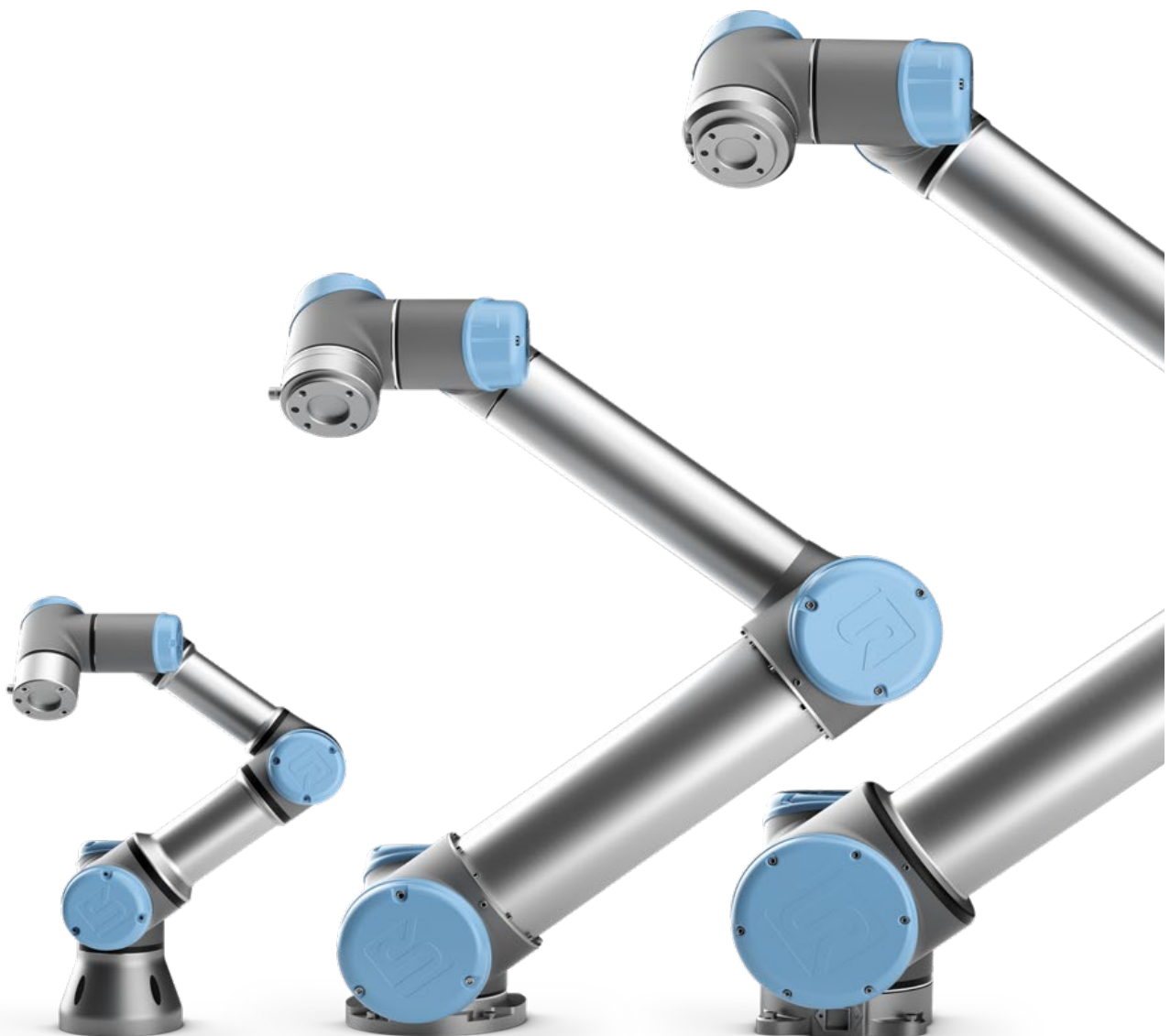




UNIVERSAL ROBOTS

2020 Corporate Social Responsibility Report



MAKING A DIFFERENCE

Since 2005, Universal Robots has worked to make a difference in our customers' lives in ways that matter most to them.

More than simply automation, Universal Robots changes how people work and live around the globe by empowering their ideas and dreams – whether it's helping a non-profit improve people's vision in the poorest countries or allowing a manufacturer to reduce the strain of repetitive tasks.

