Case: How we act as a Model Company in the local society

The successful cooperation between the VELUX factory and the town of Partizánske in Slovakia was awarded when General Manager Jørgen Laursen – on behalf of the factory – received special recognition for the company's proactive approach and dedication in building up a lasting cooperation with the town.

The award was presented to the VELUX factory by Partizanske for:

- activity with local schools, opening its doors to pupils of elementary and secondary schools and welcoming 109 students in 2013
- participation in voluntary activities, with 50 employees volunteering in the Our Town activities
- support to local initiatives in sports and social support through THE VELUX FOUNDATIONS.

In his speech of thanks, Jørgen Laursen stressed that part of the Model Company Objective is to pay back to the society that the company is part of: "Our Group always strives to support the local communities where our factories are located and we will continue our effort to pursue our common interest," said Jørgen Laursen.



Our Strategy



World Conference 2013

In 2013, the new VELUX Group Strategy 2013-2017 was developed and presented. The overall goals, which will be continued from the previous strategy period, are to:

1. ensure the relevance of our core business (daylight and fresh air through the roof)
2. retain our high market share globally
3. deliver high profitability.

The goals will be achieved by:

- delivering outstanding perceived value with affordable core products and services
- by focusing on high-volume standard product platforms for the mass market
- leveraging our scale advantage to produce at significantly lower cost than competitors
- fulfilling local customer needs with lean global structures and processes
- so customers are satisfied and our local relationships are strong
- to remain the strongest brand in our industry.

One of the strategic initiatives is to re-vitalise our unique VELUX culture based on the Model Company Objective and the VELUX Values. The aim of the "Re-vitalise" project is to ignite passion and boost performance in the organisation as an important lever to achieving the company's strategic ambitions. [Read more](#)

Our common goals Describes what it is we are trying to achieve as a company

1. Ensure relevance of core business (daylight and fresh air through the roof)
2. Retain high market share globally
3. Deliver high profitability



VELUX Strategy Statement 2013

Successfully executing this will ensure that customers continue to ask for VELUX by name!

Our competitive formula Describes what we do to keep our unique position in the market

1. Deliver outstanding perceived value with affordable core products and services
2. By focusing on high-volume standard product platforms for the mass market
3. Leveraging our scale advantage to produce at significantly lower cost than competitors
4. Fulfilling local customer needs with lean global structures and processes
5. So customers are satisfied and our local relationships are strong
6. To remain the strongest brand in our industry



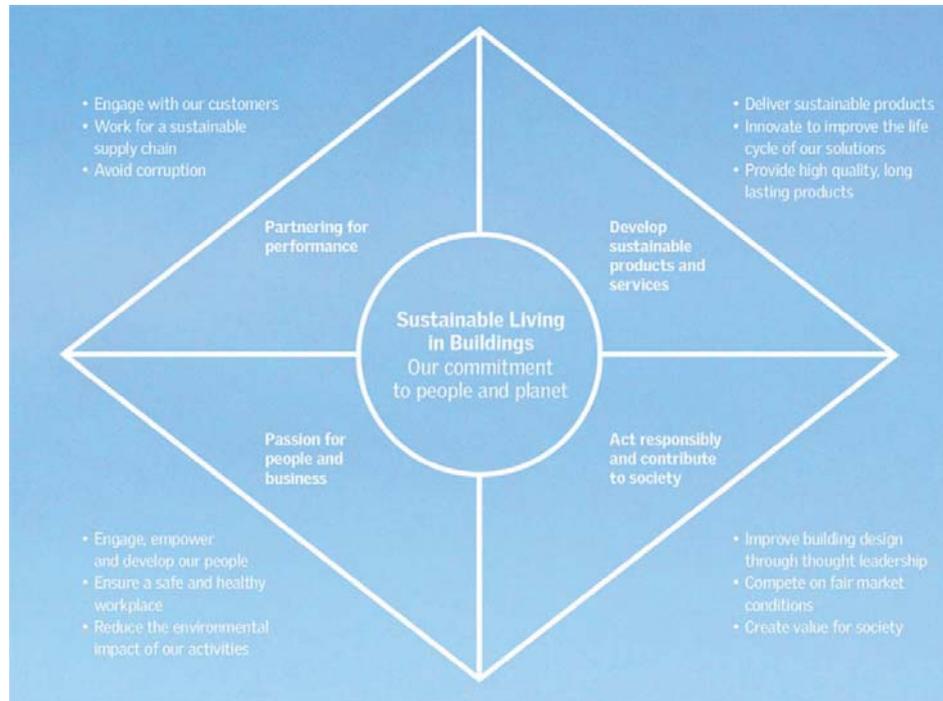
Our approach to Corporate Responsibility



The VELUX Group continuously strives to build a Model Company, i.e. a company that develops products that are useful to society and a company that treats its customers, suppliers, employees and shareholders in an exemplary manner.

A dedicated focus on Corporate Responsibility in everything we do helps us implement the Model Company Objective in practice.

Our Corporate Responsibility activities are determined and governed by the VELUX Management Group.



The VELUX CR model visualises how we understand and work with Corporate Responsibility in the VELUX Group.



Perception of the VELUX Group as a responsible company

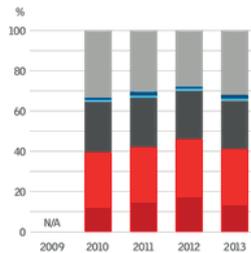
The Model Company Objective and its inherent responsible business practices are deeply rooted in the VELUX organisation. Every year, the perception of the VELUX Brand is surveyed among core customers and the general public.

The overall result of the survey is that the percentage rating us negatively is nearly zero among those who know the VELUX Brand.

98 per cent of the professional stakeholders (installers and builders' merchants) with in-depth knowledge of our company rate the VELUX Group as a socially-responsible and environmentally-conscious company.

Among the general public, awareness of the VELUX Group's Corporate Responsibility is significantly lower; around 45 per cent of respondents characterise the company as environmentally conscious and socially responsible. The remaining 55 per cent answer "don't know" to these questions. We will therefore strengthen our communication with the general public about our Corporate Responsibility activities.

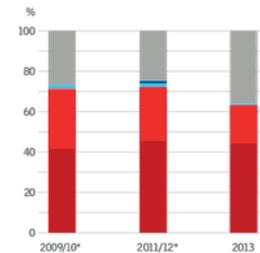
The VELUX Group is socially-responsible company



General public feedback through third party satisfaction tracking survey

Completely agree, Agree, Neither/Nor, Disagree, Completely disagree, Don't know

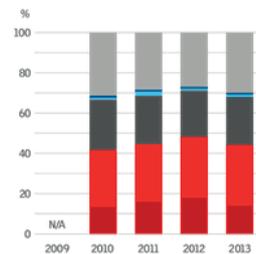
The VELUX Group is socially-responsible company



Dealers' and installers' feedback through third party satisfaction tracking survey

* Biannually measurement
Completely agree, Agree, Neither/Nor, Disagree, Completely disagree, Don't know

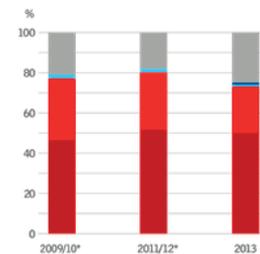
The VELUX Group is an environmentally-conscious company



General public feedback through third party satisfaction tracking survey

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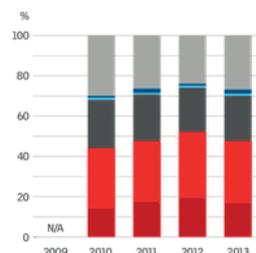
The VELUX Group is an environmentally-conscious company



Dealers' and installers' feedback through third party satisfaction tracking survey

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Choosing a VELUX product is environmentally a good choice



General public feedback through third party satisfaction tracking survey

Completely agree, Agree, Neither/Nor, Disagree, Completely disagree, Don't know

In 2013 we received the following awards for our commitment:

- Denmark: the Danish sales company VELUX Danmark A/S was elected "Årets leverandør" (Supplier of the Year) by TUN, the association of Danish builders' merchants for its online product database
- Germany: the VELUX exhibition stand was awarded bronze in the Exhibit Design Award for its modular design in the category International Designers
- Germany: the German VELUX Model Home LichtAktiv Haus was awarded at the IBA international building exhibition for the sustainable renovation of an existing home
- Germany: in the APA – Architects Partner Award, the German sales company won silver in the categories Residential Buildings, Renovation of Buildings and Window and Façade, and was also elected the best company overall categories
- Germany: the association of professional builders' merchants awarded the German sales company with the Baustoffmarkt-Oskar for being the best industry partner over the last two years
- Poland: the VELUX factory in Namysłów was awarded with the special title Leading Company in the Implementation of Continuous Improvement Processes at the 10th International Congress GEMBA KAIZEN® for its daily efforts to improve management processes
- Poland: the VELUX exhibition stand was presented with the Acanthus Aureus award for the stand best supporting the company's marketing strategy at the BUDMA exhibition
- Poland: the editors of the Home & Market economics magazine selected the Polish VELUX company as 2013 Best Partner in Business in the construction sector
- The UK: branch managers and sales representatives of Jewson declared the VELUX Company Ltd. the winner in the category Best Service from a Supplier 2013, among more than 500 suppliers.



Stakeholder engagement



Stakeholder engagement is a core element in fulfilling our objective to be a Model Company that “treats its customers, suppliers, employees of all categories and shareholders better than most other companies”.

We engage with stakeholders to gain insight into emerging trends and opportunities for growth and development. This means that we:

- discover stakeholder concerns and needs through research and analysis of global, societal trends
- engage in dialogue in a number of forums, meetings and platforms
- influence development by providing knowledge, tools and methods related to Sustainable Living in Buildings.

Our primary stakeholders are:



About the VELUX Group



The VELUX Group creates better living environments with daylight and fresh air through the roof for life, work and play. The VELUX product programme contains a wide range of roof windows and skylights, along with solutions for flat roofs. The Group also supplies many types of decoration and sun screening, roller shutters, installation products, products for remote control and thermal solar panels for installation in roofs.

The VELUX Group, which has manufacturing companies in 11 countries and sales companies in almost 40 countries, represents one of the strongest brands in the global building materials sector and its products are sold in most parts of the world.

The VELUX Group has about 10,000 employees and is owned by VKR Holding A/S, a limited company wholly owned by foundations and family. The VELUX Group head office is in Hørsholm, north of Copenhagen. For more details, visit www.velux.com.



The VELUX Group is represented in almost all markets in the northern hemisphere above the parallel 30° N. In the southern hemisphere, we cover most markets below the parallel 30° S. Those are the climatic areas best suited for VELUX products.



Organisation and ownership



The VELUX Group is a global company with manufacturing companies in 11 countries and sales companies in just under 40. VELUX products are sold in more than 100 countries.

Through our entire history, the VELUX Group has been characterised by a high degree of local autonomy within the framework of the fundamental Model Company Objective and the VELUX Values.

Today, the VELUX Group operates as one organisation with a dual focus on local initiative to serve local customer needs and global integration to enhance efficiency through shared processes.

The VELUX Group is owned by VKR Holding A/S, a financial holding company wholly owned by foundations and family. The main shareholder of VKR Holding A/S is VILLUM FONDEN.

The objective of VKR Holding A/S is to create value through financial investments and ownership of a number of companies all aiming to bring daylight, fresh air and better living environments into people's everyday lives.

VKR Holding A/S owns companies in four business areas: roof windows and skylights, vertical windows, solar thermal energy as well as ventilation and indoor climate.

Each year a share of VKR Holding A/S' profit is paid back to society by VELUX FONDEN and VILLUM FONDEN to support scientific, environmental, social and cultural purposes around the world. The foundations operate independently from VKR Holding A/S and its companies.



Our history



The VELUX Group was founded in 1941 by the Danish engineer Vilum Kann Rasmussen, who had a strong belief in bringing daylight, fresh air and attractive views into people's lives through windows in sloped roofs. Right from the start, he called the products VELUX, VE for ventilation and LUX for light.

In post-war Europe, with its serious housing shortage, the possibility to use attics as attractive living space at an affordable price quickly caught on, allowing the VELUX Group to expand internationally. The demand for different solutions in different markets and for different building types also led to rapid product development. Today, the VELUX Group offers a wide range of solutions that bring daylight and fresh air through the roof, regardless of roof pitch, size and purpose of the building, and accessibility of the windows.



Board members



Søren Bjerre-Nielsen

Chairman of the Board, VELUX A/S
Chairman of the Board, VKR Holding A/S
Chairman of the Board and Chairman of the Committee of Directors,
Danmarks Nationalbank
Chairman of the Board, Højgaard Holding A/S
Chairman of the Board, MT Højgaard A/S

Kim Fausing

Deputy Chairman, VELUX A/S
Chief Operating Officer, Danfoss A/S
Board member, Hilti AG, Liechtenstein

Kent-Åke Ahlgren

Owner, Ahlgren Consulting GmbH

Morten Falkenberg

President & CEO, Nobia A/B

Lykke Friis

Pro-Vice Chancellor, University of Copenhagen
President, the Danish Foreign Policy Society
Member of the European Council of Foreign Relations, International Crisis
Group
Member of the Committee of Representatives, Nykredit
Board member, The Danish-German Chamber of Commerce

Arne Christensen

Employee-elected board member, VELUX A/S
Employee-elected board member, Skærbæk Bygningsindustri A/S
Quality worker, Skærbæk Bygningsindustri A/S

Øjvind Frank

Employee-elected board member, VELUX A/S
IT-Responsible and CAD Coordinator, A/S Østbirk Bygningsindustri

Jan Thomsen

Employee-elected board member, VELUX A/S
Employee-elected board member, Gåsdal Bygningsindustri A/S
Warehouse worker, Gåsdal Bygningsindustri A/S



Risk Management and Audit Committee



The Audit Committee has two members elected by the Board. One member is designated as chairman. Under the Danish Act on Auditors, all members qualify as financial experts and one of the members also qualifies as independent.

