

Stiesdal

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Management Handbook

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1. Foreword

Welcome to the Management Handbook of Stiesdal A/S.

As a company we are committed to helping humanity overcome the challenge of climate change. We take great pride in our work and in the fact that our solutions make a real difference on a global scale.

We are equally ambitious when it comes to our company as a workplace. While our mission is critical and requires hard work, we want our work culture to be safe, sustainable, and rewarding.

People and our way of interacting are at the center of this thinking; hence the guiding management principle of the Company is to have as few rules as possible and otherwise rely on the sound judgement and competence of our employees and managers.

The purpose of this document is to establish the foundation of our company's management system, outlining the fundamental values and rules essential for aligning our operations with our mission and strategic objectives.

The Management Handbook also describes the policies and procedures that are relevant to ensure compliance with the law and the requirements of the international ISO 9001:2015 quality management standard and ISO 45001:2018 health and safety (OHS) management system.

We conduct annual evaluations of our Management System to ensure operational excellence. Any changes are recorded and documented within the relevant Management System processes.

Jacob Nørgaard Andersen

2 Company overview

2.1 Structure

Stiesdal A/S is a Danish innovation company developing and commercializing climate change mitigation technologies.

The Company operates through four focused subsidiaries:

- Stiesdal Offshore A/S
- Stiesdal Storage A/S
- Stiesdal Hydrogen A/S
- Stiesdal SkyClean A/S

Stiesdal Offshore offers development, licensing, engineering, and support to localization of the manufacturing of offshore foundations.

Stiesdal Storage offers development, licensing, engineering, component sales, support to localization and operations and maintenance of thermal energy storage systems.

Stiesdal Hydrogen offers development, licensing, engineering, component sales, support to localization and operations and maintenance of hydrogen electrolyzers.

Stiesdal SkyClean offers development, licensing, engineering, component sales, support to localization and operations and maintenance of systems for carbon sequestration and biofuels production.

Stiesdal A/S and the above subsidiaries are hereinafter collectively referred to as the Company.

The Company headquarter is located at Nyropsgade 37, 1602 Copenhagen V, Denmark

The four subsidiaries are all located at Vejlevej 270, 7323 Give, Denmark.

Stiesdal SkyClean has a satellite office located at Greenlab, 7860 Spøttrup, Denmark

Stiesdal Offshore has a satellite office located at Hedeager 1, 8200 Aarhus, Denmark

2.2 Founding belief

The Company is founded on the belief that it is entirely within our means as a society to stop climate change by harnessing the power of renewable energy. It is our obligation to act on this knowledge and use the innovative power of Stiesdal to create climate solutions with real impact.

2.3 Purpose and mission

The Company is defined by its ability to innovate with impact, and its purpose is to contribute to climate change mitigation by developing and commercializing solutions to key challenges.

Relevant solutions need to

- Have a potential for high impact on climate change mitigation
- Be suitable for industrialization
- Be suitable for the skills and capabilities of the Company

The Company's mission is to facilitate an annual reduction of 500 million ton of CO2e emissions in time to help the world reach Net Zero by 2050.

2.4 Values

These are the basic values fundamental to all Company activities:

We act with Integrity
We practice Generosity
We aim for Simplicity
We choose Action
We show Respect

2.5 Fundamental principles

Principles guiding our behavior and shaping our organization:

Collaboration, teamwork and flow

Having talented people working together in teams is the vehicle for Stiesdal's mission. Working in teams requires well-developed people skills and a sensitivity apparatus. Our goals can only be achieved through a team of exceptionally skilled people with social intelligence.

We constantly strive to lead ourselves by being both curious, but also humble in how we are perceived by our colleagues and stakeholders.

We value a work environment where team members can fully engage in their work and experience a sense of flow both individually and as a team.

Mastery through constant learning

Talented people inspire each other, and this elevates our innovation. We continuously learn from our colleagues.

Our core is innovation. We will fail many times and we will pivot and change our perspective. That is not a problem as long as we learn as individuals and as a team.

It is okay to fail, the faster the better, so that we can learn and improve. We don't punish mistakes, we are humans, we make mistakes.