Advanced tools, our easy-to-use robot arms are used by companies and organizations of all sizes to help and address market volatility. UR's cobot solutions deliver the flexibility and financial return that manufacturers need to compete and win in any market condition.

Wherever you find people and their dreams for achieving growth, you'll find Universal Robots.

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About Universal Robots

Dedicated to making the world a better place, one cobot at a time

OUR HISTORY

Universal Robots A/S (“*Universal Robots*”) is a Danish manufacturer of smaller flexible industrial collaborative robot arms, founded in 2005 by three people in Denmark. Universal Robots was the first company to deliver commercially viable collaborative robots - and transforming companies and entire industries.

Acquired by Teradyne Inc. (“*Teradyne*”) in 2015, Universal Robots holds a 50% market share. Our workforce is employed in 26 offices around the globe.

The business volume in 2020 was USD 219.4 million. The company has 660+ employees and 995+ partners around the world.

CORE VALUES

At Universal Robots, we continuously push the boundaries of what is possible in robotics through Courage, Passion, Innovation, and Integrity. More than buzzwords, these core values form the foundation of our company and help guide us in all our decision making. They are the values that make us successful.

PRINCIPLES AND POLICIES

Empowering People – is the guiding principle in everything we do. To further aid us, we have established a set of principles and policies that describe how we act on specific issues and establish our position on concrete matters with relevance to our employees and our external stakeholders.

We believe in providing the best-quality products made under the best-quality conditions, for everyone involved in the process. Our partners and our partners’ partners are held to the same high standards when it comes to delivering a responsible product.

- We do not use child labor - directly or indirectly.
- We do not use forced labor - directly or indirectly.
- We do not discriminate based on race, sex, religion, language, political beliefs, poverty, sexual preference, age, disability, etc.
- We have a healthy working environment - physically and mentally.
- We are environmentally responsible.
- We do not accept, and we do not tolerate corruption.



Founded:
2005

TERADYNE

Becomes a
part of
Teradyne:
2015



Headquarter:
**Odense,
Denmark**



Employees:
660+



Worldwide
offices:
26

PRINCIPLES AND POLICIES (continued)

At Universal Robots, the following policies and guidelines cover many aspects of corporate social responsibility (“CSR”) as part of our core values:

Code of Conduct (for employees)