The members are:

Søren Bjerre-Nielsen – Chairman of the Audit Committee since 2013
Jan Lundsgaard Jensen – member of the Audit Committee since 2012, CEO of VKR Holding A/S

The Audit Committee assists the Board with supervision of:

- the external auditor
- the internal audit function
- financial reporting
- the internal control system
- the procedure for handling complaints regarding accounting, internal accounting controls, auditing, or financial reporting issues, and matters of business ethics.

Risk management

The VELUX Management Group continuously identifies and monitors significant risks for our business. Specific risks in relation to presentation of accounts and fraud are handled by the Audit Committee.



Citizenship

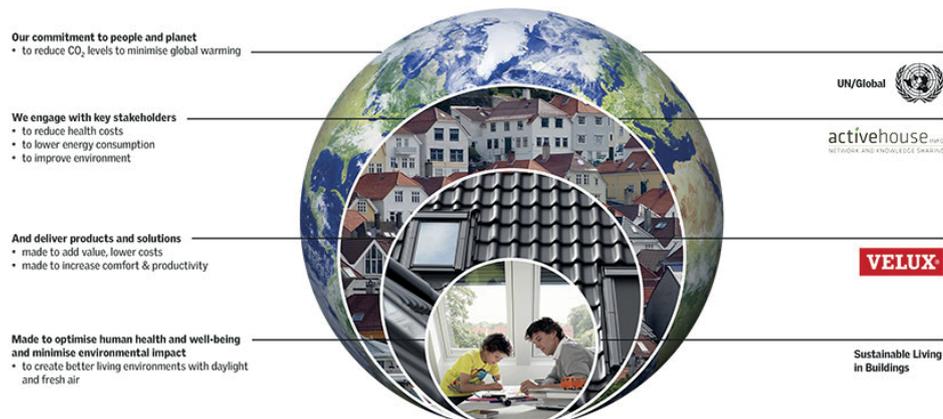
The long-term success of the VELUX Group depends on the health and prosperity of the societies in which we do business. We take our Corporate Responsibility seriously and aim to use our influence and resources to create value for our company and for society.



Sustainable Living in Buildings

Sustainable Living in Buildings is our commitment to people and planet. We engage with key stakeholders and deliver products and solutions that are made to optimise human health and well-being and minimise environmental impact.

Sustainable Living in Buildings is...



Changes are urgently needed in the building sector, with millions of people moving to urban centres, where they typically spend about 90 per cent of their lives inside buildings.

Unfortunately, about one third of the building stock does not have a healthy indoor climate. At the same time, buildings are major energy consumers. In fact, 40 per cent of Europe's energy is consumed by buildings. Improving the energy efficiency of the building stock is therefore a key priority in combating global warming.

Based on our more than 70 years of bringing daylight and fresh air into buildings, it is our belief that the quality of people's lives and the quality of the environment are closely interlinked. It is never a question of either-or, but always a quest to find solutions that combine benefits for people and planet alike in the design of new buildings and renovation projects. We therefore:

- influence the agenda of global warming and energy efficiency via partnerships and argumentation
- engage in dialogue with stakeholders in the building industry and discover through full-scale building experiments, establishing and sharing in-depth knowledge and research about Sustainable Living in Buildings
- develop products and solutions that add value by reducing energy consumption and increasing the comfort and productivity of the people living in the buildings
- offer the opportunity to optimise human health and well-being in buildings that give more than they take from the environment.



Agenda for the future



The VELUX Group engages with stakeholders to discuss and share knowledge on Sustainable Living in Buildings. We are active partners in sustainable demonstration buildings around the world and part of the Active House Alliance.

The VELUX Group aims to play an active part in the public policy process, using our expertise as a basis for dialogue to ensure that the vision of Sustainable Living in Buildings is reflected in legislation.

At the 2013 World Climate Summit in connection with COP19, the VELUX Group expressed its full support to reaching a globally-binding agreement at COP21. Moreover, Sustainable Living in Buildings was promoted at the summit conference and exhibition as part of the response to the challenges facing future generations in terms of climate change, energy efficiency and health.

[Read more](#) about how the VELUX Group works to influence the agenda of future buildings in the section about Public Affairs.



Case: Primary partner of World Climate Summit 2013

The VELUX Group was primary partner of the World Climate Summit 2013, held in connection with COP19 in Warsaw in November 2013.

We entered the partnership to further a global climate agreement by 2015 to build a sustainable future for coming generations in the long term, and to fuel the economy and unlock green investments in the short term.

"The decision to be primary partner of this year's World Climate Summit was an obvious choice because of the close link between the summit agenda and our 70 years' experience in creating better living environments for people all over the world," said Jørgen Tang-Jensen, VELUX Group CEO.

The World Climate Summit is an excellent opportunity to present and discuss integrated building solutions aimed at solving the climate, resource, energy and health challenges facing the world today.

"In our view, addressing climate change is not only a question of curbing greenhouse gas emissions but also of creating solutions that improve people's health and well-being. Our experience with creating better living environments for people around the world through multiple demonstration buildings shows that several benefits can be achieved from building and renovating sustainably: not only in terms of energy savings but also in terms of improved health, productivity and learning abilities," said Jørgen Tang-Jensen.

The VELUX Group gave lectures and participated in panel discussions at the World Climate Summit; among the topics were sustainable innovation through public-private partnerships and visions for sustainable cities. Through these initiatives and the exhibition area, the VELUX Group gained high visibility at the summit.



Engage with stakeholders



The VELUX Group engages with stakeholders to discuss and share knowledge on Sustainable Living in Buildings. We are active partners in sustainable demonstration buildings around the world and part of the Active House Alliance.

Since 1999, the VELUX Group has invested in 21 demonstration projects around the world to discover ways to promote Sustainable Living in Buildings. "One experiment is better than a thousand expert views" was the belief of the VELUX Group's founder Villum Kann Rasmussen; that belief is now put into practice in our experimental building concepts that include single-family homes, institutions, newbuilds and renovation projects.

The demonstration projects have shown that it is feasible to attain nearly-zero energy building targets by using knowledge, technology and building components known and available today. The projects have also demonstrated the importance of user behaviour when it comes to actual energy consumption compared with calculations made in advance – and they have demonstrated that measurement of energy performance in the use phase is generally absent in the building industry today.

The VELUX Group actively supports and promotes the Active House vision and specification for buildings through participation in the Active House Alliance.

An Active House is a building that creates healthier and more comfortable lives for its occupants without impacting negatively on climate and environment. An Active House is the result of efforts to actively integrate the three main principles of comfort, energy and environment in the design and use of a building.

We have all we need to scale up the building of sustainable homes of tomorrow to comprise all newbuilds. But above all, we need to take on the challenge of the existing building stock. Building renovation based on the Active House principles is an important next step that we will pursue in the years to come.

In 2013, the latest demonstration project was announced – a renovation project in the garden city of Bon Air in Anderlecht, Belgium. The project aims to create a concept for affordable and scalable climate renovation based on the Active House principles.

Fact box: Active House Alliance

The Active House Alliance is a network for knowledge sharing and demonstration of the feasibility of comfortable buildings in the future. The ambition of the alliance is that Active House becomes the future principle for new buildings and renovation projects. To achieve this, the alliance focuses its activities on:

- influencing legislation
- entering into strategic partnerships
- developing demonstration building projects
- developing tools and guidelines
- communicating the attractiveness of active houses.

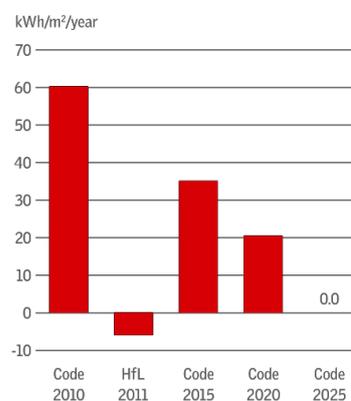
The Active House Alliance has around 40 members, including architects, engineers, developers, scientists, building component manufacturers and interest groups.

See more here: www.activehouse.info

Fact box: It is possible to build nearly zero energy buildings

Our Model Home 2020 project proves that it is possible to build nearly-zero energy buildings with plenty of daylight and fresh air with the building components and technology available today.

Energy performance in the Home for Life (HfL) demonstration building compared to Danish Building codes





Case: First Active House modernisation project in Holland completed

Between 1945 and 1975, 1.3 million homes were built in the Netherlands. Many of them now need to be renovated. In the town of Montfoort, ten terraced homes were modernised to the Active House principles in 2013.

The Montfoort modernisation concept developed by the VELUX Group and heating specialists from Danfoss has now resulted in an A++ energy label for energy performance of the terraced homes, compared to the typical C-level achieved by traditional renovation methods for similar buildings.

The houses were opened up at the centre to bring in daylight from above, converting the attic into additional attractive living space and flooding the interior with daylight through the roof windows. Solar cells and solar panels were integrated in the new roof construction to make the home self-sufficient in electricity and hot water.

In summer, the modernised Montfoort homes rely solely on natural ventilation, using the natural flow of air through the home when façade windows at ground floor level and roof windows at the top of the house are opened.

The Montfoort homes are rented and the building owner is planning hundreds of similar refurbishments. The owner was inspired by the Active House modernisation principles:

"We are faced with a situation where about 4,000 residential units are up for renovation within the next five to seven years. This is an enormous task. By running this project, we wanted to gauge what it means to really push back the boundaries of what is technically feasible to gain maximum daylight coupled with as little energy consumption as possible," said Peter Korzelius, former chairman of GroenWest, the owner of the Montfoort building estate.



Case: The Great Gulf Active House in Canada



In 2013, the Active House principles found their way to Canada, when the Great Gulf Active House in Thorold, Ontario, was opened.

Based on the Active House concept, the builder created a contemporary residential building that not only demonstrates energy efficiency but also promotes mental and physical well-being for its residents.

It is the strategic use of natural daylight that defines the character of the Great Gulf Active House, which achieved excellent scores in the Active House evaluation following completion of the building. 14 solar-powered, vented skylights contribute to the high daylight levels throughout the building, eliminating the need for artificial lighting during daytime. The automatic control of windows, blinds and skylights regulates the indoor climate while offering the residents the ability to adjust for humidity, temperature and natural ventilation in nearly all rooms.

"You may compare the launch of a building like the Great Gulf to a new smartphone. Most consumers don't understand the technology that goes into the phone, nor do they recognise the need for its features. However, once they are introduced to the features, they wouldn't live without them. The same goes for the features of the Great Gulf Active House. Consumers don't immediately demand operable skylights, but once they have experienced the benefits of natural daylighting and ventilation, they will start demanding healthy features in the home they choose," says Tad Putyra, president of Low-rise at Great Gulf.



Products and solutions



Our products and solutions are a cornerstone in Sustainable Living in Buildings because they are made to add value, increase energy efficiency and at the same time improve the health and well-being of the inhabitants.

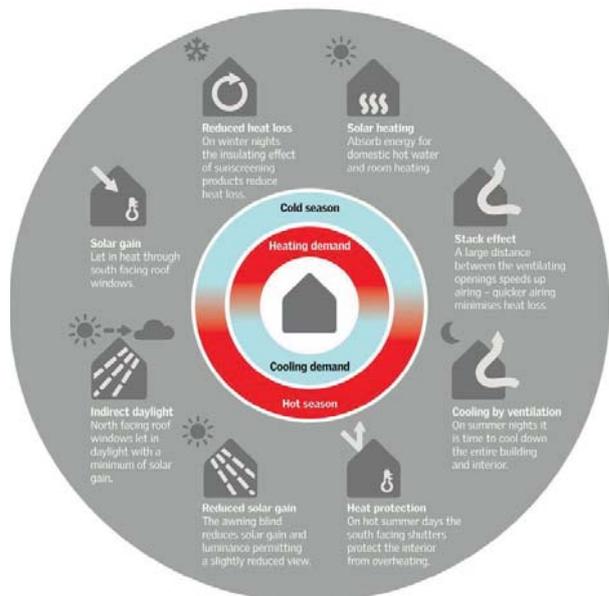
The key to designing and constructing buildings that are both energy efficient and have a good indoor climate is building components that are dynamic and responsive to the outdoor climate and seasonal changes.

VELUX roof windows are one of the few building components that can play an active role in creating both a better indoor climate and a positive energy balance in itself, but it is through the combination of our products that you get a dynamic and responsive solution that takes full advantage of heat gain through the windows, natural building ventilation and sun screening for cooling. With our electric and solar-powered products, the roof window will automatically open for ventilation or adapt sun screening to the rhythm of the day. Moreover, the people living in the house can tailor the programming of the products to their personal needs.

The good energy balance is also the reason why our roof windows in many cases achieve a positive **CO₂ footprint throughout their lifetime**.

The model shows how various product types create the right balance of heating and cooling demands throughout the year.

[Read more about our products](#)





Human health and well-being



Comfort for the people living in the buildings has been a central issue in our demonstration projects and is always a focus area in our product development.

User comfort includes factors such as thermal comfort, air quality, daylight factor, health and general well-being.

Regarding **thermal comfort**, overheating can be a problem in low-energy buildings. The demonstration projects have proven that dynamic external solar shading combined with natural ventilation through open windows prevents overheating. Even on very hot days with temperatures above 32°C, temperatures could be kept down despite large glazing areas.

Regarding **air quality**, natural ventilation has proved to be a highly effective airing principle during summer, combined with mechanical ventilation with heat recovery during winter. By taking advantage of the stack effect created by the natural flow of air from open windows at ground level to the roof windows, it is possible to achieve thermal comfort and good indoor air quality.

Regarding **daylight**, it comes as no surprise that the large glazing areas of the demonstration buildings provide excellent daylight conditions. The positive experience of daylight is noted by the residents of the demonstration buildings as one of the most valued benefits. The amount of daylight also significantly reduces the need for electrical lighting.

Regarding **health and general well-being**, the families have noted reduced level of allergies and improved sleep patterns. Concerns about alienation as a result of living in a home with lots of technology and automatic controls were eliminated; the families living in the demonstration buildings recognise the benefits of an automatically-controlled indoor climate as long as they can override technology when they want to.

Read about the test families' experiences in some of the demonstration buildings:

[Sunlight House](#)
[Lichtaktiv Haus](#)
[Maison Air et Lumière](#)
[CarbonLight Homes](#)

[Read more](#) about our learnings from our demonstration buildings.