Ownership

We believe in ownership as a driver for motivation and entrepreneurship. Ownership is a mindset that revolves around being proactive and intentional in our actions and decisions.

Ownership encourages us to take initiative, make thoughtful and informed decisions, and contribute to the collective progress of our team. You can also say it makes us act like leaders.

We believe in the concept of a meritocracy, and we offer freedom and autonomy because we believe that people thrive on freedom and are worthy of freedom.

In our everyday work we strive to

- Ensure that safety is always top priority
- Never compromise on business ethics
- Keep our external and internal customers in focus
- Ensure quality in our deliveries at all levels
- Work as a team
- Keep it simple (we like the phrase "As little as possible, as much as needed")
- Face the facts
- Give and take challenge in good spirit
- Apply continuous improvement

- Make informed decisions
- Actively promote and engage in a positive and cheerful working environment

2.6 Leadership

The Company management is committed to providing leadership in accordance with the Company values.

In addition, the Company management strives to provide its leadership in a way that conveys and reinforces a shared sense across the Company:

Purpose

- The shared understanding of the purpose and benefit of our effort
- The sense that our effort serves a greater good, delivering value that is meaningful beyond the individual level

Mastery

- The shared understanding that we are actually pretty good at what we do
- The pleasure of keeping improving

Autonomy

- The sense of empowerment in our daily work
- The absence of micro-management

Appreciation

- The appreciation of our work
- The promotion of teamwork with our colleagues in a positive spiral of mutual acknowledgment

Rationality

- The pursuit of rationality in all of our business activities
- The absence or immediate correction of irrational, unreasonable or inconsistent processes or decisions.

2.7 Strategy

The Company carries out its business activities in reference to a Company Strategy that is updated on a regular basis and in connection to the strategic seminar with the board.

The strategic seminar includes a review of the current situation and the challenges and opportunities that need to be addressed, as well as a business plan going forward.

The Company Strategy may include an overview of the company's purpose, fields of activity and a business outlook for the subsidiaries and the group.

The Company Strategy is established and maintained as a separate document.

3 Company context

3.1 Company history

The Company was founded in 2016 by Henrik Stiesdal.

From the outset the mission of the Company was focused on climate change mitigation. The initial activities of the Company were centered around providing consultancy and guidance to the renewable energy industry, mainly within wind power. Part of the guidance was provided in the form of open-source, free-for-any-user designs for floating offshore wind structures.

Gradually it emerged that the likelihood of having significant effect on the climate mitigation effort was challenged by a lack of user interest in open-source, non-commercial solutions, and in 2017 it was decided to adjust the strategy and exercise the climate change mitigation effort through commercial activities.

The first Company subsidiary, Stiesdal Offshore A/S was established in 2017, and the three next subsidiaries, Stiesdal Storage A/S, Stiesdal Hydrogen A/S, and Stiesdal SkyClean A/S were established over the next three years.

The Company focuses on innovation and industrialization. All Stiesdal technologies share the same fundamental approach in that they are from the outset designed for mass production.

3.2 External environment

The Company operates in an external environment characterized by several key influencing factors.

The Company operates in markets that to a large extent are dependent on, and in some cases created by, international and regional climate strategies and policies. The Paris Agreement, the legally binding international treaty on climate change is one example. The European Green Deal, in which the EU aims to become carbon neutral by 2050, is another. These transnational policies influence national climate legislation and target setting, ultimately creating the frameworks for the markets in which the Company's climate technology offerings are relevant. Similarly, the global drive towards clean energy carries increasing weight in financial markets, influencing the flow of investments and ultimately the availability of financing for clean energy projects.

The Company closely follows international and national climate goals and strategies to stay updated on important developments.

The ability to stand out in the market with innovative and competitive products is central to the Company's strategy. Consequently, the general technology development within relevant industries is of high importance, and we closely follow the technology development in all relevant domains.

In the past decades, many of the technologies required for the green transition have been somewhat shielded from traditional market forces by government subsidy schemes. With environmental concerns rising to the top of global and regional agendas, a growing number of climate technologies have developed from niche technologies to global industries. This has created competition and cost pressure.

