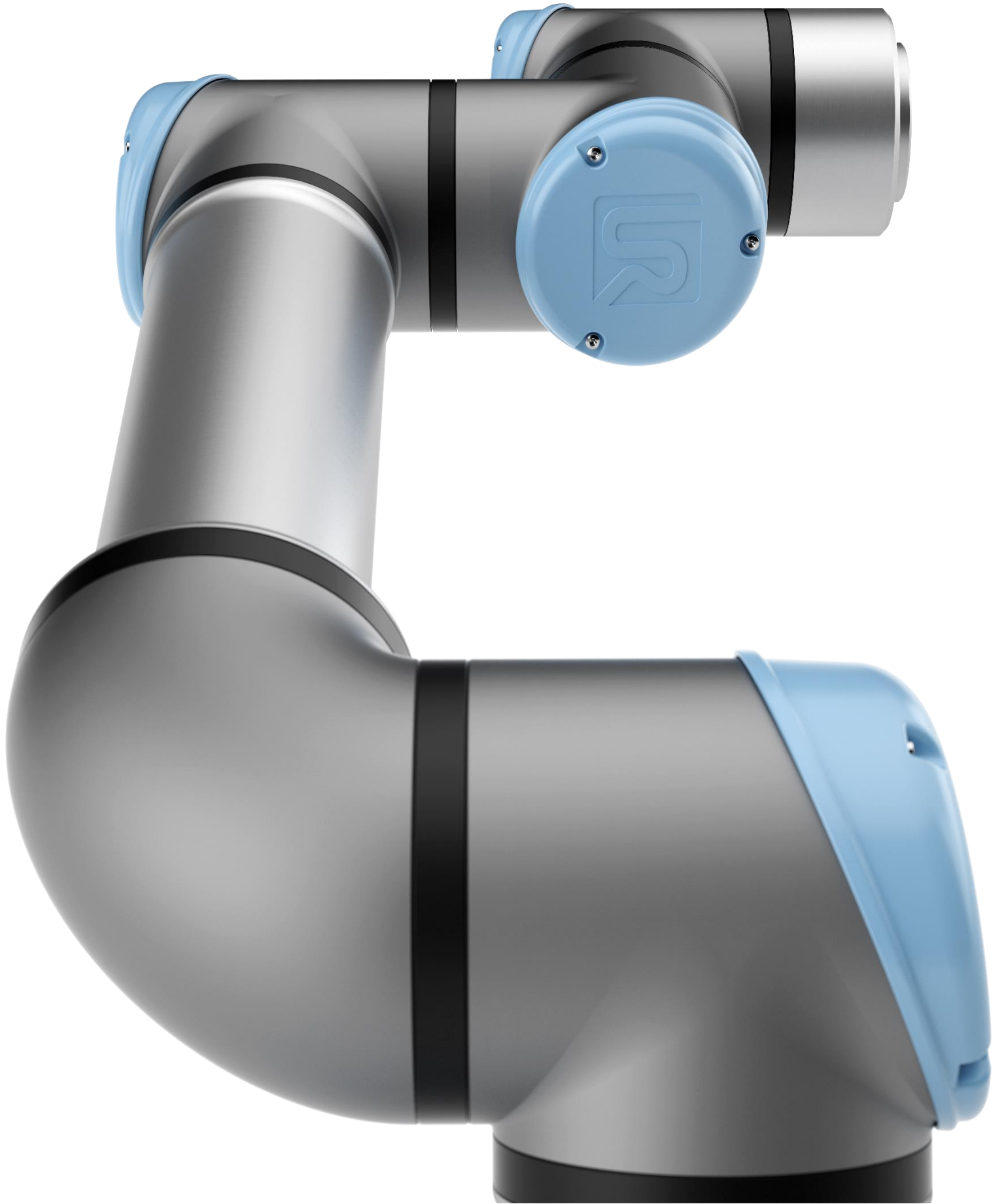




UNIVERSAL ROBOTS

Corporate Social Responsibility CSR Report 2019

Corporate social responsibility statement cf. Section 99a of the Danish Financial Statements Act and statement of the gender composition of the management cf. Section 99b of the Danish Financial Statements Act



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CSR at Universal Robots

Doing business in a responsible way has always been and will continue to be an important and integral part of Universal Robots' business strategies and daily work procedures, and it shall always serve as the foundation for both short-term and long-term management decisions.

Our CSR policies and guidelines

At Universal Robots we have defined policies and guidelines addressing many aspects of the CSR area, including, but not limited to a Code of Conduct for employees, Supplier Code of Conduct, Distributor Code of Conduct, behaviour towards customers and suppliers, anti-corruption, responsible sourcing, climate change, environment, occupational health and safety, community relations, human rights, compliance with competition laws and a whistle-blower scheme.

Our CSR governance

Universal Robots' management team and Board of Directors assess risks of relevant CSR areas on an ongoing basis and define objectives and select which development initiatives to implement.

The selected development initiatives are implemented by our managers and specialists with the right qualifications within each of these areas.