Knowledge Centre for Daylight, Energy and Indoor Climate



The VELUX Group's Knowledge Centre for Daylight, Energy and Indoor Climate develops and shares knowledge and tools on daylight, energy and indoor climate to promote Sustainable Living in Buildings. The most recent knowledge is gathered and published in the [Daylight, Energy and Indoor Climate Basic Book](#), which supports specifiers and other building professionals in the design of sustainable buildings. A new version of the book is under way and will be published in 2014.

The toolbox offers professional building simulation tools, i.e. Daylight Visualizer for the evaluation and optimisation of daylight conditions in buildings, and Energy and Indoor Climate Visualizer for the optimisation of energy efficiency, good summer comfort and indoor air quality.

The tools have been validated and offer accurate simulation results on building performance to aid professionals in the design of sustainable and healthy buildings.



Circadian House principles



A Circadian House is a home that adapts to the natural, daily and seasonal rhythm of people. The principles were developed in 2013 by the VELUX Group's Knowledge Centre for Daylight, Energy and Indoor Climate and a group of external experts.

The development of the Circadian House principles was initiated by the VELUX Group as a continuation of the work done with the Active House principles and the many demonstration building projects carried out. The VELUX Group gathered 19 experts from the fields of architecture, health, indoor climate, lightning, work environment, neuroscience and biology from different countries in five workshops where the circadian concept was analysed from different angles and fields of expertise. The know-how generated at the workshops was then compiled in the Circadian House Report published late 2013 to inspire architects and engineers in their design of healthy homes.

Facts about Circadian House

Key principles for a Circadian House are:

- **Live in balance with nature:** a home that allows the residents to live with and follow the daily and seasonal cycles of the outdoors
- **Adaptability:** a home that seamlessly adapts to changing conditions, daily and seasonal rhythms as well as individual user needs
- **Sensibility:** a home that protects against harmful substances undetectable by humans, and a home that allows users to control parameters that can be sensed.

Key circadian design factors:

- **Variation:** adapting to cycles and natural rhythms rather than uniformity or non-variability
- **Stimulation:** providing different levels of stimulation from light, sound, etc. during day and night
- **Outdoor/indoor relation:** giving easy access to outdoors/semi-outdoors and a feeling of connectedness to the outdoors when indoors
- **Light/darkness:** following the natural human rhythms, more light during daytime, darkness at night
- **Electric lighting:** supplementing natural light, changing in intensity during day/night in sync with natural light levels and human activity
- **Cool/warm:** adapting to thermal comfort during day/night, according to activity level and use of different rooms
- **Silence/sounds:** opening up to sounds from the outdoors during daytime, quiet spaces during nighttime
- **Rest/activity:** providing spaces for activity as well as relaxation/recreation
- **Flexibility:** encouraging use of outdoor and semi-outdoor spaces whenever possible
- **Control:** giving freedom to residents to control the indoor climate.



Case: Co-creating specifications for circadian buildings

The VELUX Group is committed to Sustainable Living in Buildings, meaning buildings that are not only energy efficient, but also healthy and comfortable for people to live or work in.

Under the heading Circadian House, the VELUX Group gathered 19 European scientists, researchers and consultants to discuss innovative concepts for future healthy homes. The researchers came from the fields of biology, architecture, indoor climate, light, health, environment and sustainability. From their various starting points, the experts were invited to participate in five workshops that took place from November 2012 to August 2013, exploring the following topics:

1. Light and circadian rhythm
2. Healthy indoor climate
3. Historical perspective of architecture and buildings
4. What to monitor and how?
5. How to wrap up specifications?

"The idea for the Circadian House cooperation developed over some years. It started with a dialogue with researchers around the Model Home 2020 project to learn whether it would be possible to develop specific requirements that would maximise the focus on our health and well-being indoors," says Per Arnold Andersen, department head of the VELUX Group Knowledge Centre of Daylight, Energy and Indoor Climate. He continues:

"Our ambition was to gather experts to bridge state-of-the-art knowledge and science, and to reach mutual consensus about the requirements and design criteria for a home that supports people's circadian rhythm. Inviting the researchers to a series of workshops, we aimed to move further with the discussions than is possible by 'just' using one approach. I think the cooperation was a success because now, for the first time, we have a paper authored by 19 well-known researchers, who focus on the many aspects that affect our circadian rhythm and thereby our well-being. Moreover, the knowledge has been formulated into specifications that we can actually use in building design."

One of the researchers was Pawel Wargocki, Associate Professor at the Technical University of Denmark, working with indoor climate. During the Circadian House cooperation, he gained new insight and ideas for future research projects.

"I've learnt a lot from the other participants whose research is in areas different from mine. The whole idea of gathering individuals from so many disciplines attempting to translate scientific knowledge into practical solutions was very interesting but at the same time also quite challenging. More dialogue of that kind in the future would be very useful because it creates synergies between the different disciplines and a multidisciplinary approach, which is certainly required when dealing with indoor environmental quality and its effects on humans. Ideally, it would be fantastic if one day a house based on the Circadian House principles could be constructed and we could verify our approach," says Pawel Wargocki.



International VELUX Award for Students of Architecture

The purpose of the International VELUX Award for Students of Architecture is to encourage and challenge students of architecture worldwide to explore the theme of daylight in its widest sense.

The VELUX Group organises the award to strengthen the role of daylight in building design in accordance with our company's vision to promote daylight, fresh air and sustainable living. The award is part of our continuous efforts to establish close relations with architects and other building professionals. The award is held every second year.

In 2013, the award was launched for the sixth time and the winners will be announced in 2014. We expect hundreds of entries that will be judged by a panel of internationally-renowned architects and become part of the more than 3,000 student projects that have already explored the award theme of Light of Tomorrow.

[Read more](#) about the International VELUX Award

Watch the film presenting the winners of the most recent award in 2012:



VELUX Daylight Symposium

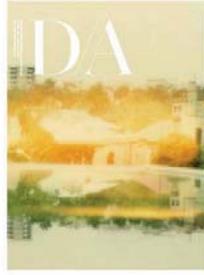


Every second year, the VELUX Group hosts the Daylight Symposium, inviting researchers and building professionals to share know-how and experience in designing with daylight. In 2013, the symposium was held for the fifth time with the focus on sustainable renovation.

When 300 researchers and building professionals met for the fifth Daylight Symposium hosted by the VELUX Group at the School of Architecture in Copenhagen in May 2013, the main focus was on how to ensure good daylight conditions in the existing building stock in order to improve people's health and well-being in a time of rapid urbanisation.

Under the heading *New Eyes on Existing Buildings*, the symposium gathered architects, lighting experts, researchers and people from the building industry with the purpose of drawing attention to the need to include daylight requirements in future building codes and to raise the awareness of the importance of daylight to people's health.

[Visit The Daylight Site](#) where seminar presentations, images, etc. are available.



Daylight & Architecture



The VELUX Group publishes Daylight & Architecture, an international magazine targeted at architects, designers and other building professionals with an interest in daylight and architecture. So far, 20 issues of Daylight & Architecture have been published.

The aim of the magazine is to create a platform where topics related to daylight in architecture are illustrated and discussed from many different viewpoints. In 2013, the magazine won gold in Germany in the Architects' Darling® Jury Awards 2013.

In 2013, the VELUX Group published two issues of Daylight & Architecture centred around daylight in the urban transformation and on sun, people and the building envelope. The magazines are available in App Store and on [issuu](#).



Public affairs



The VELUX Group aims to play an active role in the public policy process, using our expertise as a basis for dialogue to ensure that the perspective from [Sustainable Living in Buildings](#) is reflected in building regulation. Our approach is guided by our Public Affairs Policy, which applies to all employees, consultants and advisors involved in VELUX Group Public Affairs activities.

Public Affairs Policy

The VELUX Group conducts all Public Affairs activities in compliance with applicable national and international legal requirements wherever it does business. Behaving in a transparent, trustworthy and professional manner, and with social responsibility in mind, the VELUX Group believes that Public Affairs activities are an integral and legitimate part of the legislative process.



Windows play a central role in energy efficiency



The VELUX Group works actively to demonstrate that windows play a central role in the energy efficiency of buildings.

The VELUX Group takes three approaches to reducing energy consumption and CO₂ emissions from buildings:

1. We improve energy efficiency of buildings through the Active House principles
2. We promote energy labelling of windows
3. We strive to improve the energy balance of our windows.

Energy efficiency through Active House principles

On the level of the building as a whole, the VELUX Group supports the Active House vision for the buildings of the future, which has a holistic approach to energy efficiency, indoor comfort and environment.

Active House is a response to the EU Energy Performance of Buildings Directive aiming for all newbuilds to be "Nearly-Zero Energy Buildings" by 2020. It is also relevant for existing buildings and could help form guiding principles for the national building renovation strategies that all EU member states have to develop as implementation of the EU Energy Efficiency Directive from 2012.

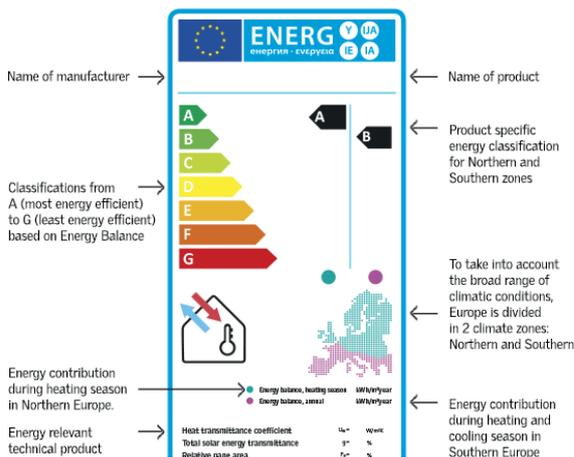
[Read more](#) about the Active House vision and specification.

Energy balance and labelling of windows

It is expected that new EU legislation on labelling of windows will be in place in 2017/18. The VELUX Group supports a future labelling scheme, as it will help consumers choose products with high energy performance and move the European window market towards more energy-efficient products. Our Group is an active stakeholder in the process of establishing the new regulation. The VELUX Group promotes the following key points to be included in a future labelling scheme for windows:

- **An EU Energy Label should be based on Energy Balance.** The Energy Balance includes both the free solar energy (g-value) entering through the window and the heat loss (U-value) escaping through the window. It provides the consumer with the most accurate picture of a window's contribution to a building's energy consumption.
- **An EU Energy Label should include a separate roof window category.** Due to their location in the roof, roof windows are generally more exposed to the sun and therefore offer much higher solar gains than facade windows, which makes the energy balance significantly different.
- **An EU Energy Label should include at least two climate zones and shading.** A window performs differently in the climatic conditions found in Northern and Southern Europe. Shading should also be added to the overall calculation of a window's energy performance, since a dynamic climate envelope obtained by the use of shading devices can optimise a window's energy performance.
- **An EU Energy Label should be based on specific and recognised data and standards.** Use of the specific value of the relative pane area of a window makes the labelling more correct and supports product development towards better energy performance. The future energy label should be based on CE values and product data from the mandatory CE marking of windows (product standard EN14351-1) as well as the international ISO/CD 18 292 rating system for windows.

The VELUX Group suggests the following energy labelling of windows.





Daylight contributes to human health and well-being



Where there is light, there is life. Daylight has a positive impact on human health, on productivity and on learning abilities. We work actively to promote the role of daylight in newbuilds and renovation as part of national building regulations.

The VELUX Group works actively to promote the role of daylight in newbuilds and renovation as part of national building regulations. Our work is based on three key points:

- **Daylight should be used as primary light source in buildings during daytime to fulfil both our visual and non-visual (biological) needs.** Evidence and research show that human health and well-being rely on regular exposure to high levels of light during daytime and complete darkness at night.
- **We recommend levels of minimum 300 lux for 75 per cent of the room area and 500 lux for areas where a task is performed.** These values are based on the method described in the coming EN standard for daylight in buildings, expected to be finalised in 2016. When daylight is the primary lighting source in daytime, the need for electric lighting can be reduced by 15-30 per cent, significantly reducing the energy consumption of buildings. Lux is the measurement unit for the level of light.
- **Daylight should always be part of renovation strategies.** Daylight is essential to improving the energy efficiency of buildings through passive solar gains and crucial for indoor comfort.



Making the case for natural ventilation



We work for ventilation concepts that utilise the natural flow of air through a building to ensure a good indoor climate and optimum cooling. We are engaged in developing standards and methods for natural ventilation calculations in building regulations.

Indoor air quality has an important impact on people's health, wellbeing, productivity and learning abilities. Fresh air supports human well-being, while poor indoor air quality can have serious negative effects.

The VELUX Group advocates natural ventilation of buildings as an energy-efficient solution that is easy to integrate in the renovation of existing buildings. The driving forces in natural ventilation are wind, temperature and stack effect. Roof windows play an important role in natural ventilation solutions, where the stack effect creates a flow of fresh air from ground floor façade windows to the roof windows.

Read more about the possibilities of natural ventilation in the [Daylight, Energy, Indoor Climate Basic Book](#).



Protecting the environment



Protecting the environment is a central aspect in our thoughts about Sustainable Living in Buildings. The overall aim is to create buildings that give more to the environment than they take in terms of energy and other natural resources.

We also support the Active House specification that takes the following environmental aspects of a building into consideration:

- Environmental loads: Active Houses limit the environmental loads during the whole lifecycle of the building
- Fresh water consumption: Active Houses minimise freshwater consumption
- Sustainable construction: Active Houses take sustainable construction and sourcing into consideration.

The VELUX Group develops Life Cycle Assessments (LCAs) of our products to monitor and improve their environmental impact from production, transport, use and disposal. In 2013, we continued to develop and fine-tune the model for Life Cycle Assessments of our products and we can now provide LCAs for all our main product categories.

[Read more](#) about Life Cycle Assessment



Fair competition



Since 1996, the VELUX Group has had a comprehensive Competition Law Compliance Programme in place to prevent anti-competitive behaviour in our business and to ensure that all sales companies are aware of their obligations in terms of competition rules. Our leading position in the market makes this programme critical to our business.