Furthermore, as the technology risks in most climate technologies are declining, new entrants such as institutional investors and oil and gas majors are entering clean energy markets, investing significant sums. While this development provides opportunities, it also increases the competitive nature of the markets that the Company operates in.

In addition, the global push for a timely green transition has caused a proliferation of competing climate technology solutions, adding complexity to the competitive environment. As a result, the Company must compete on two fronts: on the overall attractiveness of its solutions as well as on its choice of technologies.

3.3 Legal frameworks

The Company operates within legal frameworks on a national and international basis.

The Company stays updated on all relevant legal requirements through traditional channels, including websites such as www.ft.dk and www.retsinfo.dk, and including the media and dialogue with our partners.

The Company maintains an updated gross list of relevant regulatory requirements.

3.4 Internal environment

The Company has been established and intends to remain a lean organization. Work in all subsidiaries is carried out in focused development teams. The organizational structure is intentionally flat, and the administrative level is maintained at a “necessary and sufficient” level.

The Company mainly employs staff with a higher educational background and a high level of specialized knowledge. Recruiting the “best of the best” staff is a key element of the Company Strategy.

The Company seeks to provide attractive office workspaces and facilities that support a creative and high performing working environment. Regular risk inspections (APV) are carried out to ensure that the office workspaces meet all relevant standards.

Remote work and networked collaboration capabilities are of strategic importance to the Company.

4 Management System structure

4.1 Scope

The scope of the Management System covers all operations by the Company and its subsidiaries.

4.2 Definitions

The definitions listed below apply throughout the Management System. Where no definition is provided, the Company generally uses the definitions provided in ISO 9000: Quality Management – Fundamentals and Vocabulary and ISO 45001 Occupational Health and Safety. In some cases, specific procedures or documentation may provide a different definition to be used in the context of that document; in such cases, the definition will supersede those provided for in this Quality Manual, ISO 9000, or ISO 45001.

- “Accident” means undesired event that results in personal injury, environmental or property damage.
- “Competence” means ability to apply knowledge and skills to achieve intended results.
- “Document” means written information used to describe how an activity is done.
- “Hazard” means source with a potential to cause injury and ill health.
- “Incident” means an unplanned, undesired event that adversely affect completion of a task.
- “Near Miss” means event where there was no damage to environment or property and no personal injury sustained, but where, given a slight shift in time or position, damage and/or injury easily could have occurred.
- “Opportunity” means the positive effect of uncertainty.
- “Record” means the evidence of an activity having been done.
- “Repair” means the effort to bring a nonconforming product into conformance through additional operations that alter the original design of the product; this may be through the addition of material not specified in the original design, or through altering pre-existing design features.
- “Rework” means the effort to bring a nonconforming product into conformance through additional operations that do not alter the original design of the product.
- “Risk” means the negative effect of uncertainty.
- “Scrap” means the discard of a nonconforming product, rather than repair or rework.
- “Uncertainty” means a deficiency of information related to understanding or knowledge of an event, its consequence, or likelihood. Not to be confused with measurement uncertainty.

4.3 Structure

The Management System operates on three levels:

- Level 1 - The overall framework for the Company operations
- Level 2 - The procedures that make the framework operational
- Level 3 - The actual operational documents

The three levels contain the following main documents:

Level 1

- Management Handbook
- Health and Safety Guide
- Strategy document

Level 2

- Health and Safety
- Development
- Purchasing
- Storage and Equipment
- Manufacturing
- Sales
- Project Management
- Operation and Maintenance
- Management and Employees
- Nonconformities and Improvements
- Empowerment
- Document Management

Level 3

- Policies
- Guidelines
- Templates

The Management System structure is presented below.



Figure 1 – Management System Structure

The Management System documents are in the Company's SharePoint cloud file system.