At Universal Robots we encourage all managers and employees to take part in and contribute to plans and developments within the CSR area.

We also have a close dialogue with our other stakeholders, as this is an important way to update and inform them about our CSR plans and objectives. An important stakeholder group is our customers – read more on our dialogue efforts in the section titled *"Area 3 – Society around us"*.

In order to ensure CSR compliance, we have established internal controls and follow up procedures to ensure a satisfactory level of corporate responsibility throughout our entire business practices.

Alignment with our parent company's CSR governance

To ensure efficient impact of Universal Robots' CSR efforts, our CSR governance is aligned and coordinated with the CSR governance of our parent company Teradyne Inc. ("Teradyne").

Teradyne has established a cross-functional CSR Governance Team ("Governance Team") that manages the company's global CSR program. This team reports to the Board of Directors annually on the status of Teradyne's CSR activities.

The Governance Team's objectives are to:

- Define Teradyne's CSR vision and ensure it aligns with stakeholder values;
- Organize, plan and standardize Teradyne's global CSR efforts;
- Measure, monitor and provide annual reporting on CSR activities; and
- Monitor and implement new developments and industry standards within CSR.

Our business model

Universal Robots is at the forefront of technological development within the robotics industry.

This position naturally challenges us in our decision-making, because new situations, new aspects and new contexts occur due to our market leadership position – and these challenges continuously encourage us to consider issues within the CSR area.

These four (4) values form the foundation of our company and help guide us in all our decision-making, not at least within the CSR area:

- **Courage** *“We challenge ourselves and others in order to improve. We mobilize and encourage each other to take responsibility for the company’s success”*
- **Passion** *“We care deeply about everything that we do. We’re driven and focused. We have dreams, aspirations and high ambitions, for ourselves and for the company”*
- **Innovation** *“We’re curious and like to experiment. We respect those who have gone before us. We want to make the world a better place through continuous improvement”*
- **Integrity** *“We do what we believe is right. We respect and value differences, and we encourage everyone to speak their mind. We are transparent in why we do what we do”*

At Universal Robots, we develop and manufacture robot arms. We have sold more than 42,000 collaborative robots which are used in several thousand production environments every day around the world.

A Universal Robots robot arm can increase customers’ productivity, increase manufacturing quality and reduce injury rates through automation and streamlining of repetitive work processes in many different service and manufacturing sectors.

Use of robotics technology also impacts the way manufacturing processes are planned and performed, including decisions as to where in the world manufacturing sites should be located. In many situations this can lead to reduced transportation costs for all types of goods, which contributes to lowering negative footprints (e.g. climate, environment).

Our business portfolio is based on a limited number of standardized products which can be integrated and combined to fit many different customized work situations and tasks defined by each end-user.

Installation of the robot arm, testing and training of end-user employees is performed by our authorized distributors.



CSR links along our value chain

Transportation services

All transportations are handled by either our suppliers or our customers normally using third party logistics carriers.

Links to the CSR area

We continuously encourage both our suppliers and our customers to have a constant attention on possibilities for optimizing transportation and other logistic processes for both in- and outbound

Research and product development

Procedures within this part of the value chain are mainly performed internally in our company by our own employees, which means that we have a high degree of insight into and control over this area.

We specify and design each new robot arm and each sub-component required, based on best practices within the robotics industry.

Most parts used in our manufacturing are designed specifically for our robots, and only a minor number of parts are standard components.

Links to the CSR area

Optimization of material usage, waste recycling and end of life disassembling of the robot arms are integral parts of the product development procedures.

Product assembly

Most of the assembly processes are performed at our own factory in Odense, Denmark, where most employees are directly employed by Universal Robots.

Minor parts of the employees are engaged through an employment agency, and some assembly processes are done by sub-contractors.

Links to the CSR area

At all Universal Robots' premises health and safety, education and work environment are constantly in focus and followed up on, and we require our sub-contractors to uphold similar standards.

Suppliers' manufacturing of parts

Manufacturing of parts for Universal Robots products are based on our specifications and requirements.

Universal Robots does not manufacture components or parts for our robots internally in the group.

Links to the CSR area

To ensure a satisfactory level of CSR performance at our suppliers, all supplier contracts include responsibility requirements.

Requirements are defined in our Supplier Code of Conduct and reporting and follow up procedures are performed on a risk-based approach.

Sale, installation and maintenance

These processes are performed by our distributors all over the world. The distributors enter into the contracts with the robot arm end-user or integrator, and the distributor and/or integrator apply the "End-Effectors" on the robot arms. End-Effectors include grippers, vacuum tools, visions etc.

Links to the CSR area

Distributors sign a cooperation agreement with us requiring them to comply with our Distributor Code of Conduct, including all applicable laws and regulations, and to undertake all necessary measures to prevent corruption, money laundering, terrorist financing etc. and strictly comply with all applicable trade control laws and regulations.

Our four CSR focus areas

Area 1 - Environment and climate

Our principles

Our **Environmental Policy** states:

We recognize that business activities impact the environment. We are committed to managing activities that could potentially impact the environment in a responsible and effective manner.