Competition law compliance



The VELUX Group complies with the Competition Law Compliance Policy developed by our owner, VKR Holding A/S. The policy describes our approach in relation to customers, competitors, mergers and acquisitions, and other relevant issues.

It is the overall Competition Law Compliance Policy that all VKR Holding A/S companies, at all times, comply with the relevant national and international anti-trust and competition law requirements (e.g. EU Competition Law). The General Counsel monitors competition law compliance and continuously assesses compliance procedures.



Tax policy

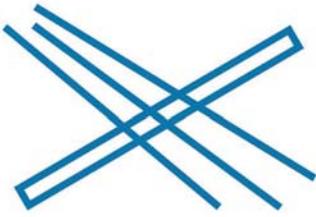


The VELUX Group acts with integrity and transparency in tax matters. Our approach is guided by our Tax Policy, which applies to employees as well as to consultants and advisors involved in tax issues.

In summary, the VELUX Group's Tax Policy states:

- It is the overall tax policy of the VELUX Group to consider tax as a cost; therefore the objective will be to minimise the total tax payment of the VELUX Group in order to improve the cash flow with respect to the rules formulated by VELUX A/S.
- The business perspective is always the key driver when making decisions. The VELUX Group will not enter into projects without substance where the only objective is to create tax benefits for the participants.
- The VELUX Group will not register in countries known as tax havens (as listed by OECD) unless there is a sound business reason for doing so.

The Danish VELUX companies are included in the mandatory joint taxation with VKR Holding A/S and the other Danish companies owned by VKR Holding A/S. Corporation tax of the Group's Danish joint taxation income is paid by VKR Holding A/S.



THE VELUX FOUNDATIONS



Each year, a share of the VELUX Group's profit is returned to society through THE VELUX FOUNDATIONS set up by the founder of the VKR Group, Villum Kann Rasmussen; he instigated the foundation VILLUM FONDEN in 1971 and ten years later VELUX FONDEN. Both foundations provide support for larger, non-profit projects with scientific, cultural, artistic, social or environmental objectives.

VILLUM FONDEN targets its grants towards research and knowledge dissemination in the fields of natural sciences and technology, as well as to social, environmental and other projects with major impact on the development of society. It also presents the Villum Kann Rasmussen Annual Award for Technical and Scientific Research of €667,000. VILLUM FONDEN is active in Denmark, Greenland and Europe.

VELUX FONDEN supports projects associated with active elderly citizens, gerontological research, ophthalmological research and humanities research projects. It also supports major projects with environmental, social, cultural or artistic purposes. VELUX FONDEN is active in Denmark.

Both foundations are non-profit trust funds governed by Danish law and subject to the supervision of the Civil Affairs Agency under the Danish Ministry of Justice. The two foundations each have their own independent boards.

In 2013, the two foundations made 505 donations totalling €158 million. Below are a few of the projects that received support from the two foundations during the year.

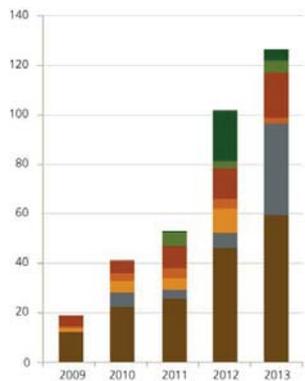
VILLUM FONDEN donated €126 million to such projects as:

- Technical and natural sciences, Denmark: €12.8 million was granted to 19 young researchers under the foundation's Young Investigator Programme. The aim is to support especially-talented young Danish researchers in science and technology with ambitions of establishing their own, independent research profiles.
- Environment and sustainability, Europe: The European Environmental Bureau received €710,116 for the project Boosting Ecosystem Resilience, which aims to improve the effectiveness of EU policies protecting natural areas and wildlife.
- Social projects, Poland: The Nobody's Children Foundation received €1.6 million for a number of activities. Among them, supporting parents at the initial stage of parenthood, offering education to parents, caregivers and professionals, providing support for children who are exposed to various risks of abuse and in need of particular support while involved in criminal procedures, and finally improving children's safety on the Internet.

VELUX FONDEN donated €32 million to various projects such as:

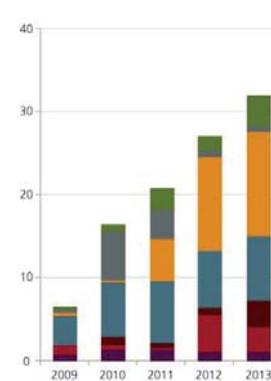
- Active elderly people's activities, Denmark: €26,796 to The Association for the Tooth Necks (Foreningen Tandrødderne) for dental treatment of homeless people, drug abusers and socially vulnerable people. The treatment is carried out by retired dentists.
- Gerontology and geriatrics, Denmark: €1.3 million to Aarhus University for the establishment of Aarhus Research Centre for Brain Ageing and Dementia – ARCADIA.
- Ophthalmology, Denmark: €669,881 to Odense University Hospital for the project "Reduction of loss of vision and laser-induced side-effects through implementation of individually-based laser treatment for diabetic retinal diseases".
- Humanities, Denmark: €668,246 to the University of Southern Denmark, Department of History for the project "Modernity, Islamic Traditions and the Good Life: Exploring the construction of meaningful modern Muslim selfhoods"
- Environment and sustainability, Denmark: €870,897 to the project Sustainable Youth, with the purpose of providing young students with tangible tools to create a more sustainable school.
- Social projects, Denmark: €1 million to four Danish aid organisations for Christmas aid and follow-up in collaboration with the families.

[Read more about THE VELUX FOUNDATIONS](#)



■ Environment abroad ■ Social projects Denmark
■ Environment Denmark ■ Other donations
■ Social projects Eastern Europe ■ Research and research dissemination
■ Social projects Greenland

VILLUM FONDEN's total grants 2009-2013 (EUR millions)



■ Environment ■ Ophthalmological research
■ Culture ■ Gerontological research
■ Social projects in Denmark ■ Active senior citizens
■ Humanities

VELUX FONDEN's total grants 2009-2013 (EUR millions)

Source: THE VELUX FOUNDATIONS



Products and services

It is our vision to lead the development of better living environments with daylight and fresh air through the roof. Through research and innovation, we contribute to the sustainable buildings of the future by offering high-quality roof windows and accessories.

Sustainable products



It is an important focus area for VELUX product development to constantly improve the sustainability of the products we offer to the global newbuild and building renovation market. More daylight, more fresh air and lower energy bills are key drivers in our product development. And it is of highest priority that our roof windows can last for up to 40 years.

Windows are one of the few building components that can play a central role in creating both a better indoor climate and a positive energy balance in buildings by utilising the immense potential of the free energy of the sun. VELUX windows are designed to minimise heat loss through the windows and to make the most of solar gain.

Our New Generation roof windows provide even more daylight, fresh air and energy efficiency. The launch began in 2012 and will continue in 2014. In 2013, the New Generation of VELUX roof windows were launched in seven markets across Europe.

What is "energy balance" and how can it be used to create sustainable homes? View this film to get the answers.

Facts about the energy balance of buildings

The energy balance is calculated as the solar heat gain (g-value) minus the heat loss (U-value) through walls, roof, doors and windows.





VELUX product categories



The VELUX product programme ranges from complete skylight systems to roof windows, sun tunnels, blinds and shutters as well as home automation systems. All products are developed to provide daylight and fresh air through the roof as part of our vision to lead the development of better living environments.

The energy efficiency of our products is continuously improved to comply with the highest standards. Our latest product features include new high-performing insulation material, improved airtightness and maximised effect of free solar heat gain through larger window panes.

All our products are designed to provide the best energy balance. But it is through a combination of our products that the best energy balance, indoor climate and comfort is achieved by taking full advantage of heat gain through the windows, natural building ventilation, sun screening for cooling, etc. Our products are therefore part of the solution to the dual challenge of energy consumption and unhealthy indoor climate in buildings.

[Read more](#) about our commitment to Sustainable Living in Buildings.

In 2013 we received the following product awards:

- Denmark: Ernst & Young awarded the VELUX Group with the Entrepreneur of the Year 2013 award in the Cleantech category for our energy-efficient products and our work with Sustainable Living in Buildings
- France: the VELUX INTEGRA® roof window received the Elu Produit du BTB par les Professionnels 2013, which is awarded for innovation, performance, awareness and sustainability (BTB stands for Batiment et Travaux Publics and covers the whole construction sector)
- Germany: the VELUX Modular Skylight was awarded with the Innovationspreis Architektur + Bauwesen (Architecture and Building Innovation Award) by the architecture magazine AIT
- Germany: the German Bundesarbeitskreis Altbauerneuerung e. V. (BAKA) awarded our New Generation roof windows with the Preis für Produktinnovationen (Product Innovation Award) for its functionality, energy efficiency and design
- Poland: the Polish sales company received the Gold Medal 2013 for the New Generation roof window GGL
- Poland: our New Generation product range was presented with the Top Builder 2013 award for innovation by Builder Magazine
- The USA: the 2013 Crystal Achievement Award was awarded to the VELUX No Leak Solar Powered Fresh Air Skylight as the most innovative window in the category Large Manufacturers.



Roof windows



The VELUX Group offers a complete range of roof windows for a wide range of building types and applications. VELUX roof windows are designed to offer people better living environments without negative impact on the environment.

The focus area in the development of our new generation of roof windows has been to get more daylight and comfort while using less energy.

Our roof windows are designed to maximise the heat gain through the windows in the heating season and to retain heat inside the building with the new insulation design, VELUX Thermo Technology™. At the same time, large window panes ensure maximum flow of daylight into the room, while offering attractive views of the outdoors and reducing the need for artificial lighting. The unique ventilation flap lets in fresh air, even when the window is closed.

VELUX roof windows are sold in approximately 40 markets around the world, and our solutions are suited for any kind of climate. It is of highest priority that our roof windows can last for up to 40 years.

People's health and well-being are at the heart of VELUX product development. View this film to see what we mean by high liveability.

By the end of 2013, our New Generation roof windows had been launched in ten markets. As part of the launch, more than 50,000 installers were trained online or in face-to-face sessions in the installation of the new roof windows.



Electric and solar-powered roof windows



The VELUX Group offers a wide range of electric and solar-powered roof windows and accessories for easy control of the indoor climate and high energy efficiency.

Intelligent controls enable roof windows to be opened and closed automatically at pre-set times to create a pleasant indoor climate at all times. Built-in rain sensors ensure that the windows close if it starts to rain. A new solar-powered INTEGRA® roof window is part of our New Generation product range.



Easy and reliable installation



The installation of VELUX windows is easy, fast and reliable. Every installation product, from outside to inside, is designed to fit a wide range of roof window sizes and types as well as roof types, ensuring correct and weather-tight installation.

The VELUX installation concept takes all challenges of a roof construction into consideration. Our installation products offer a logical, complete and trouble-free process.



Flat-roof windows



The VELUX Group designs and manufactures a comprehensive portfolio of windows for flat roofs with the same high standard of quality, comfort and energy efficiency as our range of traditional roof windows.

The flat-roof product programme offers windows that can be opened and windows without opening function. One of the latest models is a smoke ventilation window that increases safety in case of fire. The VELUX flat-roof windows are designed with a glass insulation pane that ensures the full benefit of daylight through the roof combined with excellent insulation properties.



Sun tunnels



The VELUX sun tunnel brings daylight into the darkest spaces. The sun tunnels are available in a number of designs for pitched or flat roofs.

For homes with bathrooms, hallways and other rooms with no daylight, we have developed the VELUX sun tunnel, which brings daylight into even the darkest spaces through a specially designed tunnel from roof to ceiling.



Blinds and shutters



VELUX blinds and roller shutters are essential elements in indoor climate control when it comes to daylight, heat intake and heat loss. The blinds and shutters come in manual, electric or solar-powered variants.

When blinds or shutters are rolled down on a cold winter night, heat loss can be reduced by up to 19 per cent. On warm summer days, exterior roller shutters can block up to 95 per cent of the heat from the outside, effectively protecting the building from overheating.

Our automatic blinds and shutters can be set to open and close automatically to maintain the optimum indoor climate regardless of season and time of day. The new solar-powered blinds and shutters require no external power supply.



VELUX Modular Skylights



The VELUX Modular Skylight is a new business area based on the same high-quality and sustainable approach as traditional VELUX products, aimed specifically at providing public institutions and commercial buildings.

Co-created with renowned architects Foster + Partners, VELUX Modular Skylights are an innovative new daylighting solution for commercial buildings. The large amount of daylight obtained through longlights, ridgetlights, northlights or atrium solutions reduces the need for electrical lighting. At the same time, built-in solar shading reduces the need for cooling on warm days.

VELUX Modular Skylights can be opened to create a stack effect, ventilating the entire building quickly and naturally to provide a healthy and comfortable climate inside the building. The complete skylight solution can be automatically controlled by a Building Management System in sync with season and time of day, outdoor weather conditions and use of the building at different times of the day.

VELUX Modular Skylights were introduced in 2012 and gained a strong foothold in several markets during 2013. The new solution is praised by end-users and professionals for its positive contribution to energy efficiency and indoor climate. The high energy performance of VELUX Modular Skylights comes from the use of low-energy panes and frame materials with high insulation properties.



Case: New VELUX Modular Skylights installed at DSV headquarters in Denmark

In May 2013, the VELUX Group received an order to supply 420 VMS modules for DSV's new global head office, built as a four-storey atrium building.

The overriding idea of PHL Architects, in charge of the design, was to make optimum use of daylight in the new head office. To achieve this, the building was designed around a large atrium providing light into the heart of the building. VELUX Modular Skylights were selected to cover the atrium. In the design phase, the amount of daylight, energy, thermal comfort and natural ventilation was analysed.

In just 15 days, the 420 skylight modules were installed 35 metres above ground level. 140 of them can be opened. The operation of the skylights is controlled by a Building Management System to ensure a good indoor climate in all kinds of weather. All modules are pre-fitted with blinds to regulate the heat coming through the skylights. The building will be inaugurated in 2014.



Solar thermal collectors



In 2013, we decided to discontinue our business in solar collectors and to focus on the core business of roof windows, skylight systems and accessories.