Employee Handbook

Environment, Health and Safety (EHS) Training

Code of Conduct for Suppliers

Code of Conduct for Distributors

Third Party Due Diligence Procedures

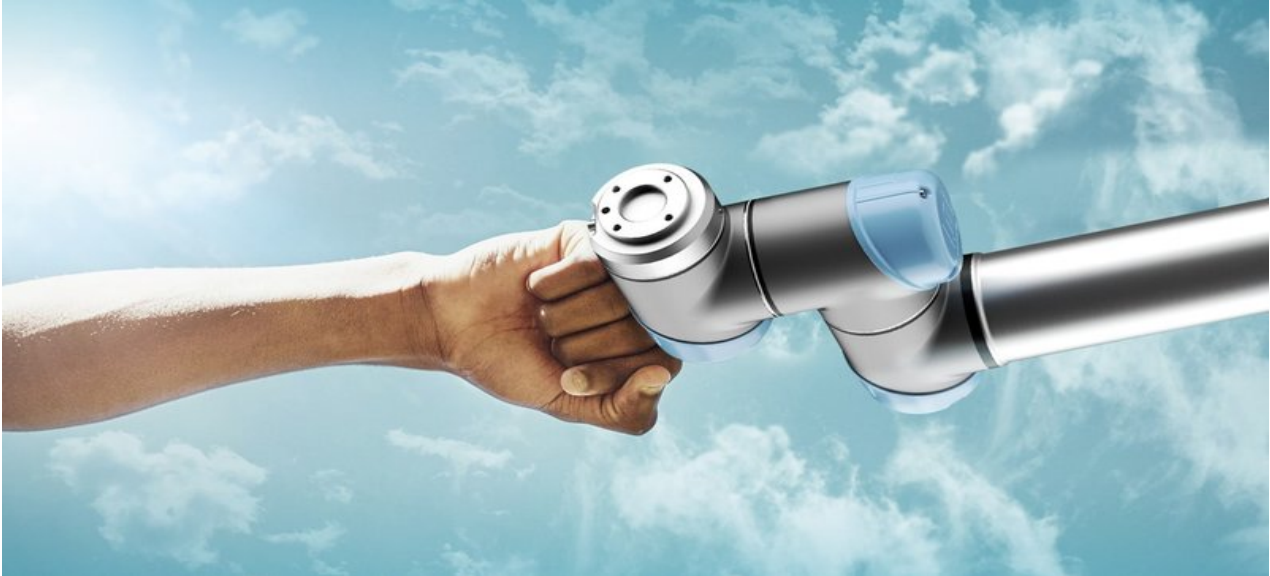
Privacy Policy

As a member of the Teradyne Group, Universal Robots also follows Teradyne’s policies and guidelines.

For more information on Teradyne’s CSR practices and programs, please visit [teradyne.com/corporate-social-responsibility](https://www.teradyne.com/corporate-social-responsibility)



Corporate Social Responsibility



At Universal Robots, we integrate quality, safety and sustainability into every aspect of our business, with the goal of engineering a better future.

Universal Robots' senior 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.

We encourage all managers and employees to take part in and contribute to plans and developments within the CSR area.

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

ALIGNMENT WITH TERADYNE

To ensure efficient impact of Universal Robots' CSR efforts, our CSR governance is closely aligned and coordinated with the CSR governance of our parent company 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.

Stakeholder Engagement



Our CSR activities are directly linked to stakeholder expectations and corporate values. At Universal Robots, we also have a close dialogue with our stakeholders, as this is an important way to update and inform them about our CSR plans and objectives, sustainability efforts, and to understand their expectations.

KEY STAKEHOLDERS

Customers

We help our customers achieve their own CSR and business goals through socially conscious solutions that meet their business needs.

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).

Employees

Universal Robots is an innovative company with big ambitions, and we continually strive to attract and develop a high performing workforce, a healthy work environment that is filled with good energy and a warm, welcoming atmosphere that helps employees put ideas into actions and work towards making the future a better place.

Shareholders

Our CSR initiatives promote value creation to attract and reward shareholders through operational efficiency, transparency and lower costs through sustainable business practices.

CSR Framework

Working towards making the future a better place



Universal Robots ensures business and sustainability success by measuring progress within CSR framework. This framework is based on our business model to lowering negative footprint in the environment and climate, investment in our people and society around us, and ethical governance.

BUSINESS MODEL

Use of robotics technology also impacts the way manufacturing processes are planned and performed, including decisions of manufacturing sites location. 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 PEOPLE

Universal Robots values a diverse, inclusive and respectful work environment where all employees enjoy challenging assignments, development opportunities and a safe, positive culture. 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.

SOCIETY AROUND US

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. We are committed to support and respect the protection of human rights and to ensure that our business partners and suppliers do the same.

ETHICAL GOVERNANCE

Universal Robots is committed to conducting business in a responsible manner, with strategic operational policies, procedures and values that support transparency, sustainability and legal compliance. We ensure ethical operations and business commitments through robust governance of the company's standards of business conduct and environmental, health and safety programs.

Our Business Model



At Universal Robots, we develop and manufacture robot arms. Since our inception, we have sold more than 50,000 collaborative robots which are used in several thousand production environments every day around the world.

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.

Transportation services

We continuously encourage both our suppliers and our customers to pay constant attention to various possibilities for optimizing transportation and other logistic processes.

Research and product development

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

Suppliers' manufacturing of parts

Manufacturing of parts for Universal Robots products are based on our specifications and requirements. To ensure a satisfactory level of CSR performance at our suppliers, all supplier contracts include social responsibility requirements, and all suppliers must follow our Supplier Code of Conduct.

Product assembly

Most of the assembly processes are performed at our own factory in Odense, Denmark. At all of the Universal Robots premises, a safe and healthy work environment remain a top priority, and we require our subcontractors to uphold similar standards.

Sales and Servicing

These processes are performed by our distributors all over the world. Our Distributor Agreements imposes an obligation on our Distributors to comply with our Distributor Code of Conduct, and to undertake all necessary measures to prevent corruption, money laundering, terrorist financing, etc. Distributors are required to strictly comply with all applicable export control laws and trade regulations.

The Environment and Climate



OUR PRINCIPLES

We recognize that business activities impact the environment and climate. Therefore, Universal Robots, as a part of the Teradyne Group, is complying with all applicable environmental regulations and standards, support pollution prevention and minimization programs, use materials and energy efficiently to conserve natural resources and we continue to review our environmental objectives and monitor performance.