We continually strive to improve our environmental performance, consistent with other business objectives, and regularly set qualitative and quantitative targets and monitor progress in achieving them.

In working towards minimizing environmental impact associated with our activities, we at a minimum, comply with applicable environmental regulations and standards, support pollution prevention and minimization programs, use materials and energy efficiently to conserve natural resources as well as we review environmental objectives and monitor performance.

Our **Climate Change Statement** states:

In working towards minimizing our environmental impact, we work to minimize emissions that contribute to climate change.

We believe that everyone shares responsibility to mitigate greenhouse gases (GHG) and activities that negatively impact the environment. Businesses are already experiencing the negative impact of climate change, from infrastructure damage to disruptions to logistics, input supplies and customers. We support global efforts to mitigate the impact of climate change.

We continually assess the environmental impact of our operations and ways to reduce our climate footprint.

Activities during 2019

Any potential environmental impact is being assessed on an ongoing basis and is a part of the decision-making process in all new product development projects.

The results and recommendations from the energy optimization assessment performed last year at our manufacturing and administration facilities in Odense, Denmark, still serve as basis for planning our ongoing development initiatives aimed at achieving reductions in energy consumption.

Our room heating optimization equipment installed in 2017 at our Odense facilities still contributes to an optimized and reduced consumption of room heating with the following carbon emissions. During 2019, we have further reduced the district heating consumption by changing the construction of our supply pipes from the district heating system. These optimizations have saved in level 2.000 m³ district heating water per year.

Additional insulation of a number of internal cooling and heating pipes, replacement of older windows in the manufacturing areas with new and highly insulated windows, as well as installing more frequency converters on our ventilation systems, have contributed to reduced energy consumption.

In 2019, we installed a new cooling system for parts of our premises in Denmark. The system is based on the water-cooling principle and is among the most energy-efficient cooling methods available.

For our manufacturing ovens, we have installed a new cooling system that reduces the energy consumption.

Also, in 2019 we continued upgrading room lighting with modern LED solutions throughout the manufacturing areas and ongoing adjustments of the air conditioning installations have been performed as well.

We continue to optimize our logistics and packaging consumption, by focusing on package efficiency for each transportation pallet from suppliers. We have also developed arrangements with our suppliers for returning used packaging materials.

During the year we have outsourced warehousing of finished goods to an external vendor, which due to economy of scales has reduced the total number of down-stream transportation.

Reducing our consumption of chemicals has been a focus area for many years, and we are pleased that we managed to eliminate a few chemicals in 2019 too.

Changes during 2019 in the types and amounts of received packaging materials from our Supply Chain made it difficult to both reuse and recycle these materials. We have focused on finding appropriate recycling solutions, which has included a close cooperation with a specialized Danish company within this area, and it seems that a valid solution has been found.

All waste is sorted to the highest possible degree, and we encourage our external waste disposal vendor to handle its sorting according to the most up-to-date waste disposal methods. We seek to complete waste sorting directly at the source. All new employees are instructed and encouraged to perform proper waste handling as an integrated part of our daily business operations.

At our manufacturing facilities in Denmark we have exchanged some of our waste containers to semi-intelligent containers that automatically detect when the container is close to being full and on that basis automatically orders a truck to empty the container.

As a new initiative in 2019, we have contracted with a specialized company on recycling computers and mobile phones that are no longer in use at Universal Robots. The company repairs and refurbishes the equipment for resale.

In an effort to reduce food waste, we offer our employees to buy excess food from our canteens in Denmark and food waste amounts are measured and reported on a daily basis.

In order to ensure an energy efficient employee commute between our two (2) locations in Odense, Denmark, we still use our three (3) electric vehicles as the primary mean of transportation. Last year we installed charging stations at both locations.

We still use our cargo optimization methods (e.g. aligned sizing of our boxes, extended loading heights, and enhanced packaging methods), so more boxes can be loaded on each pallet when transporting products.

We continue to focus on increasing the use of technology in order to minimize the need for our people to travel. This is an important focal point for us, as we have business activities and employees spread across the world. We encourage employees to use our digital conference facilities whenever possible. We have video meeting equipment at all our sites.

Results achieved

Our energy consumption per employee has increased compared to last year, although we have worked with optimizing our room lightning, heating and cooling, as well as energy consumption for manufacturing purposes. The reason for the increase is increase in activity level. Management is aware of the development.

Use of electric vehicles for local commuting and our increased use of video conferencing have contributed to a lower carbon emission by reducing the consumption of fossil fuels in connection with travel.

Focus on reducing our waste amounts and packaging volumes, using semi-intelligent waste containers, solving issues with the new packaging materials, optimizing our waste sorting and recycling our computers, have all contributed to optimizing waste amounts and types, material consumptions, chemical use, energy consumptions and pollutions.

The share of waste recycled has decreased compared to last year, which is mostly a result of the changes in received packaging materials from suppliers. A solution for this issue is being investigated.

Optimization in our in- and outbound logistics methods have lowered our negative transportation footprints.