In 2013, the VELUX Group decided to close down production and sales of solar thermal collectors due to challenging market conditions and unsatisfactory growth outlooks. Consequently, it has been decided to pull out of the market for solar collectors and to focus on the core business of roof windows, skylight systems and accessories.

However, the VELUX Group continues to support the use of solar collectors as an important element in achieving the vision of Sustainable Living in Buildings.

We will continue to provide service and spare parts for maintenance of the VELUX solar systems already installed.



Life Cycle Assessment



In 2013, we continued to develop and fine-tune the model for Life Cycle Assessment (LCAs) of our products. Our LCA model takes all product phases into account from raw materials through production, distribution and use – all the way to recycling and final disposal.

In 2013, we made LCAs for Northern Europe for all our main product categories and they can be supplied, on request, as VELUX Environmental Product Assessments. In 2014, we will make LCAs for Southern Europe.

The LCAs show that the main environmental effect of a VELUX roof window is in the use phase. In many cases, a VELUX roof window actually has a positive CO₂ balance over the complete lifecycle of the window. This means that the positive energy contribution of the roof window through passive solar gain during the use phase exceeds the energy consumption for production, distribution, installation, maintenance and disposal.

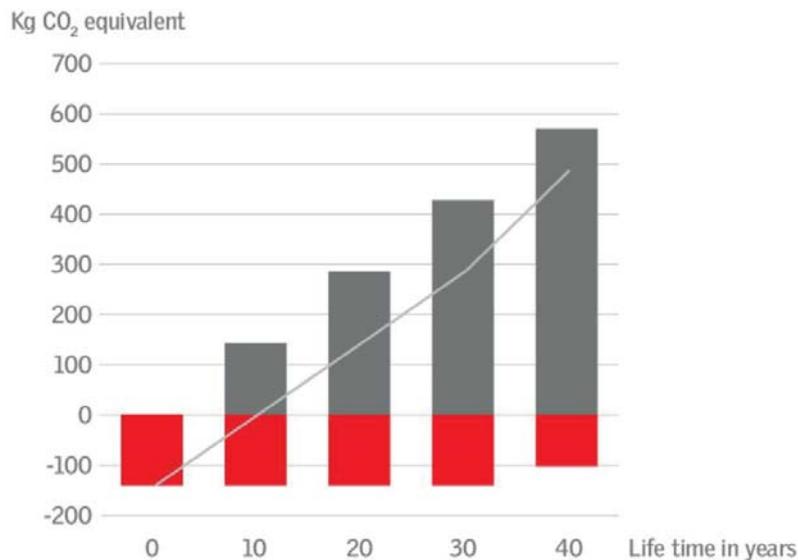
The energy contribution of a roof window can be optimised by adding blinds and shutters to avoid overheating in the summer and improve insulation in the winter. It is also important to take the position of the roof window into account when choosing the pane type, since that will also have an impact on the CO₂ balance.

Internally, the knowledge gained through the systematic approach to Life Cycle Assessment is used in our development of building components that are sustainable from cradle to grave. Our LCA knowledge is also used externally to promote the application of sustainable products and solutions.

Product LCAs are the first step towards Environmental Product Declaration or Energy Labelling of windows and accessories. (link til afsnit I Public affairs)

Facts about VELUX Environmental Product Assessments

VELUX Environmental Product Assessments are based on an LCA model. They have been developed on the basis of the international standard methodology for assessment of LCA (ISO 14040) in cooperation with the Danish FORCE Technology specialised in Life Cycle Assessment. VELUX Environmental Product Assessments are designed to comply with the methodology of European standard EN15804 (Environmental Product Declaration for Building Products and Materials) by spring 2014.



CO₂ accumulated over time

- CO₂ emissions from materials, production, transport and disposal (shown as negative values)
- Avoided CO₂ from reduced heating during use
- / Accumulated CO₂ savings

The red column shows the accumulated year-to-date CO₂ emissions from raw materials, production, transport and disposal. In year 40, the column will be slightly lower because parts of the roof window will be reused. There will be no increase in CO₂ emissions because heat loss through the window has not been included here; it is part of the grey column.

The grey column shows the avoided CO₂ emissions in the use phase (accumulated year to date), i.e. the difference between heat loss and passive solar heat gains through the window in the heating season. This net heat gain results in avoided CO₂ emissions due to reduced heating requirements.

The grey line shows the accumulated CO₂ savings calculated as the difference between the red and the grey column. After approximately ten years, the window will have saved more CO₂ emissions than were generated in its production, transport, use and disposal. This means that the window has a net positive CO₂ footprint throughout its lifetime.



Documenting use of chemicals



The VELUX Group controls and documents the use of chemicals in our production and our finished products. We are continuously improving our documentation procedures through a systematic approach to mapping of chemical substances.

The procedures include close dialogue with our suppliers about chemical compounds in the components used in our products.

France is the only VELUX market that has a labelling system for emissions of chemicals to the indoor climate. All our tested products (roof windows, flat-roof windows, Modular Skylights and sun tunnels) have an A+ label, which is the best category.



Packaging



In close cooperation with our logistics partners, we continuously search for ways that will optimise the loading of trucks and reduce the environmental impact of transport.

Using our cube packaging system, the windows are wrapped with stretch foil and stacked vertically in the trucks to allow as many windows as possible in each load.

The windows travel from production site to point of use in the same packaging with only the stretch foil being discarded. The packaging is optimised in a way that makes opening easy and minimises the lifting the installer is exposed to while working with the window.

All cardboard used for packaging can be recycled. In Europe in general, approximately 80 per cent of all cardboard is recycled.



Product quality



Quality is a cornerstone of the VELUX business, essential to fulfilling our vision of leading the development of better living environments with daylight and fresh air through the roof and to be rated as the best in the eyes of our customers. Our roof windows are developed to ensure a lifetime of up to 40 years.

Quality has top priority at all levels from purchasing through development and production to after-sales service. We govern quality in products and processes by the VELUX Group Quality Policy and the VELUX Quality Management System.

In our customer survey carried out in 2013, 98 per cent of the installers and dealers agreed that products from the VELUX Group are reliable and of high quality.



Purchasing



The VELUX Group applies a global procedure for qualifying new suppliers. Before contracting, careful screening takes place to ensure that the suppliers are able to meet our requirements for quality, sustainability and logistics.

The screening includes supplier self-assessment, auditing of quality processes and testing of the materials they will supply.

Risk assessment also forms an important part of the supplier selection process. In 2013, we strengthened the components qualification process globally to ensure that the processes and quality setup ensure consistent and reliable deliveries of components to our production sites.



Development and testing



The VELUX product development organisation designs new roof windows and supplementary products or modifications to existing products. Market requirements to new features and functionalities are integrated in our product development.

Through dialogue with end-users and professional partners, market requirements for new features and functionalities are integrated in our product development. In 2013 alone, the 300 engineers and designers at the VELUX development departments developed 20 new products, product features and improvements.

With an expected product life of 40 years, testing of our products is an important part of the development process to make sure VELUX products are durable and live up to our quality standards. We test our products in the following way:

- Wind tunnel tests, where windows and flashings are tested in full scale and exposed to some of the world's most severe rain and wind tests
- Climate tests, where windows are exposed to extreme temperature changes from very hot to very cold, as well as snow, ice and high humidity
- Solar tests that simulate intensive sun impact and its effect on windows and accessories
- Mechanical tests of strength, durability for wind load and heavy snow load or long-term use of windows, such as the 25,000 times opening and closing test
- Technical features of great importance in terms of CO₂ reduction are also tested, such as U-value, air permeability and ventilation.



Production



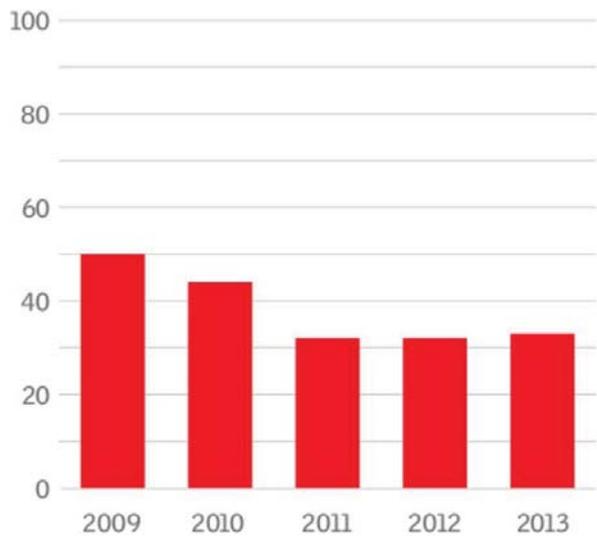
The wide range of VELUX products is manufactured at production sites in eleven countries. All production sites are certified to the ISO 9001 quality standard.

The ISO certification means that our production sites are regularly audited by an independent third party. Our global quality team audits our production sites regularly to ensure that windows and accessories leaving the sites meet the required specifications and VELUX quality standards. During 2013, 33 quality audits were conducted in the VELUX Group.

Materials, components and finished products are regularly sent from the factories to the VELUX Group quality lab to ensure the quality level is maintained at all times. Process controls built into production equipment or performed by operators, combined with inspection and testing of finished products, are all part of the quality management system, ensuring the consistent, high standard of VELUX products.

To sustain the competitiveness of our products, there is continuous focus on productivity throughout the supply chain. Continuous improvements are identified, carried out and monitored through the VELUX Manufacturing Model, involving all employees in the daily optimisation of production. The VELUX Manufacturing Model is built on lean principles with clear KPIs for key processes and activities.

Number of audits





Installation and use

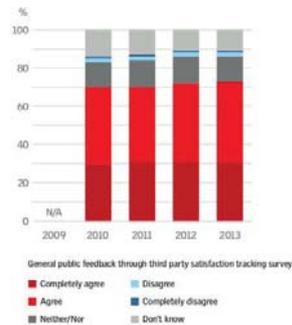
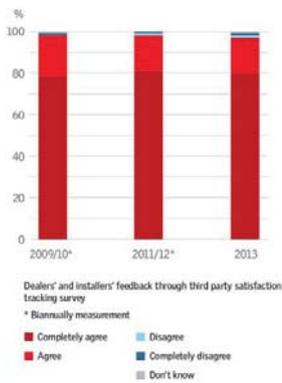
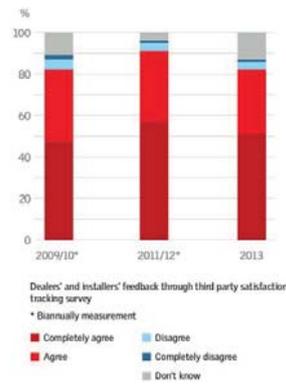


Our goal is to make products that last a lifetime, are easy to install and use with minimum need for maintenance. Our customer satisfaction survey shows that 98 per cent agree that the VELUX Group offers reliable products of high quality.

Due to our focus on quality in development and production, only around 0.25 per cent of sold VELUX roof windows require in service calls within three years of installation.

As stated in the Model Company Objective, the VELUX Group wants to treat our customers better than most other companies. Therefore, we offer an extensive service support network in case service is needed for repairs or product defects.

The annual survey of customer satisfaction shows that 95 per cent of installers and dealers are satisfied with the after-sales service provided by the VELUX Group and agree that our products are synonymous with high quality.





Product recall and warnings



Part of being a Model Company is to sustain high-quality levels at all times. In the event of things going wrong, we take the safety of our customers very seriously.

Part of being a Model Company is to maintain high-quality levels at all times. Despite the unrelenting focus on quality, things may sometimes go wrong; in 2011 the VELUX Group had to make a rare product warning due to the risk of glass breakage in certain small roof windows. The warning is still in effect.

Even though the risk of personal injury is marginal, we take the safety of our customers very seriously. We have therefore set up local task forces and offered the affected customer a replacement pane ex gratia and contributed to the replacement of the pane. We are in the process of changing this service solution. This means that we will only offer a replacement pane ex gratia. This change now happens when all panes are more than 11 years old. There may be some local deviation from the global ex gratia offer.

No product warnings or recalls have been issued since 2011.



Interaction with customers and business partners

In line with our Model Company Objective, we strive to treat our customers, suppliers, employees and shareholders better than most other companies. We aim for the highest standards of business practices in our interactions with customers and business partners and we promote responsibility and respect for human rights in our supply chain.



Customer interaction

It is part of our vision that we want to be perceived as the best in the eyes of our customers. We support our customers before, during and after their purchase of a VELUX product. The VELUX Group's customers span widely from end-users to specifiers, dealers and installers. We have close dialogue with our customers and partners to provide reliable, high-quality products supported by unsurpassed service and to share knowledge on Sustainable Living in Buildings.

Our customer interaction is continuously strengthened through the company-wide sales system Accelerating Sales Effectiveness. It is a systematic approach that provides a better understanding of the needs of our customers and supports best-practice sharing between VELUX companies to constantly improve customer dialogue and service. The sales system has now been implemented in all markets.



Specifiers



The VELUX Satisfaction Tracking survey shows that 96 per cent of the specifiers we work with are satisfied or very satisfied with the cooperation.

Specifiers, i.e. architects, contractors, engineers and developers, are close partners of the VELUX Group. We engage in dialogue and knowledge sharing about daylight, energy and indoor climate. We are also involved in research projects and demonstration houses all over the world. These are some of the know-how and tools shared by the VELUX Group targeted at specifiers

- Information about the Active House specifications, including in-depth knowledge of designing with daylight, fresh air and high energy efficiency
- Design tools such as [VELUX CAD](#), the [VELUX Daylight Visualizer](#), the [VELUX Energy and Indoor Climate Visualizer](#) and technical documentation
- [The Daylight website](#) with research
- The global [Daylight & Architecture magazine](#)
- The global [International VELUX Award](#) for Students of Architecture
- [The Daylight Symposium](#) for researchers and specifiers worldwide.

The annual VELUX Satisfaction Tracking customer survey shows that 96 per cent of the specifiers we work with are satisfied or very satisfied with the cooperation. 66 per cent would recommend VELUX products to colleagues and customers. According to the survey, the specifiers rate VELUX products as high-quality and reliable products. Moreover, specifiers appreciate the technical support provided by us.