ACTIVITIES RELATED TO ENVIRONMENT AND CLIMATE IN 2020

Key Focus Area	Highlights
Conservation	<p>Alternative Transportation & Work Arrangements. As part of our effort to combat climate change, we promote alternative means of transportation and flexible work arrangements. Flexible work arrangements allow employees to travel on off-peak hours and to work from home, further supporting our efforts to mitigate activities that contribute to climate change.</p> <p>Renewable Energy. We continue to employ 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 continuously evaluate technologies that enable us to apply renewable energy into our operations.</p> <p>Carbon Project. As we acquire new companies and integrate them into our operations, our goal is to reduce, or at a minimum maintain flat, emissions.</p>

Key Focus Area	Highlights
Manufacturer Accountability	<p>Waste Management. Universal Robots manages end-of-life equipment in accordance with waste electronics and electrical equipment legislation. All facilities are required to recycle electronics at end-of-life.</p> <p>Through product upgrades, refurbishment and recycling, we extend the useful life of our products. We work to reduce the environmental impact of the material that cannot be recycled by prioritizing waste disposal methodologies. We ask our waste disposal partners to be certified in accordance with ISO 140001:2015 to ensure that they follow the environmental regulations when recycling our waste.</p>
Environmental compliance	<p>Quality Management System (QMS). Universal Robots is ISO 90001 certified in QMS that demonstrates Universal Robots’ ability to consistently provide products and services that meet customer and regulatory requirements.</p>

Key Performance Indicators		2020	2019
Energy consumption per employee (Data scope includes parent company Universal Robots A/S only)	Index, 2016 = 100	103	103
Waste recycled (Data scope includes parent company Universal Robots A/S only)	% of total weight	73%	69%
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. 			

Future Plans – Universal Robots will continue to meet compliance standards by deploying extensive quality and safety policies. In the long term, Universal Robots’ goal is to achieve ISO 140001 certification in environmental management.



Our People and Society around us



OUR PRINCIPLES

We are a diverse team with a singular focus and consistent values, such as Courage, Passion, Innovation, and Integrity. Our values support our vision of Empowering People, which facilitates the interaction and collaboration between humans and machines and gives businesses of all sizes access to automation. We are committed to the health and safety of our employees throughout the world.

Our Code of Conduct and our Employee Handbook describe and guides on good employee behavior and employee conditions in Universal Robots. Both the Code of Conduct and the Employee Handbook address 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.

We actively support middle and high school education programs, as well as programs that challenge students to develop technical skills.

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 Code of Conduct for Suppliers and Distributors requires respect for the human rights, including the fair treatment of workers, the prevention of child labor in any form, human trafficking, forced labor, slavery, and any other forms of non-freely chosen employment.

GENDER EQUALITY

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 46 different nationalities in 32 different countries.

Module on equality and anti-harassment has been an integrated part of our internal training program for managers.

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

GENDER POLICY FOR THE BOARD OF DIRECTORS

Our target for the underrepresented gender on the Board of Directors at Universal Robots A/S is to have one (1) out of a four (4) members Board of Directors be a woman by 2021.

In 2019, a female was appointed to serve on the Board of Directors and it is now comprised of one (1) female and three (3) male members, which according to the definitions in Section 99b of the Danish Financial Statements Act, is considered an equal gender distribution. As such, the target has been achieved earlier than anticipated.