Key Performance Indicators

		2019	2018	2017
Energy consumption per employee	Index, 2016 = 100 ¹	103	92	75
Waste recycled	% of total weight ²	69 %	73 %	64 %
Reporting principles: <ul style="list-style-type: none">• Energy consumption includes our consumption of electricity, district heating and fuel for vehicles.• Employees are counted as average full-time equivalents for each year according to the Annual Reports.• Recycled waste is defined as waste disposals aimed at reuse or recycling. Disposals for incineration and landfill is not considered recycled.				

Risks and management procedures

Potential pollution and other negative impact on our surroundings (e.g. unintentional transportation footprints, excessive energy or material consumptions, or non-optimized disposal of waste), will always be a risk factor for a manufacturing company like Universal Robots.

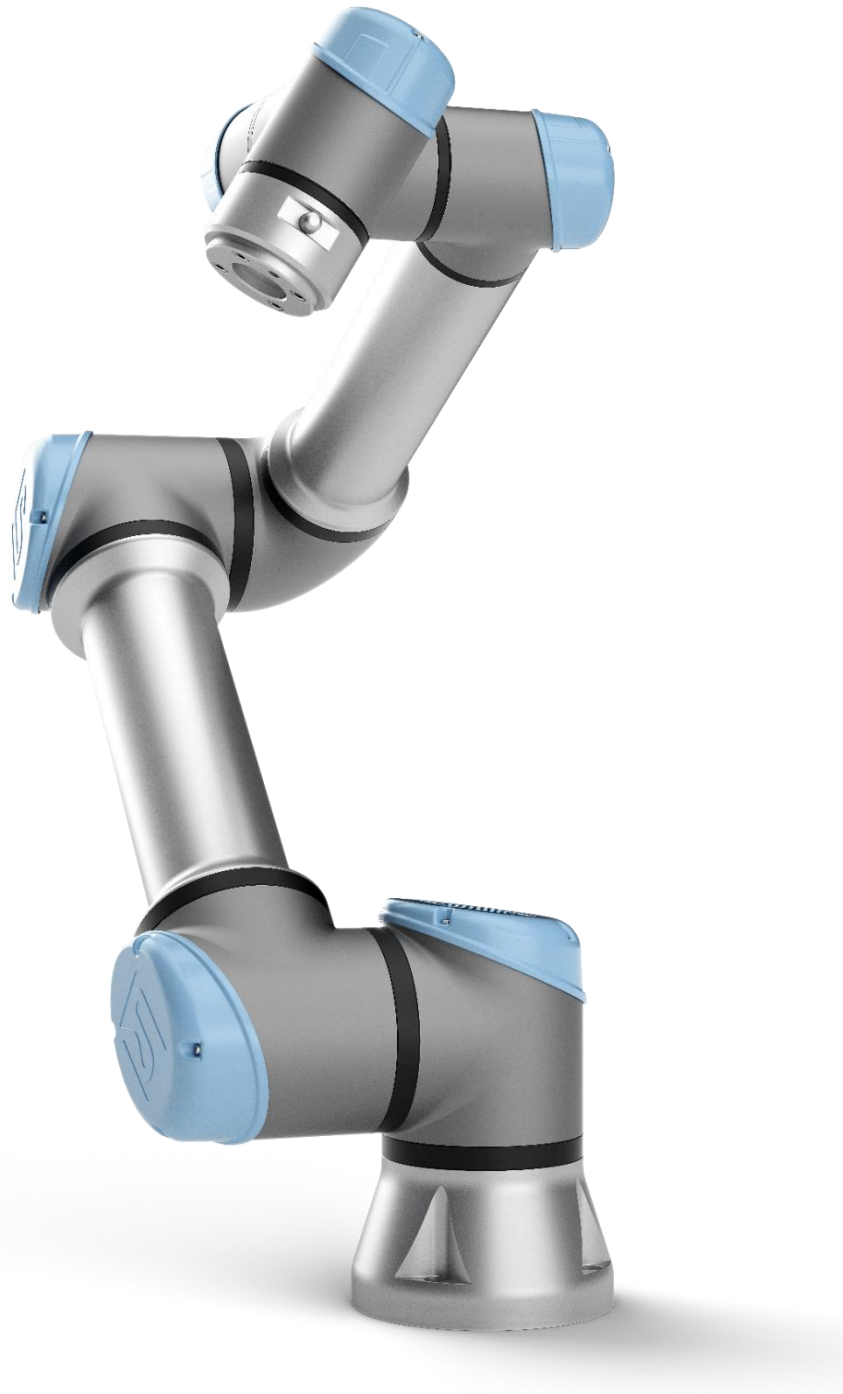
In close cooperation with our parent company Teradyne, we monitor risk and opportunity factors within Universal Robots and in the broader field of environmental management, such as global policies and regulation trends that impact our business environment.

¹ Data scope includes parent company Universal Robots A/S entity only

² Data scope includes parent company Universal Robots A/S entity only

Teradyne's CSR Management System, CSR Governance Team as well as whistle-blower function form the basis for our management efforts within this area.