See examples of some of the [demonstration houses](#) that the VELUX Group has been involved in.



Distributors



The VELUX Group has an extensive distribution network, making our products available at distributors. Our Satisfaction Tracking 2013 survey shows that 94 per cent of the distributors we interact with are satisfied or very satisfied with the cooperation.

Distributors have close interaction with the end-users and building professionals in terms of roof window brand and solution. The VELUX Group also provides logistics services that make products easily available at the distributor's stock or at the building site.

The VELUX Satisfaction Tracking 2013 survey shows that 94 per cent of the distributors we interact with are satisfied or very satisfied with the cooperation. 71 per cent would recommend VELUX products to colleagues or customers. The tracking also reveals that distributors are satisfied with the quality of our products and that they perceive us as a reliable supplier.



Installers



Installers are often the primary adviser on the choice of roof window solution and brand. Moreover, the perceived quality of VELUX products depends on the quality of the installation. Interaction with installers therefore has high priority.

Ongoing dialogue with installers is an important part of our product development to make sure aspects of installation are an integral part of our products. We offer training, onsite support, installation instructions and videos to train installers in the best possible way.

In 2013, more than 50,000 installers all over Europe participated in installer training in connection with the new roof window generation. See examples of launch activities in some of our markets.

The VELUX Satisfaction Tracking 2013 survey shows that 96 per cent of installers working with us are satisfied or very satisfied with the cooperation. 81 per cent of the installers would recommend VELUX products to colleagues and customers.



Case: Launch of our New Generation roof windows



In 2013, our New Generation roof windows were launched in seven countries. The launch was targeted at installers, specifiers and in some markets also end-users.

In Austria, the launch events took place at four different locations. At each location, the invited guests visited five different stands to learn more about:

- new product features
- VELUX Integra®
- installation
- energy balance
- inspiration tools.

"Installers and dealers were impressed by the product features of our new generation. The silent motor and the new Integra Touchpad were strongly admired," said Bernhard Leidinger, Head of Marketing, VELUX Austria.



In Belgium, our New Generation was launched as a road show. For four months, two trucks packed with New Generation displays and information visited 90 stops to meet with installers and dealers.

"We were very happy with the result of the roadshow. It was a highly efficient way to meet 3,000 installers and present our new products," said Frédéric Devos, in charge of the launch in Belgium.



In the Netherlands, installers, dealers and architects were introduced to the new roof windows at six events at national ice stadiums. All in all, 2,500 people took part in the events where they received information, attended installation workshops and even got a chance to try out their skills in ice skating.

"Speed skating is popular in the Netherlands, and at the same time we found the link between the cold and the energy efficiency of our new windows relevant," said Claudia van Veenendaal, PR Manager in VELUX Netherlands.



In France, 30 events at the VELUX France headquarters in Morangis introduced the New Generation windows to more than 1,200 customers. The presentation took place using a cinematic-theatre technique, blending live performance and film to take the participants through the history of consumer expectations and how VELUX products have developed over time. After the introduction, installers and dealers participated in workshops to get more details on the new products.

"More than 10,000 installers were trained in 2013, and the feedback from the participants has been very positive," said Alexandra Thomas, who was in charge of the launch in VELUX France.



In January, the German sales company launched the New Generation at the large building trade fair BAU in Munich. The event was a great success and VELUX Germany won the prestigious award Baustoffmarkt-Oscar for the new generation. In all, the sales representatives trained 30,000 installers over a four-month period in the installation of the products.



In Switzerland, the launch of the new generation was choreographed as a TV show broadcasting VELUX news, interviews and games.

"We had around 600 guests for the event. We chose the TV set-up as something new and underlined the infotainment approach we wanted. The feedback from the visitors was that they appreciated the balance between entertainment, socialising and information," said Felix Egger, General Manager of VELUX Switzerland.

Since the launch event, more than 2,100 installers have been trained.



End users



As one of the strongest brands in the global building materials sector, we aim to give end-users a positive experience before, during and after their purchase of a VELUX product. Today, 71 per cent of European end-users know the VELUX Brand.

As one of the strongest brands in the global building materials sector, we aim to give end-users a positive experience before, during and after their purchase of a VELUX product. Making a hole in the roof and carrying out an installation that will last 40 years or more is a matter of trust in terms of quality, innovation and sustainability, and we want our customers to feel they get more than they pay for.

The VELUX Brand Tracking survey reveals that 71 per cent of European end-users know the VELUX Brand. Among people who know the VELUX Brand, 86 per cent would choose a VELUX window if they were in the market for a roof window.

We offer after-sales service and support, guidance in the inspiration and decision phase with architectural show cases and advice, as well as a list of recommended installers to put the products in place. After purchase, our service engineers are there to assist, repair and service the products if something goes wrong. In general, it is VELUX policy to offer spare parts for our roof windows for 25 years.



Supplier interaction



The VELUX Group works with suppliers who share our commitment to responsible business practices. We form long-term partnerships, communicate our requirements through the VELUX Code of Conduct for Suppliers and monitor compliance through audits and assessments. Supporting high labour and environmental standards is an essential part of maintaining the efficiency of our supply chain and the quality of our products.



Fair treatment of suppliers



In accordance with the Model Company Objective, the VELUX Group aims to treat its suppliers better than most other companies.

Our procurement principles define our interaction with suppliers. As a Model Company, we:

- cooperate with our suppliers in a way that will be beneficial in the short and long term for both parties
- work with our suppliers to ensure continuous improvement of the procurement process and business methods
- deal fairly and honestly with all suppliers in all aspects of the procurement process
- keep negotiations between the supplier and us strictly confidential
- make requests for quotations as clear and precise as possible
- respond promptly to supplier correspondence and inquiries
- seek suppliers who can deliver consistently high-quality goods and services in accordance with VELUX Group standards in terms of environment, sustainability and safe production methods.



Code of Conduct for Suppliers



All our product-related direct suppliers are required to sign the VELUX Code of Conduct for Suppliers. By the end of 2013, 97 per cent had signed the Code of Conduct while the remaining 3 per cent were in the process of doing so.

The Code of Conduct for Suppliers is based on the Universal Declaration of Human Rights and the core labour conventions of the International Labour Organization. It is also an integral part of our approval process when we contract with new suppliers. Moreover, most of our logistics service providers have also signed the VELUX Code of Conduct.

The VELUX Group carries out a large part of its production in-house – from hinges to window panes. This means that we source the majority of components and product-related materials from raw materials suppliers rather than buying finished components from manufacturing and assembly companies, where the risk of poor labour and environmental standards may be higher. Our Code of Conduct for Suppliers requires tier-one suppliers to communicate and use the Code of Conduct with their own suppliers for materials and components delivered to the VELUX Group. We reserve the right to audit sub-suppliers to assess compliance with the Code of Conduct.

The VELUX Group's Code of Conduct for Suppliers concerns three main issues:

- Employee conditions: specific requirements such as standards for healthy working environment and treatment of workers within applicable legal and non-discrimination policies
- Environment: all suppliers must have a written environmental policy or statement
- Monitoring: the VELUX Group reserves the right to monitor our suppliers to assess their compliance with our Code of Conduct.

[See VELUX Code of Conduct for Suppliers](#)



Monitoring compliance with the Code of Conduct



A systematic audit programme monitors compliance with the VELUX Code of Conduct for Suppliers. In the event non-compliance is discovered, we take corrective action and provide support for making the required improvements within a certain deadline.

The goal is to audit all major suppliers of raw materials at least once every two years by VELUX auditors or third party auditors commissioned by the VELUX Group. During 2013, we continued our random audits at suppliers in China, whereas no audits of wood suppliers in Poland and Russia were conducted in 2013 since all suppliers were audited the year before.

In the event non-compliance with our Code of Conduct is discovered, we take corrective actions and issue deadlines for making the required improvements. If the non-compliance is more serious, we require immediate action. We check on completion of the corrective actions through an unannounced follow-up audit.

In 18 audits in China in 2013, we found seven cases of non-compliance with our Code of Conduct. The majority of findings related to:

- health and safety at the production site
- living facilities
- environmental protection issues
- working hours.

We have made action plans for all of them and will follow up during 2014.

We offer support and advice to help suppliers improve their performance. If the supplier fails to complete the required corrective actions, however, we will terminate the contract. Since the launch of our Code of Conduct in 2001, we have not yet terminated a relationship due to non-compliance issues.



Wood certification



In 2013, 97 per cent of the wood sourced for roof window production came from forests certified to FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) standards.

The VELUX Group recognises the importance of sustainable forest management as part of our efforts to protect the environment, ensure biodiversity, tackle climate change and protect the rights of communities living around forests.

Our aim for 2013 was to continue to source a minimum of 95 per cent of our wood from forests certified to FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) international standards. We met our goal in 2013 by sourcing 97 per cent from certified sources. The remaining 3 per cent is from wood defined as "controlled" by the FSC or PEFC international standards, meaning the origin of the wood is known and it comes from non-controversial sources. Our goal for 2014 is to maintain more than 95 per cent certification.

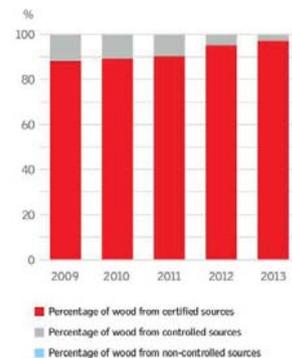
All VELUX windows are manufactured at our own factories, and all factories in Europe are FSC or PEFC certified. We cooperate closely with the FSC and PEFC organisations in order to ensure effective, sustainable and well-documented sourcing through the whole Wood certification chain of custody.

While having an FSC certificate on the wood we purchase and for the factories, it has unfortunately not been possible to have an FSC certificate on the finished products. This is due to technical differences between our production set up and FSC. Together with FSC, we initiated a pilot project to see if it would be possible to find a solution to these technicalities. The report from the project showed positive results but the proposal was turned down by FSC. We will still use FSC certified wood and our factories remain FSC certified. However, we may see a decline in FSC certified wood and an increase in PEFC certified wood. We already have PEFC certified roof windows.

The wood used in VELUX windows is primarily *Pinus Sylvestris*, also known as Scots Pine or Redwood, from boreal, hemicontinental and temperate forest types. The majority of wood is sourced from Sweden, Finland, Russia and Poland, and to a lesser extent from the US, France, Norway, Estonia, Hungary, Denmark and Germany. In all these countries, either FSC, PEFC or both certification schemes are widely used. We do not use tropical hardwood.

The EU Timber Regulation is being ratified by the EU member states. The VELUX Group was assessed in December 2013 by the authorities as complying.

Sources of purchased wood



Wood certification chain of custody





Indirect suppliers



Around half our procurement expenditure is with suppliers of non-product-related (indirect) materials and services. The VELUX Code of Conduct is in the process of being implemented for current and future indirect suppliers.

The majority of our indirect suppliers are based in Western Europe and supply a wide range of goods and services ranging from machine spare parts to office equipment and marketing services.



Human rights



The VELUX Group is committed to respecting human rights as defined by the International Bill of Human Rights and the core labour rights set out by the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. States have the duty to protect their citizens against human rights abuses. We fully acknowledge our independent responsibility to respect human rights – i.e. to avoid infringing the rights of individuals, groups and communities through our business activities and in our relationships.

Respect for the individual is central to the way we work and part of the Model Company Objective defined by our founder. The Model Company Objective ensures value-based and responsible behaviour at all levels in the organisation, safeguarding employees against adverse human rights impacts.



Human rights due diligence



In 2013, we conducted a preliminary assessment of high-risk potential of adverse human rights impacts.

On reviewing through the value chain, this assessment has led to the following observations:

The VELUX Group is mainly present in the northern hemisphere above the parallel 30°N and in the southern hemisphere below the parallel 30°S. Those are the climatic areas best suited for VELUX products. So on examining where our products are used, the VELUX Group is not present in conflict zones nor where the risk of complicity in adverse human rights impacts is considered high. The same consideration is relevant when looking at our own activities in sales and production.

Looking upstream in our supply chain, the primary external suppliers deliver raw materials in the form of wood, glass and aluminium. 97 per cent of wood supplies are sourced from sustainable forests. The glass is purchased from large manufacturers with a high ethical profile. The aluminium is a bulk commodity with no extraordinary risk. 97 per cent of direct product suppliers have signed the VELUX Code of Conduct for Suppliers, which also includes human rights requirements.

We will continue to develop our understanding of our responsibility to respect human rights as defined by the UN Guiding Principles and to meet the responsibility in practice. For this purpose, we are a member of the Danish Business Network for Human Rights, a network of multinational companies.

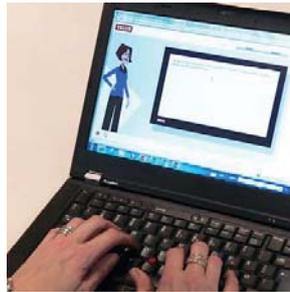


Anti-corruption



Striving for the highest standards in the way we do business is a key part of our efforts to be a Model Company. We take a zero-tolerance approach to corruption, whether it involves VELUX Group employees or others acting on our behalf. We have a long history of commitment to responsible business practices, guided by our values and continuous focus on maintaining the trust of our business partners.

The VELUX anti-corruption policy provides guidance to employees about what is considered appropriate in various business situations. The policy requires management to ensure that bribery does not occur. Management also has to formulate local guidelines for avoiding facilitation payments and for restrictions on gifts and entertainment.



Anti-corruption training



We train managers and employees in the VELUX anti-corruption policy and guidelines. In 2013, 90 per cent of our senior managers completed the anti-corruption e-learning course.

The objective of the course is to ensure that the policy is understood and to facilitate reflection on how the policy relates to day-to-day situations. The course uses fictional scenarios involving ethical issues to show how the policy works in practice.

We continue to work with guidelines and tools to improve our work with anti-corruption locally.



Organisational behavior

As an organisation, we work systematically to attract and retain the talent we need, to reduce the impact of our operations on the environment and to optimise our use of natural resources.

In the VELUX organisation, we have always been inspired and guided by our values. Together with our Model Company Objective, the values form our cultural foundation; they help us navigate and form a basic guide for behaviour rather than a formal set of policies and rules.