4.4 Company model

The company model that is governed by the Management System is built following the PDCA-model (Plan-Do-Check-Act) as shown in the figure below:

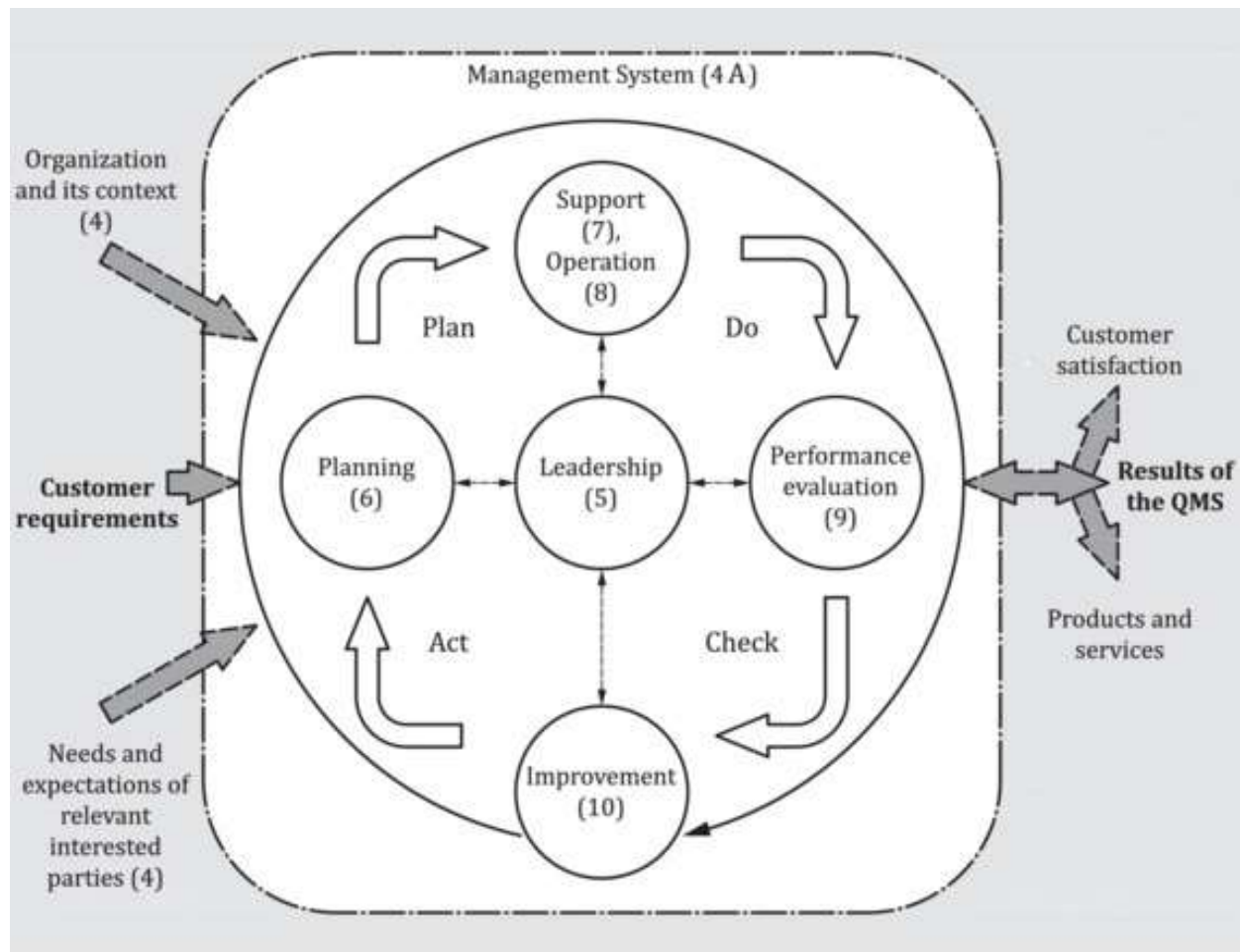


Figure 2 –Company model for Quality, Health and Safety

The numbers in the brackets in Figure 2 refer to the chapters in ISO 9001:2015.