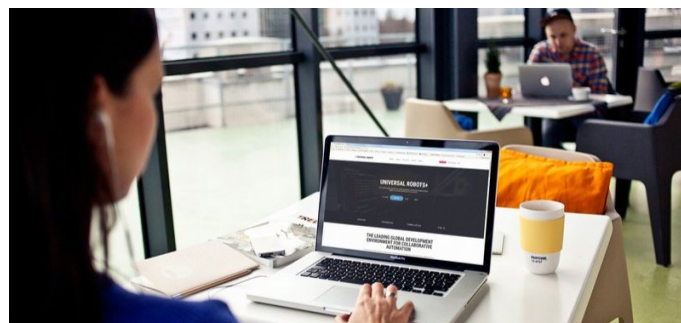
ACTIVITIES RELATED TO EMPLOYEES & BUSINESS PARTNER IN 2020

Key Focus Area	Highlights
Workplace Solutions	<p>Employee Health & Safety. Universal Robots complies with all applicable regulatory health and safety requirements wherever we operate. We conduct internal audits, regular reviews and monitoring of regulations to ensure compliance with laws and regulations at the local, state, province and country levels. We ensure workers are provided with the knowledge to perform their jobs safely by deploying mandatory EHS training.</p> <p>Injury & Illness Reporting. Universal Robots monitors, tracks and reports common safety metrics such as accidents, near misses and illness. Our injury and illness rate are below the industry average.</p> <p>Ergonomics. We provide our employees with flexible, adjustable workspace. This includes looking at ergonomics issues in the workplace, educating employees to self-identify risks and ensuring they have the work environment they need to do their jobs effectively.</p> <p>COVID-19. At the onset of the COVID-19 pandemic, we made the decision to close our offices and implement work from home policies for most employees. During this time, we have also provided resources to enable employees to effectively manage remote work, such as web conferencing solutions and furniture and electronic equipment for at-home offices. To protect those employees whose work requires them to be on-site, we have implemented cleaning processes, access to personal protection equipment, and other protocols to ensure their safety.</p>

Key Focus Area	Highlights
Training & Learning Development	<p>Performance Reviews. To ensure we maintain a strong, competitive workforce, our employees undergo annual performance reviews. Employees and managers look back on the previous year, review career development plans and create goals for the next year.</p> <p>Manager and Colleague Development. We provide continual development to our employees focused on developing their job skills and competencies.</p> <p>Internship Program. We are committed to recruiting and developing talent at the collegiate level to build a dedicated workforce for future hiring needs. Our paid internships and entry-level positions offer real-world experience.</p>
Employee Well-Being	<p>Benefits. Universal Robots offers benefits designed to meet the needs of employees and their families, including parental leave, health insurance coverage and flexible work arrangements.</p> <p>Positive Work Environment. It is a priority for us to ensure that our people feel inspired, supported, safe and able to achieve their personal best. We are committed to equality through nondiscrimination, sexual harassment prevention and pay equity policies.</p> <p>Gender Equality. According to the definitions in Section 99b of the Danish Financial Statements Act, the gender distribution as of December 2020 at other management levels in Universal Robots is not considered an equal gender distribution. All employments, promotions and dismissals at Universal Robots during 2020 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 2020 in gender equality in our staff: in 2017 was only 22% of female employees, in 2020 – 24%.</p> <p>Employee Surveys. Our Human Resources team conducts regular employee surveys to get their input on several topics. The feedback we receive from these surveys helps us to assess employee sentiment, identify areas of improvement and guides our decision-making as it relates to people management.</p> <p>Executive Engagement. Our executives make time to meet with employees. Due to the COVID-19 restrictions, most regular meetings take a place virtually, including virtual Town Hall Meetings, Holiday Events, Fireside Chats, and other communication to keep our people motivated.</p> <p>As a result of the employee well-being in Universal Robots, only 5,77 % employees' turnover reported for 2020.</p>

Key Focus Area	Highlights
Partnership	<p>Distributors. The Code of Conduct for Distributors is 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 Third Party Due Diligence procedure (TPDD) includes 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 Third Party Statement and End-User Certificate by the End-User to be signed by certain customers.</p> <p>Suppliers. To minimize the risk of supplier non-compliance, as set forth in our Supplier Code of Conduct, all prospective suppliers must complete a supplier self-assessment questionnaire related to CSR. We use this self-assessment as part of our Commercial Evaluation and Classification process, where we assess suppliers based upon their efforts regarding the environment, life cycle assessments, emissions, health and safety, human and labor rights.</p> <p>UR+. We have further developed and rolled out our revised UR+ concept, where we advise customers and distributors on optimizing the use of our products as part of a final integrated customer solution. A certification of participating UR+ Developers is part of the UR+ program.</p>

Key Performance Indicators	2020
Code of Conduct Training <small>(Data scope includes attendance at Universal Robots A/S only)</small>	94%
Internal whistleblowing cases	2
Wrongdoing found	0



The COVID-19 Challenge

Navigating Through Uncertainty Together

Universal Robots responses to COVID-19

The COVID-19 pandemic has affected us all. With incredible support from every single employee in every department and country, we have managed to keep Universal Robots on track. We changed hundreds of workplaces from our corporate offices to work-from-home. We moved thousands of physical meetings and events onto virtual platforms. We keep selling cobots because our production, distribution, sales and service organizations worked both smart, efficient and hard. Although we don't know the lasting impact of COVID-19, we continue to deal with the uncertainty the best way we know how – together.