Our organisation and management principles ensure that managers across the organisation know why and how we operate to execute our strategy.



A safe and motivating workplace for talented employees

Maintaining our market leadership depends on our ability to attract and retain the best people. As part of this, we strive to provide a safe and healthy work environment where people are treated with respect, where they can develop their skills and enjoy challenging careers.

We have a limited number of corporate policies and programmes for our local companies, because daily business operations are a local responsibility. This decentralised approach means that group-wide data for some employee-related indicators do not cover all aspects of the VELUX Group's human resources.



Organisational and Management principles



Our Organisation and Management Principles ensure that managers across the organisation know why and how we operate to execute our strategy.

In the 1970s, we formulated guiding principles for how we are organised. Over the years, they have developed to become our Organisation and Management Principles.

The objective of our Organisation Principles is to ensure that managers throughout the organisation know why and how we operate to execute our strategy. We have one overarching principle, "One VELUX", which is the overall guide for our organisational design and which drives the overall structure of our company, supported by three clarifying principles:

One VELUX – we operate as one company

- We focus on business management
- We organise our business in a matrix
- We define transparent roles and responsibilities.

Our Organisation Principles put high demands on our managers. To reflect this and make our expectations for management behaviour clear, we have formulated three Management Principles.

In the VELUX Group, managers must have a passion for:

- Our Business – to execute our strategy
- Our People – to reach our potential
- Our Performance – to deliver on our promise.

The principles were revised at the VELUX World Conference in September 2013 and will be implemented during 2014 through a number of activities and development programmes.

Organising for a stronger global structure

In the last couple of years, we have introduced the "one VELUX" mindset, establishing global processes and functions that will help us achieve greater cohesion and efficiency across the organisation.

As part of the "one VELUX" mindset, several business support functions were organised into more global functions, starting with financial services in 2012 and moving on to Procurement, HR, IT and Facilities Management in 2013.



Developing our organisation



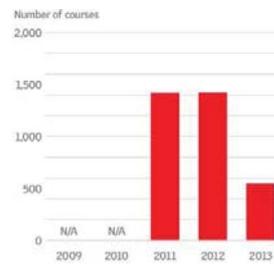
Developing our organisation means developing our people. We therefore focus on developing our managers and employees through courses, on-the-job training and annual dialogue.

VELUX employees are offered training and development opportunities in order to build the personal and professional skills required to succeed in their careers and to navigate in the ever-changing business requirements.

Our training approach is based on on-the-job training, internal and external training programmes, workshops, e-learning and job rotation.

In 2013, 548 internal courses were completed at the VELUX Learning Centre, compared to 1,420 internal courses in 2012. The reduced level of training activities is a result of many factors. The majority of courses offered by the VELUX Learning Centre were redeveloped during 2013 to match the New Generation platform, and the leadership programmes were also redesigned. We therefore stopped several training programmes until they were redesigned. The new learning portfolio is ready for full implementation in 2014.

Number of completed courses, employees VELUX Group



On-the-job training or training course data developed and run by our operating companies is not collected for the time being.



Developing our managers



In the VELUX Group, we have a portfolio of VELUX specific management development programmes to ensure that our managers have an understanding of our strategy, business, organisation and culture.

We want to support managers to live our management principles and to carry out people management based on our values and principles. Our management programmes will be revised in 2014 to reflect our new strategy.

Since 2008, the VELUX Group has carried out management surveys every second year for all senior managers as a tool to improve managerial competences. The management survey is based on our management principles and other key leadership success criteria. It is designed to indicate to what extent the principles are lived out in practice and to identify development areas across business areas.

In 2013, a total of 55 management surveys were conducted globally.

As part of our new strategy, we have introduced a new initiative called Revitalise Our Unique VELUX Culture. To enhance passion and performance in the organisation, a number of initiatives were defined in 2013 and will be launched in 2014. The initiatives are concentrated in four main areas: our core values, our organisation and management principles, new performance and talent management processes, and revised leadership development programmes.

The initiative focuses on performance to increase the focus on achieving a limited number of strategic and operational goals. To do so, we will build on our strong cultural foundation and begin training our managers to take advantage of a new global performance and talent management programme. This initiative is just getting underway and it will take time to generate results, but the initiative's importance and potential is extensive.

In 2013, nine graduates completed the LUMOS graduate programme, which was introduced in 2012 to ensure the pipeline of future-generation managers. The timing of the next graduate programme will be aligned with the organisational requirements.



Annual dialogue



The annual dialogue is a yearly conversation between employees and managers in the VELUX Group. The ambition is that all employees realise their full potential and contribute in the best possible way to the company's success.

It is the aim of the VELUX Group that every single employee realises his or her full potential and contributes in the best possible way to the company's success. To support individual development, it is our ambition that as many managers as possible conduct an annual dialogue with their employees. Due to the decentralised structure of the company, we do not have consolidated figures for the global implementation of annual dialogues.

The dialogue comprises an evaluation of the past year's performance as well as goal-setting for the coming year, including action points for development and career.



Diversity in management



The VELUX A/S Board of Directors has set up policy and targets for the number of women on the Board. Moreover, we have policies, processes and tools to increase the number of women in management positions.

At the beginning of 2013, the percentage of women elected for the Board was 20 per cent. However, in 2013 three employee representatives were elected for the Board and, since all three were men, the female representation is now 12.5 per cent.

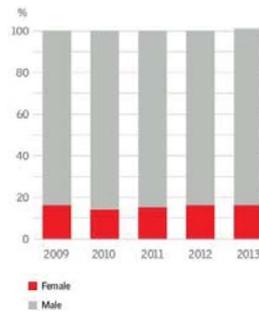
The target is to increase the representation of women on the Board of Directors over the next three years, always founded on the principle of suitability and qualifications of the candidates.

In 2013, 16 per cent of our senior managers were female. We recognise that women are underrepresented at senior level in the company. When recruiting new managers, internal as well as external recruiters are requested to present both male and female candidates.

In our internal talent and graduate programme, we aim for an even gender participation. In 2012, 33 per cent of the recruited LUMOS graduates were female.

The gender distribution for the VELUX Group's Danish companies is as follows:

Gender distribution, senior managers



Group figures on women in management positions are not available for the time being.



Case: Meet Eva Nečasová, General Manager of the VELUX factory in the Czech Republic

Eva Nečasová took up the position as General Manager of the VELUX factory in the Czech Republic in 2001. Since then, she has expanded the company from 90 to more than 400 people.

The factory manufactures blinds, insect screens, motors for windows and roller shutters, and electronic controls. As a general manager, Eva Nečasová has overseen the extension of the factory from one production hall in 2001 to five halls today. She also manages the Czech product development department with 13 engineers located in the nearby city of Brno in conjunction with the university campus.

Coming from a background in sales, it took serious consideration before Eva Nečasová ventured into the field of production when she was offered the job as general manager of the production company. Today, she is very happy with the challenge of leading a large production company and she would not swap it for anything. As one of the still relatively few female top managers in the VELUX Group, what are her key priorities in management?

"I am a strong believer in motivation as the key driver of business results. I encourage people to develop, because when people develop, the company develops. I believe in empowering people, in giving people responsibility and freedom to decide and act. In that way we bring the company forward. And I am a fan of open and honest feedback to continuously improve," says Eva Nečasová.

80 per cent of the workforce at the factory in Vyškov are women. The assembly work with many small components that must be fitted with great precision appeals to women. In the management team, however, Eva Nečasová stresses the need for diversity and four out of six on the team are men.

"Diversity is needed to succeed in today's tough competition. In our management team, my female strengths as empathic and intuitive are balanced by my male colleagues. Maybe diversity is not always the easiest way in management, but it definitely creates the most value. When you have a diverse and loyal team characterised by mutual respect and trust, you can come a long way," says Eva Nečasová.

As in many other countries, female top managers are rare in the Czech Republic, especially in production companies. Eva Nečasová is very grateful for the opportunity she was given to prove that she could lead a complex and growing organisation, and she hopes to be a role model for other women.



Employee turnover

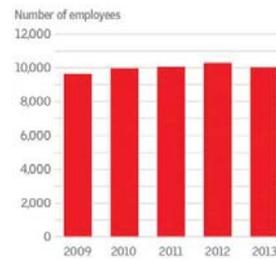


The number of employees fell in 2013 compared to 2012 by 270 people.

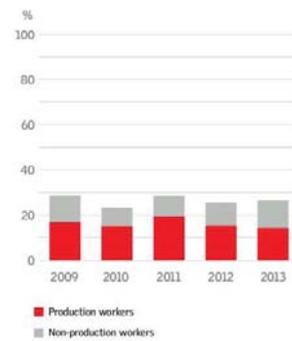
In 2013, the turnover of production workers remained at a relatively stable level of 19.1 per cent compared to the previous year. The turnover of non-production workers rose from 10.2 per cent last year to 12.4 per cent in 2013.

The increased turnover is a result of organisational adjustments to ensure future competitiveness of the VELUX Group by aligning manpower to the current level of activities in the group, and a relatively weak European market for building and renovation. One of the reasons for the lower internal activity level is the completion of several major development projects such as the New Generation roof windows.

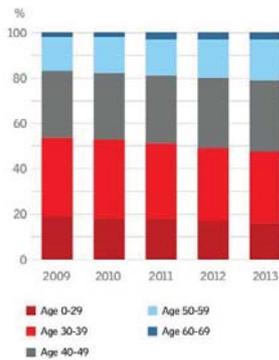
Number of employees, VELUX Group



Employee turnover



Age distribution, all employees





The Employee Foundation



The Employee Foundation of the VKR Group was established in 1991 to support present and retired employees of the VKR Group and their immediate families.

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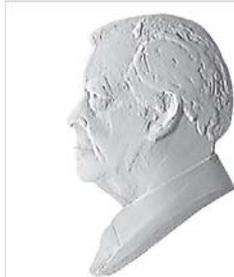
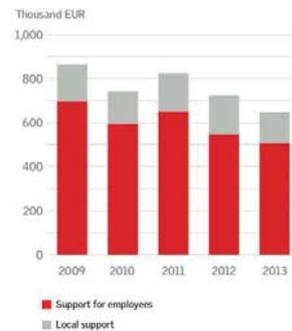
The Employee Foundation of the VKR Group has three main objectives. The first is to support employees and their close families, typically in the event of unfortunate situations or for educational purposes. The second is to support charitable projects in the vicinity of VKR Group companies, and the third is to present the Villum Kann Rasmussen Award.

Between 1992 and 2013, almost 2,600 people received financial support from the foundation, either for themselves or for their families. In the same period, more than 1,300 charitable projects in the vicinity of the VKR Group's companies received support.

Some examples of donations made in 2013 are:

In Croatia an employee received support for rehabilitation after a series of brain operations; an employee in Slovakia received support for home conversion to cope with a handicap; in Hungary an employee's child received a scholarship to become a cook; the child of a British employee received a scholarship to study law; in Belgium a donation was made to install terraces at a school for mentally handicapped children; and in Slovakia a donation was made for benches in a public park.

Grants from The Employee Foundation of the VKR Group



The Villum Kann Rasmussen Award



The Villum Kann Rasmussen Award is presented to employees who, each in their own way, contribute to meeting the Model Company Objective.

Less ^

In 2013, ten employees received the Villum Kann Rasmussen Award.

Inge Marie Stubkjær Olesen, Gásdal Bygningsindustri
Jim Tollison, VELUX America
Peter Schenk, VELUX Germany
József Soós, VELUX Hungary
Stefan Nilsson, VELUX Sweden
Jens Bruun Nielsen, VELUX Denmark
Marleen Rickaert, VELUX Belgium S.A.
Svend Åge Iversen, VELUX A/S, Østbirk
Egon Graversen, VELFAC A/S
Marie Christine Deliot, KH-SK France S.A.S.

[Read more about the award recipients](#)



Health and safety



The VELUX Group applies the OHSAS 18001 management system for occupational health at all production sites. Moreover, a comprehensive Safety Excellence Programme is being rolled out at all factories to build a strong safety culture and to continuously bring down the number of work-related injuries.

It is our belief that time invested in safety has significant positive impact on our business performance through increased employee empowerment, reduced accident-related costs and generally improved productivity.

The roll-out of the Safety Excellence Programme was initiated in 2011 and will be completed at all production sites in 2014.



Policy, principles and standards



The VELUX Group is determined to create and sustain a safe working environment. The long-term vision is to have zero accidents and incidents.

The VELUX Safety Policy consists of five guiding principles:

- Working safely is a condition of employment
- Management is accountable for preventing accidents and injuries
- We will always take the time to ensure safety at work
- We are all responsible for our own safety and for ensuring the safety of our colleagues
- We will ensure that all employees are involved, trained and competent in safety.

The key safety risks at the VELUX factories have been identified to be working at heights, working with forklifts and isolation of machinery.

As part of the Safety Excellence Programme, we continued the implementation of the Safety Policy and corporate safety standards across production sites during 2013.



Improving our safety culture



VELUX Safety Excellence is a four-year programme aimed at reducing the number of work-related accidents. The majority of VELUX factories have already implemented the programme, while the remaining factories will complete implementation in 2014.

As part of the Safety Excellence Programme an integrated safety organisation has been established with clear roles and responsibilities at all levels. The main elements of the programme are:

- Safety training for managers, safety managers and employees
- Safety walks with observation and dialogue to maintain a proactive safety culture
- Incident investigation to further qualify the safety work
- Safety assessment to systematically develop the group-wide safety culture.

In 2013, managers and employees at six VELUX factories were trained in Safety Excellence.

During the year under review, new guidelines for incident investigation were developed and the implementation of the guidelines started at all production sites. The guidelines will further strengthen the skills and effectiveness in identifying root causes, taking corrective and preventive actions, and secure clear accountability and knowledge sharing across the sites.

In 2013, comprehensive safety assessments were carried out at 12 VELUX factories by external and internal assessors. The assessments showed a clear positive development in the safety culture between first and second assessments.

An important goal in a strong safety culture is to involve all employees in their own personal safety and in the safety of their colleagues. As part of the Safety Excellence Programme, employees are encouraged to contribute with suggestions for safety improvements and, in 2013, a total of 16,611 safety improvements were documented at our production sites.