Reducing our climate change footprint and an ongoing assessment of the environmental impacts of our operations are among our primary objectives.



Area 2 - Our people

Our principles

Our vision of creating a **Positive Work Environment** states:

It is a priority for us to ensure that we have a culture in which our most valuable resources – our people – feel inspired, supported, safe and able to achieve their personal best. As such, we adamantly uphold a number of policies to ensure equality, including non-discrimination and pay equity policies.

Our **Employee Health and Safety Policy** states:

We are committed to the health and safety of our employees throughout the world. We will comply with all applicable regulatory health and safety requirements wherever we operate. Regular review and monitoring of regulations occur to ensure we are complying with applicable laws and regulations at the local state/province and country levels. Management leads the effort behind this important value, and all employees are responsible for both their own safety and the safety of those around them.

Our **Code of Conduct** and our **Employee Handbook** describe and guides on good employee behaviour and employee conditions in Universal Robots. Both the Code of Conduct and the Employee Handbook addresses the environment, employee health and safety, working environment, human rights, regulations, anti-cartel, anti-corruption, monetary transactions, employee equality, psychological work environment, stress prevention and more. Each manager is responsible for ensuring that their employees are informed about our Code of Conduct and the Employee Handbook. All managers and employees at all levels of the organisation are required to comply with the standards set.

Our guideline **Procedures for handling and preventing accidents and near-misses** describes in detail how we act within this very important focus area.

Activities during 2019

Also, during 2019 we have continued our thorough focus on, and registration of, all incidents related to health and safety matters, including accidents with absence, accidents without absence, and near-misses in accordance with the guidelines in “Procedures for handling and preventing accidents and near-misses”, which in detail describes our procedures. An important part of these guidelines are our regular evacuation drills at our manufacturing premises.

Our internal work environment committee represents all relevant parts of our organization, including management. At the beginning of each year the committee develops an annual action plan, which sets forth the basis for actions for the upcoming year. Meetings are conducted at least quarterly, and decisions and follow up issues are documented in actionable meeting minutes.

Safety rounds are, at a minimum, done quarterly, and local safety inspection rounds are done twice a week in all our manufacturing areas. Health and safety issues are always the first agenda point of the daily team meetings held in every manufacturing team.

A Workplace Assessment (in Danish “APV”) covering all Danish business premises has been performed during 2019. The APV covers both the physical and psychological work environment. We are

very pleased that our scoring is above benchmark within all main assessment areas. An overall development plan and concrete development actions have been initiated based on the assessment.

In continuation of last year's initial roll out of Universal Robots' four corporate values: *Courage, Passion, Innovation, and Integrity*, during 2019 we have performed a variety of activities aiming at establishing the values as a core foundation under our organizational culture. Activities include focused communication on our intranet, local meetings where both individuals and departments via pictures and the like express what each of the four values means to them, presentations and discussions of the values at internal meetings, internal competitions, and manager events with focus on the values.

Throughout the year our Executive Board has addressed and referred to the values whenever relevant – including at our frequent townhall meetings.

During 2019 we have launched the UR Recognition initiative, which is in direct support for our four values. The initiative makes it possible for all Universal Robots managers and employees to express specific recognition of a colleague, whom they consider a role model. The recognition is expressed via a site at our intranet, and it has already gained broad attention among many Universal Robots people. The initiative also comprises an UR Recognition Award.

New employees at Universal Robots participate in a formalized onboarding program which includes e-learning sessions which employees take prior to their start date at Universal Robots as well as a full day once the employee has started. The training is further built on an on-the-job training period where each new employee is teamed up with a more experienced colleague for a suitable period.

An employee engagement survey has been performed during late 2019, and the findings will be used as basis for specific development initiatives throughout the company.

Universal Robots offers its employees the option to participate in our employee stock purchase program, which makes it possible for employees to acquire Teradyne stocks at a discounted rate. A significant number of employees participate in the scheme.

Employee development interviews and performance evaluations are conducted annually. Follow up interviews are done as a joint responsibility between the employee and the manager, and any relevant data about the employee's development is registered in our HR systems.

Setting objectives, evaluating performances, agreeing on competence developments, employee training and plans for professional developments, are among the issues discussed during each employee development interview.

All employees have access to our learning management software solution that offers a wide range of different training and education sessions for managers and employees. Registering actual learning activities is a built-in feature in the software solution which means we at all times have a current snapshot of the organization's use of the offered learning modules.

The concept of TWI (Training Within Industry) is widely used for training at our manufacturing site, as the TWI's emphasis on practical and illustrative learning is both efficient and appreciated by our employees.

At Universal Robots we care about our employees' wellbeing and following up on work absences is part of our effort in this area. We believe it is a clear advantage to both the employee and Universal Robots to maintain close contact when an employee is absent from work, and to initiate a dialogue when an employee seems to have an unusual amount of absence.

Our managers conduct individual well-being interviews with an employee with an unusual amount of absenteeism.

Building on prior initiatives, we have continued implementing actions that improve both production efficiency and good ergonomic conditions for our employees.