In the Company model, the Level 1 and 2 documents are represented in the following bracketed numbers:

- 4A Management System
- 4. Management Handbook, Health and Safety Guide.
- 5. “Management and Employees” procedure, Occupational Health and Safety Group
- 6. Strategy, “Health and Safety” Procedure
- 7. “Document Management” and “Empowerment” procedures,
- 8. “Development”, “Purchasing”, “Storage and Equipment”, “Manufacturing”, “Sales”, “Project Management”, and “Operation and Maintenance” procedures.
- 9. “Nonconformities and Improvements” procedure. “NCR system”, “Work Place Assessment”
- 10. “Management and Employees” and “Nonconformities and Improvements” procedures. “NCR-system”, “Work Place Assessment”

The process order and correlation are described in the table below:

Level 1 and 2 Documents	Description
Health and Safety Guide	Clarifies that a good working environment and health & safety have first priority at Stiesdal. Displays selected definitions and explains our method for achieving a safe workplace
Development	The activities that define, plan, develop, and review development projects and tasks.
Purchasing	The activities that control the quality of suppliers and the goods received.
Storage and Equipment	The activities that ensure that equipment and tools are under control, and that the tools are legal and periodically inspected.
Manufacturing	The activities that ensure quality in the manufacture of customer products
Sales	The activities that ensure that we and our customers agree on orders and contracts.
Project Management	The activities that ensure a plan and overview for commercial or technology projects.
Operation and Maintenance	The activities that ensure quality in the operation of a customer project and in prototypes.
Management and Employees	Details our approach to management and employees e.g. in ensuring the best possible fit between people, competencies and tasks.
Nonconformities and improvements	To ensure that complaints, deviations, and opportunities for improvement are registered and processed systematically.
Empowerment	To ensure that everyone in the organization is aware of rights and powers.
Document Management	The activities that ensure that the right document is available at the right position. The system, in its entirety, ensures that our documented information is sufficient.
Health & Safety procedure	The most important Health & Safety risks identified in the mapping process, and how we prevent them from occurring and/or mitigate their effect

4.5 Access to the Management System

The Management Handbook is available to all employees and to third parties on request.

The Strategy document is available to the Company management only.

The Health and Safety Guide is available to all employees.

The Level 2 and Level 3 documents are available to all employees.

5 Health and Safety Policy and objectives

5.1 Health and Safety Policy

The Company has the following policies regarding the health and safety for our employees, contractors, our customers, and partners.

- We will consistently strive to ensure that safety is always top priority both psychical and mentally.
- We will consistently provide and promote a safe and healthy working environment and to avoid adverse impact (work related illness and injuries).
- We will meet all applicable requirements of our legal, statutory, and regulatory framework, of our customers, and of the ISO 45001 health and safety standards.
- We will continuously monitor, improve, and update the Management System in response to operational experiences, audits, and any amendments of external requirements.

5.2 Implementation of the Health and Safety Policy

The Company has implemented the Health and Safety Policy through the following actions and approaches:

- Continuously emphasizing that no task is so urgent that it cannot be done in a safe way.
- Performing a proactive and effective (non-bureaucratic) health and safety culture by involving health and safety representatives/groups in operational health and safety activities. Practical and strategic health and safety issues are discussed in the Stiesdal Occupational Health and Safety Group.
- Frequently identifying hazards in the workplaces and projects (Workplace assessments, Health and Safety near misses, incidents, accidents, and project risk assessments) with the aim to eliminate hazards and reduce risks wherever practicable. Significant risks are managed by the QHS management system.
- Communicating health and safety information wherever relevant.
- Regularly evaluating the tasks and resources of the employees/teams to ensure a balance between challenging jobs and suitable workload.
- Empowering employees to stop or leave any insecure activities.
- Doing safety walks regularly.
- We consistently get positive stakeholder feedback regarding our safety culture and safety performance.
- We ensure that our employees maintain awareness of the content and objectives of our Safety Policy and of the role of the Occupational Health and Safety Group.
- We ensure that sufficient and competent resources are available to ensure compliance with the health and safety aspects of our Strategy.
- We register incidents, accidents and near misses. We use the registrations to look for patterns and decide how to mitigate them. Some will be mitigated through new or adjustment of procedures and others will be mitigated via our safety culture and competencies.