Setting Priorities to Build Stability

At the onset of COVID-19, Universal Robots set priorities to guide our actions in response to the pandemic. These priorities align with our corporate values and include keeping our employees safe, meeting customer commitments and delivering strong business results. To fulfill these priorities, we are monitoring the COVID-19 situation as it evolves and actively taking steps to protect employees, customers, shareholders and local communities. We are also adhering to government regulations in all geographies and following guidance from public health agencies.

Protecting Our Most Valuable Resource – Our People

Throughout the COVID-19 pandemic, our primary concern has been ensuring the health and safety our employees. We have supported our global workforce in a number of ways including:

- Sending weekly all-employee communications
- Establishing emergency response teams to empower local decision-making
- Distributing personal protective equipment (PPE) for essential on-site work
- Enforcing safety measures and strict protocols for ongoing on-site operations
- Closing offices and implementing work from home policies
- Providing resources to enable employees to effectively work from home
- Conducting “pulse surveys” to check in with employees
- Sharing regular video updates from leadership team
- Establishing a well-defined return to work process



Keeping Our Communities Strong

Universal Robots employees have a long history of helping others during times of need, both in their local communities and around the world. Our philosophy is simple – our employees and our business thrive when our communities thrive.

Even in the stressful COVID-19 situation, many employees have reached out to help those impacted by the virus. One way employees have lent aid is through a donation campaign we held, in which Teradyne (incl. Universal Robots) matched employees' donations to various organizations supporting COVID-19 relief. With the company match, employees raised a total of \$482,240 to help those affected by the pandemic.

Special Thanks to our Employees

Thank you to every one of our employees for all you have done and continue to do during COVID-19. Your creativity, energy and tenacity in supporting our customers and each other is inspiring. We are amazed by how well you have responded to this global challenge and stepped up to the occasion without hesitation.



Ethical Governance

Key Focus Area	Highlights
Operational Excellence and Corporate Governance	<p>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. Teradyne have documented and published the CSR management system to outline how CSR and Ethical Governance is a companywide priority.</p> <p>Universal Robots follows Teradyne’s commitment to comply with all Responsible Business Alliance Code of Conduct requirements.</p> <p>Universal Robots’ Board of Directors is committed to promoting, creating, and maintaining a safe and healthy workplace, environment and society.</p>
Ethical Governance Policies	<p>Universal Robots publishes governance policies, including our Code of Conduct. We deploy Code of Conduct Training to all new employees as part of the onboarding process and administer annual Code of Conduct refresher training to all employees.</p>
Compliance & Risk Management	<p>Our financial performance and results have not been negatively impacted by any CSR-related issues or regulatory fines or penalties.</p> <p>We require all suppliers and distributors to agree to our Code of Conduct and to conduct business in an ethical manner.</p> <p>We implemented the Third Party Due Diligence Procedures in an effort to ensure no Universal Robots products will be used in violation of financial sanctions and anti-terrorism laws and regulations.</p> <p>Our Risk Management Handbook helps to enterprise risk management and annual review to senior management and the Board of Directors.</p>
Human Rights	<p>The Employee Handbook and Teradyne’s Human Rights Policy fully align with the Responsible Business Alliance standard. We protect employees’ rights through policies that ensure living wages, limits on working hours, and freedom of association.</p>
Data Security and Privacy	<p>We updated our Privacy Policy and provided data protection training for employees.</p> <p>We have implemented controls and processes for protecting sensitive customer data.</p> <p>We implemented a General Data Protection Regulation (GDPR) compliance plan and continue to manage the plan.</p>



This CSR report is an integral part of management's review in the annual report for 2020 for Universal Robots A/S (Danish company registration No. 29 13 80 60).

The CSR 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, 2020, through December 31st, 2020.

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. For more information on Teradyne's CSR practices and programs, visit <https://www.teradyne.com/about-teradyne/corporate-social-responsibility>

Contact Us

Please send any questions or comments about this report to:
legal@universal-robots.com

Universal Robots A/S

Energivej 25, 5260
Odense S, Denmark

<https://www.universal-robots.com/>