Among the initiatives we have worked on during 2019, are improved crane coverage in the production and R&D area, which has further automated the processes for inserting screws into our robots. We have outsourced our warehousing of finished goods and implemented a new set up for end-stations at the assembly lines and reduced of the number of parts to be screwed in place at the assembly.

In connection with the manufacturing of our new UR16 robot arm we have implemented up-to-date production equipment that reduces the need for manual lifting and further reduce manual processes on the production line.

Frequent breaks with different physical exercise activities are an integral part of a workday at Universal Robots, and we encourage all employees to participate in the exercises.

We also offer employees massage from a professional masseur, we support participation in fitness activities, and we continuously perform ergonomic optimizations of each employee's workplace. In 2019 ten voluntary courses focusing on training in first aid and fire prevention and firefighting have been performed.

Employees and third parties can use a whistle-blower hotline operated by Teradyne to report any suspected non-compliance or fraudulent activities throughout the company and the group.

Results achieved

The ongoing employee competence development and learning activities contribute to high employee satisfaction rates, high employee retention rates, decrease of re-work rates in manufacturing and higher productivity in general.

Our efforts in connection with workplace health and safety initiatives have helped improve employees' overall well-being in the workplace. Unfortunately, there has been an increase in the accident rate compared to last year. Management is aware of the development, and initiatives to bring this down has been initiated.

A strengthened, more coherent and more resilient corporate culture in Universal Robots are some of the impacts from our work with our four (4) core values (innovation, courage, passion and integrity).

The existence of our whistle-blower function has contributed to lowering our overall risk profile.

Implementing specific actions aimed at eliminating ergonomic risks have reduced the number of manual processes, heavy lifting, etc.

Actively addressing sick leave, improvements of the work environment in general and our employee wellness program, have contributed to higher employee satisfaction rates and improved employee health.

Key Performance Indicators

		2019	2018	2017 ³
Lost time accidents	Rate ⁴	8,0	6,4	-
Reporting principles: <ul style="list-style-type: none"> • Lost time accidents: Number of accidents per one million working hours. • Numerator: Number of accidents that occur suddenly during working hours, and which results in absence on the day of the accident and at least the day after. • Denominator: Number of working hours actually performed in the year with deduction of the accident absence. 				

Risks and management procedures

Health and safety risks, including risks of accidents, will always be present in a manufacturing company like Universal Robots, as our manufacturing processes involve heavy lifting, rotating machines, moving parts, electrical power, etc.

Our management set up includes procedures for preventing and handling the health and safety risks in the best possible way, and we make targeted efforts to eliminate and handle these risks through planning, training, communication, behavioural impacting etc.

Teradyne's CSR Management System, CSR Governance Team as well as whistle-blower function are parts of the basis for our management efforts within this area.



³ Data for 2017 is too uncertain to be used

⁴ Data scope includes parent company Universal Robots A/S entity only

Area 3 - Society around us

Our principles

Our **Supplier Code of Conduct** states:

We are committed to honest and ethical business practices. The Supplier Code provides standards and guidelines of conduct for all suppliers doing business with us. Universal Robots, like all businesses that are successful over a long term, is built on a foundation of honesty and integrity. We want to do the right things, both because it is right and because it makes good business sense. This means we all must act honestly and with integrity in all of our dealings.

Our visions on creating **Strong Communities** states:

When it comes to volunteering, we recognize the need to help our neighbours both as individuals and as a company. We invest in the future by advancing education and creating opportunities for the next generation. We actively support middle and high school education programs, as well as programs that challenge students to develop technical skills.

Our policy for **Protecting Human Rights** states:

We are committed to support and respect the protection of human rights and to ensure that our business partners and suppliers do the same. Our internal Code of Conduct and our Supplier Code of Conduct requires respect for the human rights, including the fair treatment of workers, the prevention of child labour in any form, human trafficking, forced labour, slavery, and any other forms of non-freely chosen employment.

Our **Labour Policy** states:

We are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. Our policy addresses areas as freely chosen employment, young workers, working hours, wages and benefits, humane treatment, non-discrimination, freedom of association and working conditions.

Our policy on **Anti-Corruption** states:

We require our employees and business partners in all countries to conduct business without compromising integrity and we will not tolerate corrupt business practices.

Our policy against corruption prohibits promising, offering, or giving to, or receiving from, any individual anything of value of personal benefit with the expectation of receiving a favour, a grant of business, or any other business advantage in return.

Our policy on **Global Compliance** states:

We are committed to complying with all applicable laws and regulations of those countries in which we do business.

Activities during 2019

As part of the Teradyne group, Universal Robots is included under policies, reporting and other control measures within the CSR area performed by Teradyne Inc. This includes requirements for distributors, where Teradyne during 2019 performed audits at Universal Robots distributors in USA and China. The audits resulted in no material findings.

During the year we have introduced a Distributor Code of Conduct (“Code”) that sets forth the minimum requirements and expectations with respect to compliance and acceptable business conduct and practices for all of Universal Robots’ distributors.