Case: Safety excellence in VELUX China



After the 2013 safety audit by the safety authorities in Langfang City, VELUX China was ranked among the most advanced in safety excellence in the Hebei province.

"We have come a long way with the safety work at VELUX China since we started some years ago. Most of our 300 employees at the factory have been trained and the safety organisation is in place, with involvement of managers and employees in the on-going dialogue about safety," says General Manager Jan Engberg of VELUX China.

Attention to safety in the workplace is growing in China, and the local authorities monitor the safety performance through regular audits.

"At their latest visit, the safety auditors of Langfang City ranked our safety performance top in the province of Hebei. They were particularly impressed by our safety culture and our safety excellence programme," says Bo Ruibing, who is Safety, Health & Environment Coordinator and in charge of the OHSAS 18001 and ISO 14001 systems at VELUX China.

Safety walks have been a highly effective tool in the work to strengthen the safety culture. During 2013, the management of VELUX China carried out 258 safety walks, spent a total of 130 hours on safety walks, talked with at least 220 employees and observed 187 cases of unsafe behaviour that led to preventive measures.



Safety performance



The long-term safety vision is to have zero accidents and incidents. In 2013, the accident frequency was reduced from 3.9 to 2.4 accidents per one million working hours at the VELUX factories and among Danish administrative employees.

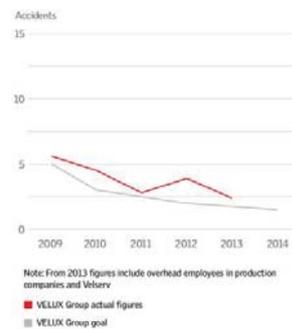
2.4 is the lowest number of accidents per one million working hours we have ever registered. The target for 2013 was 1.75 accidents per one million working hours.

The target for accident frequency in 2014 is 1.5.

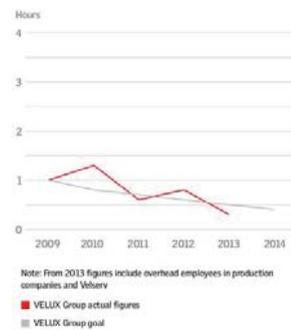
The lost-work-hour frequency for accidents was 0.8 lost hours per 1,000 working hours in 2012, but only 0.3 in 2013. This is a historically positive achievement and below our 0.5 maximum target. The decrease in lost-work-hour frequency shows that accidents have become less serious – a very positive development.

The overall very satisfying result is that we experienced fewer and less serious accidents in 2014.

Accidents per 1 million working hours



Lost hours due to accidents per 1,000 working hours



Sites without accident for at least two years

	Latest accidents	Years without accidents
Velterm A/S, Denmark	2008	5 years +
European Central warehouse, Denmark	2009	4 years +
VELUX Greenwood Inc.	16 April 2010	3 years +
MD-RUS, Russia	3 June 2010	3 years +
Partizánske, Slovakia	7 March 2010	2 years +
Skærbæk Bygningsindustri A/S, Denmark	30 March 2011	2 years +



Case: 1,000 days without accidents in Slovakia



The VELUX Group's safety vision is to prevent all accidents and injuries. In December 2013, the VELUX factory in Slovakia celebrated 1,000 days without accidents.

"1,000 days without accidents is an important milestone that we have reached only by constant focus on safety in the whole organisation. We are building a culture of safety and our Safety Excellence project has had a huge impact on this achievement. All employees contribute with ideas to improve safety and our management is visible in safety walks and dialogue with the employees. 85 per cent of the employees have now had safety training and 95 per cent of the people trained were satisfied or very satisfied with the training. Our next step is to transfer the Safety Excellence project to our daily business so that safety becomes an integrated and natural part of daily work and management," explains Zdenko Ďurči, Quality & Health and Safety Manager at PBC-SK.



Case: More than 1,300 days without accidents in the US

At the VELUX factory in Greenwood, an excellent record has been achieved: nearly four straight years or 2,350,000 man hours without a lost-time accident.

The last accident was on 16 April 2010. In 2013, there were just 8 recordable minor incidents with no lost working hours. This is the lowest number in the history of VELUX Greenwood Inc.

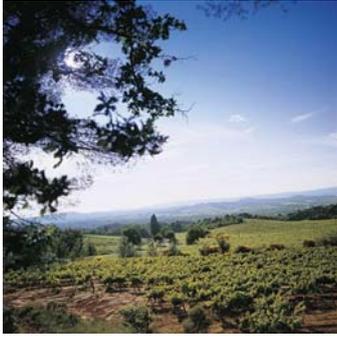
More than three years ago, VELUX Greenwood had accidents like small cuts, stitches, back strains or shoulder injuries caused by improper lifting. For example, one injury happened as an employee bent down to pick up an 88-pound box of cement. "He virtually threw his back out that day. Today that would not happen, simply because our safety culture has changed," says John Pillman, VELUX Greenwood President.

John Pillman describes the success: "The biggest thing we did is our programme Taking Safety Personally, which was followed by the Safety Excellence programme. We have engaged the work force and we have changed the thought processes from thinking about how a specific machine or tool could be a hazard to thinking about our behaviour."

Every shift starts with a department meeting where safety is the first issue. The employees are assembled by their department manager or supervisor who puts safety on the agenda.

Another way of involvement is the annual identification of safety improvements. Over the past three years, the workforce has turned in 1,965 safety improvement suggestions, all of which have been implemented; nearly all of them came from the production workforce.

The identification is tied into their compensation, which, according to John Pillman, is another excellent way to reinforce behaviour. "They know more of the job processes than I do so they are able to go and look for things. And it gets them to look at their job from a different perspective."



Environment



Since 1997, the environmental management system of the VELUX Group has been certified to the international environmental standard ISO 14001. All VELUX manufacturing sites have achieved this certification.

The VELUX Group is committed to protecting the environment and we work systematically to reduce our impact on environment and natural resources. Tackling climate change has high priority in society and, by developing sustainable building solutions and by constantly minimising the environmental footprint of the VELUX factories, we seek to contribute to sustainable development.



VELUX Environmental Policy



The VELUX Environmental Policy consists of six guiding principles that all seek to minimise the environmental impact throughout the product life cycle and the supply chain.

The six guiding principles are:

- Design our products so that their environmental impact during manufacture, use and disposal is diminished
- Use raw materials, water and energy efficiently in order to diminish our effect on the environment
- Reduce emissions, waste and discharges from our activities
- Maintain high standards of safety at work for our employees and encourage sound attitudes toward the environment in our field of activities
- Cooperate with our suppliers, customers and other business partners to achieve higher environmental standards
- Remain alert to new opportunities to enhance the environmental soundness of our products and manufacturing methods beyond what is generally expected.



Carbon emissions performance



The Life Cycle Assessments performed on VELUX products have shown that the greatest impact of VELUX products on the climate is in the use phase, where roof windows can have a positive CO₂ footprint.

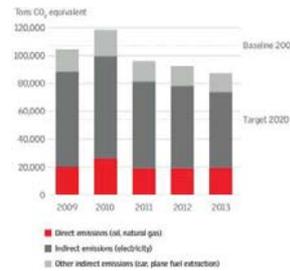
For the internal processes of our supply chain, we have set up targets to reduce CO₂ emissions. The goal is to reduce our CO₂ emissions by 50 per cent by 2020 compared to the level of emission in 2007 of 107,000 tons CO₂.

The VELUX Group's CO₂ emissions were slightly lower in 2013, with a total emission of 87,000 tons CO₂ compared to 92,000 tons in 2012. The reduction is primarily due to reduced electricity consumption and a higher share of the electricity we consume coming from green energy sources due to the overall focus on green energy in the energy sector.

In the previous five-year period from 2007-2012, emissions were reduced by a total of 14 per cent. The remaining reductions required to reach the 2020 target will be achieved in the coming years by working further on improving our energy efficiency and by using more green energy sources.

As part of the CO₂ reduction programme, several VELUX factories have installed new bio-boilers and replaced fossil fuels with waste wood generated from local production.

CO₂ emissions inventory



The VELUX carbon footprint calculation and the 2007 baseline were corrected in 2013 for both this year and for the years before. A correction was needed due to the number of company cars being underestimated previously and due to an improved method for calculating our carbon footprint from our sales offices.



Waste management



The VELUX Group works continuously to reduce resource use and waste. Where waste cannot be avoided, the goal is to recycle as much as possible. Around 98 per cent of our waste is recycled or incinerated to produce energy.

Most of our production waste is wood, steel, aluminium and glass. In 2013, our waste was disposed in the following way:

- 72 per cent was recycled
- 26 per cent was used to produce energy by incineration
- Around 0.6 per cent of our waste contains varnish and is classified as hazardous waste and sent for special waste treatment
- The remaining 1.4 per cent of waste is sent to landfill.



Water management



In 2013, water consumption at our factories was 140,000 cubic metres compared to 134,000 in 2012.

The VELUX Group does not register general waste water production from factories. However, due to the type of manufacturing in the VELUX Group, waste water from production companies is predominantly sanitary waste water sent to sewage treatment and to a minor degree waste water from cleaning and washing of components. A very small amount of waste water/sludge, e.g. collected from periodic special cleaning processes of equipment, is included in the 0.6 per cent waste we disposed of as special waste treatment.



Performance

To get the overview of how we have done in selected areas, our performance is measured by the indicators below and progress is tracked against these indicators. You will also find more information about the report and the guidelines we have applied to determine what to include and the contents of the report.

Citizenship	Key indicator	2009	2010	2011	2012	2013	Target	
Sustainable Living in Buildings	Demonstration buildings with Active House Radar Diagram	N/A	N/A	N/A	5	15	12 in 2013	●
Fair competition	Management compliance with Annual Management Declaration (annual signature confirmation)	100 %	100 %	100 %	100 %	100 %	100 %	●
Public affairs	EU member states which have either national legislation or energy labeling on windows based on Energy Balance	7 %	15 %	19 %	19 %	21 %	100 % (long term target)	●
	EU member states which have daylight factor requirements in their national legislation or guidelines	30 %	30 %	30 %	30 %	29 %	100 % (long term target)	●

● Target reached ● Target ongoing ● Target not reached

Product and services	Key indicator	2009	2010	2011	2012	2013	Target	
Product quality	Production sites certified according to ISO 9001	95 %	100 %	100 %	100 %	100 %	100 %	●
	Product recalls or warnings	0	0	1 warning	0	0	0	●

● Target reached ● Target ongoing ● Target not reached

Customers and business partners	Key indicator	2009	2010	2011	2012	2013	Target	
Customer interaction	Reputation on RepTrak™ Pulse Score (Reputation amongst our customers)	74	76	78	79	78	> 75	●
Supply chain	Product related suppliers signing our Code of Conduct for Suppliers	N/A	85 %	90 %	97 %	97 %	95 % in 2013	●
	Sourced wood from FSC or PEFC certification	88 %	89 %	90 %	95 %	97 %	97 % in 2013	●
	Sourced wood from controlled sources	12 %	11 %	10 %	5 %	3 %		
	Sourced wood from non-controlled sources	0 %	0 %	0 %	0 %	0 %		
Anti-corruption	Level 1 managers completing the VELUX Anti-corruption e-learning course	N/A	N/A	N/A	88 %	90 %	95 % in 2013	●

● Target reached ● Target ongoing ● Target not reached

Organisational behaviour	Key indicator	2009	2010	2011	2012	2013	Target	
Health and safety	Accidents per 1 million working hours (production workers)	5.6	4.5	2.8	3.9	2.4	1.75 in 2013	●
	Lost hours due to accidents per 1000 working hours in 2012 (production workers)	1.0	1.3	0.6	0.8	0.3	0.5 in 2013	●
	Production sites certified according to OHSAS 18001	100 %	100 %	100 %	100 %	100 %	100 %	●
Environment	CO ₂ emissions in tons	104,000	118,000	96,000	92,000	87,000	54,000 tons in 2020 (long term target)	●
	Production sites certified according to ISO14001	100 %	100 %	100 %	100 %	100 %	100 %	●

● Target reached ● Target ongoing ● Target not reached



About the report

This is the VELUX Group's third annual Corporate Responsibility Report.

Purpose of the report

The purpose of the VELUX Corporate Responsibility Report is to provide stakeholders with an overall transparent, fair and balanced picture of the VELUX Group as a Model Company, which is the foundation of how we work with Corporate Responsibility. Corporate Responsibility reporting is a journey and we believe we are making good progress towards achieving the purpose of the report.

Target groups

The Corporate Responsibility Report is targeted at our international customers, politicians and authorities, interest groups, journalists, CR professionals, as well as current and potential employees globally.

Scope

Unless otherwise stated, the data and reporting relates to the entire VELUX Group, i.e. production sites, distribution centres, administration and sales offices. Suppliers and other third parties are included only in the specific reporting on business partners. The report covers the 2013 calendar year.

Reporting principles

The report was compiled using the principles of the Global Reporting Initiative (GRI), Sustainability Reporting Guideline as guidance.

Stakeholder analysis

The topics that are important for us to report on to our audience were identified through a number of activities. Most of these activities are part of daily operations and reflect an understanding of and response to stakeholder concerns. Other activities were conducted with the purpose of developing the understanding of our Corporate Responsibility performance. These include surveys and benchmark studies.

Defining key issues

To define our most important areas in Corporate Responsibility, we have identified the issues – based on where the organisation has economic, environmental and social impacts – that significantly impact the success of our business and are of great importance to our stakeholders. This includes risk management, legal matters and market prediction as well as an assessment of Corporate Responsibility in relation to our business strategy.

Data processing

The environmental and health and safety data in the report was collected, compiled and validated by the VELUX Group's HS&E function, the human resource data by the VELUX Group's Human Resource function. Data on anti-corruption, anti-competitive behaviour etc. has been collected by the relevant internal issue owners, whereas brand and satisfaction tracking was carried out by an external party. The data is collected annually according to a fixed reporting procedure. Data was compiled for the calendar year 2013 as end-of-the-year data with the exception of brand and satisfaction tracking, which was compiled during the year, and anti-corruption e-learning, which was collected at the beginning of 2014 due to a change in the IT platform at the end of 2013.