The Code will be integrated in all contracts, and it applies to all distributors. It addresses issues such as gifts, hospitality, fair competition, money laundering, sourcing standards, data privacy, human rights and environment. Our procedures will include due diligence review and training of distributors.

In an effort to ensure no Universal Robots products will be used in violation of financial sanctions and anti-terrorism laws and regulations, we have introduced a Certificate of End Use by the End-User to be signed by certain end customers.

In 2019 our Standard Warranty for products sold has been updated, ensuring enhanced clarity on customer’s rights and obligations.

We have an emergency response plan in place to be used if a Universal Robot product should be part of or related to serious incidents at customer’s site.

Our Business Continuity Management plan is being further developed and rolled out in relevant parts of our company. The concept is based on the ISO 22301 standard, and includes planning, training etc.

We have further developed and rolled out our UR+ concept, where we advise customers and distributors on optimizing the use of our products as part of the final customer solution. A certification of participating UR+ Developers is part of UR+.

Capturing and understanding our customers’ view on CSR and the resulting requirements for us, are off course of highest prioritization to us. Our current implementation of updated CRM software and CRM work processes will contribute to systemizing our dialogue with customers.

We continuously take a number of precautions aimed at minimizing the risk of supplier non-compliance, as set forth in our Supplier Code of Conduct. Within this area we cooperate closely with our parent company Teradyne, as this gives both enhanced quality of the controls performed, and efficiency of efforts allocated.

As part of becoming a supplier with Universal Robots, suppliers must agree to comply with our Supplier Code of Conduct and complete a supplier self-assessment questionnaire where out of a total of 41 questions, 14 questions relate to CSR. Addressing CSR is also part of our Commercial Evaluation and Classification process, where we assess suppliers on 21 questions covering among other things the environment, life cycle assessments, emissions, health and safety, human rights and labour rights.

Follow up on the results from the supplier assessments are continuously being performed by UR’s purchasers. During 2019, we did not encounter any material breaches of our Supplier Code of Conduct.

When performing supplier audits on a supplier’s premises, we will always include CSR-related issues as part of the audit.

Contributing to and supporting local communities where we can is important to Universal Robots.

We still have a close cooperation with the University of Southern Denmark (“SDU”). Some of Universal Robots employees are teaching courses at SDU, and we cooperate on sharing technical knowledge.

A focal point for us is supporting individuals who have difficulties entering or staying in the labour market. During the year we have employed people with different kinds of labour market difficulties.

All employees are trained in our compliance standards, including our Code of Conduct, our Anti-Corruption Policy, our Policy for Support of Human Rights and our Global Compliance Policy.

Our formalized training, which include an e-learning module with an individual test that must be passed, are performed annually. Training sessions are set up by Teradyne and varies each year within selected areas. Employees trained and tested include those who are in “risk-positions” (e.g. procurement, sales, management).

Results achieved

Our codes of conduct, compliance requirements and concepts have been the subject of internal training sessions, they are parts of our daily operations, and they form the fundamental compliance requirements for our business partners and suppliers. No instances of material breaches within the codes’ areas have been identified.

We expect our efforts of capturing and understanding our customers’ views on CSR, to contribute to further develop Universal Robots within the CSR area.

Cooperating with college students and institutions of higher education have provided us with valuable technical and commercial input and it has transferred knowledge back to society.

Employment of people with disabilities or difficulties entering the labour market has created value to the local community as well as to Universal Robots in general.

Key Performance Indicators

		2019	2018	2017
Associated students during the year	Number ⁵	31	28	13
Participants in Code of Conduct trainings	Number	619	585	334
Reporting principles: <ul style="list-style-type: none"> • A student is here defined as a person underway with his/her higher education, that has been full-time or part-time connected to us for a period of at least 3 months during the year. Purpose for the connection will normally be writing a thesis, collecting data for the studies, testing theories or similar. • Participants in Code of Conduct trainings: Defined as employees that has completed the Code of Conduct training. 				

⁵ Data scope includes parent company Universal Robots A/S entity only

Risks and management procedures

We address the risk of being involved in cases including corruption, cartels or other non-compliances through a clear top management statement, specific policies and by providing consistent training in and guidance on our rules to Universal Robots employees, suppliers and relevant business partners.

Risks linked to violations on human rights, labour rights or other compliance requirements are addressed by having clear policies and operational procedures on the addressed areas.

Teradyne Inc.'s CSR Management System, CSR Governance Team as well as whistle-blower function are parts of the basis for our management efforts within this area.



Area 4 - Equality⁶

At Universal Robots we are convinced that diversity and gender equality help us generate better results, make wiser decisions, increase our innovation ability, improve our internal work environment and make Universal Robots an even more attractive employer. We welcome and respect all current and new employees regardless of age, gender, ethnicity, religion, disabilities, sexual orientation and the like.

Currently, Universal Robots employs people with an origin from or relation to more than 40 different countries.

The same approach to establishing a diverse workforce is recognized by our parent company Teradyne. Teradyne prioritizes diversity by monitoring diversity statistics, creating affirmative action plans for recruiting and hiring candidates from various social backgrounds and experiences. Additionally, Teradyne hosts and attends numerous events throughout the year that are aimed at promoting diversity in the workplace.

Policy for the Board of Directors

Our target for the underrepresented gender on the Board of Directors at Universal Robots A/S is by the end of December 2020 to have one out of a four members Board of Directors be a woman. This target is considered ambitious and realistic.

At the end of December 2019, the Board of Directors consisted of one female and three male members, which according to the definitions in the Section 99b of the Danish Financial Statements Act, is considered an equal gender distribution. As such the target has been achieved earlier than anticipated.

The stated target towards 2020 is though maintained.

Policy for other management levels

Our principles

Our **Code of Conduct** and our **Employee Handbook** provide that we wish to maintain and further develop a culture that provides management and other employees with equal opportunities regardless of a person's age, gender, ethnicity, national origin, religion, disabilities, or sexual orientation.

We strive to offer an open and un-biased culture allowing everyone to use his or her qualifications in the best possible way.

All hiring, promotions and dismissals at Universal Robots shall be based on personal and professional qualifications or lack thereof.

With an emphasis on ensuring the necessary qualifications for all new employees as the most important basis for our hiring and promotions, it is our objective to increase the share of females in Universal Robots in general, as well as in management positions.

⁶ Statement of the gender composition of the management cf. Section 99b of the Danish Financial Statements Act.

Activities during 2019

During 2019, we have continued to invite qualified candidates of both genders to interviews for job positions at both employee and management levels, and our external recruiters are instructed to identify and present candidates of both genders, when feasible.

Applicants' age, gender, ethnicity, national origin, religion, disabilities, or sexual orientation has not influenced our recruitment or promotion decisions, as personal and professional competences are the bases for our search for and hiring of employees.

Regardless of age, gender, ethnicity, national origin, religion, disabilities, or sexual orientation, employees with the desire and competences to advance within our company, are still encouraged to apply for open positions. This is an important intention that has been communicated internally on an ongoing basis, at several occasions and via different channels.

During 2019, a module on equality and anti-harassment has been an integrated part of our internal training programme for managers.

Also, we have continued providing part-time employment opportunities to students of both genders from institutions of higher education.

Results achieved

According to the definitions in Section 99b of the Danish Financial Statements Act, the gender distribution as of December 2019 at other management levels in Universal Robots group is not considered an equal gender distribution.

All employments, promotions and dismissals at Universal Robots during 2019 have been based on our principles described above, which means that age, gender, ethnicity, national origin, religion, disabilities, or sexual orientation have not influenced our decisions.

Our efforts within this area, have contributed to maintaining the increase from 2017 to 2018 in gender equality in our staff.

Key Performance Indicators

		2019	2018	2017
Female employees	% of all employees	24%	24%	22%
Reporting principles: <ul style="list-style-type: none">Both number of females and number of employees are included as "head counts" – means not converted to full time equivalents – and calculated by end of year.				

Role and scope of this report

This report is an integral part of the management's review in the annual report for 2019 for Universal Robots A/S (Danish company registration No. 29 13 80 60).

The report is the statement of the Corporate Social Responsibility cf. Section 99a of the Danish Financial Statement Act and the statement of the gender composition of the management cf. Section 99b of the Danish Financial Statement Act.

Information and data referenced in the report cover the group for the period of January 1st, 2019, through December 31st, 2019.

The group consists of the holding company Universal Robots A/S with the following subsidiaries:

- Universal Robots Spain S.L., Spain;
- Universal Robots (Germany) GmbH, Germany;
- Universal Robots (UK) Ltd;
- Universal Robots (Shanghai) Co. Ltd., China;
- Universal Robots (India) Private Limited, India;
- Universal Robots (Singapore) Pte. Ltd., Singapore;
- Universal Robots México S.A. de CV, Mexico;

and the branches/rep. offices:

- Universal Robots A/S, Czech Republic;
- Universal Robots A/S, Italy;
- Universal Robots A/S, France;
- Universal Robots A/S, Sweden
- Universal Robots A/S, Japan;
- Universal Robots A/S, Korea;
- Universal Robots A/S, Taiwan;

and sister company:

- Universal Robots USA, Inc.

Unless otherwise noted, the content and quantitative data in this CSR report covers the entire Universal Robots group.

The data collection and preparation of the data statements for this report have taken place in accordance with recognized principles of balance, transparency, accuracy, responsibility, and comparability.

Where possible, comparison figures from previous years are stated.

In general, quantitative data is based on data from our IT systems, invoices, meter readings, regular registrations, etc. Where data is based on estimates, it will be so stated.

Any major changes in the data used and the content compared to previous years is explained in each case.

In addition to the content in this report for the Universal Robots group, our parent company, Teradyne Inc., is a U.S. publicly traded company with a global CSR program which covers Universal Robots A/S and its global subsidiaries. The policies and guidelines of Teradyne Inc.'s CSR program can be found on Teradyne Inc.'s web site <https://www.teradyne.com/about-teradyne/corporate-social-responsibility>



If you have any comments or questions, please let us know.
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