5.3 Health and safety Objectives

The Company has selected the following specific health and safety objectives, in which we aim to:

- Identify and deal with hazards as early as possible in all projects by conducting risk assessment in the development phase.
- Register near misses, incidents, and accidents no later than 2 workdays after the occurrence.
- Take appropriate and necessary action when problems occur and react in a timely manner.

- Not get any deviations regarding certifications.
- Keep our absence due to illness below 3%.

From January 1st 2025 the following health and safety objective will be added, in which we aim to:

- Have 90% of us complete a comprehensive first aid course (4 hours) minimum every third year.

6 Quality Policy and objectives

6.1 Quality Policy

The Company has the following policies regarding the quality of the products and services supplied:

- We will consistently provide products and services that meet or exceed the requirements and expectations of our customers.
- We will actively pursue ever-improving quality through programs that enable each employee to do their job right the first time and every time.
- We will meet all applicable requirements of our legal, statutory, and regulatory framework, of our customers, and of the ISO 9001 quality standards.
- We will continuously monitor, improve, and update the Management System in response to operational experiences, audits, and any amendments of external requirements.

6.2 Implementation of the Quality Policy

The Company has implemented the Quality Policy through the following actions and approaches:

- We maintain a scaled-down set of rules defining those processes that are required to comply with our Quality Policy.
- Implementation of the Quality Policy is mainly carried out based on competence and training, keeping procedural requirements and descriptions to a minimum.
- Before acting, whether it is in operational matters or in relation to managing or implementing change, we always adhere to a defined set of steps: Set goal, determine best course of action, follow up.
- We encourage and expect employees to make informed and required decisions and never follow procedures blindly.
- We take steps to reduce bureaucracy where it slows us down without providing value in return.
- We identify those parts of our processes that involve decisions of particular significance, or decisions carrying a high degree of risk, and we determine how those decisions are best managed.
- We continuously evaluate our procured components and our deliveries and services in coordination with key suppliers and partners.

6.3 Quality objectives

The Company has selected the following specific quality objectives, in which we aim to:

- Consistently get positive stakeholder feedback regarding the quality and excellence of our products and services, by understanding stakeholder requirements.
- Fulfil customer requirements for cost, time and specifications.
- Ensure that sufficient and competent resources are available to ensure compliance with the needs of our Strategy, considering indicators such as the use of external resources, employees mental health, error due to lack of competence, work force planning and turnover.
- Take appropriate and necessary action when problems occur, by demonstrating ownership and ensuring that problems are not the result of failure to act.
- Not get any deviations regarding certifications.
- Reduce the probability of unforeseen negative financial effects.

7 Responsibilities and authorities relating to the Management System

7.1 Company management

The Executive Officers of the Company have the responsibility and authority to:

- Develop and update Level 1 of the Management System, including the Strategy.
- Direct the implementation of the Strategy.
- Ensure that all employees are aware of and understand the objectives and policies of the Management System.
- Ensure that sufficient and competent resources are available to ensure compliance with the needs of the Strategy.
- Appoint, monitor and if necessary, replace the person responsible for the Management System.
- Evaluate the Management System.
- Continuously make any relevant changes based on experiences, non-conformance or improvements.
- Inform about changes in the Management System and, if necessary, arrange training for employees.
- Actively support the quality management and health and safety of the Company.
- Initiate improvement projects.

7.2 The person responsible for the Management System

The person responsible for the Management System and audit has the responsibility and authority to:

- Develop and update Level 2 of the Management System.
- Establish necessary improvements whenever the requirements in the Management System are not met.
- Plan, control and carry out internal system follow-up through internal audits.
- Register and report results.
- Coordinate the total effort on quality and health and safety
- Represent management.

7.3 The person responsible for a process

The person responsible for a process has the responsibility and authority to:

- Ensure that procedures and support documents and tools represent what is necessary and sufficient to achieve the desired process results in the necessary quality.
- Ensure that necessary follow-up actions are carried out to correct any errors and non-conformances discovered when working with the system or through audits.
- Roles and responsibilities with corresponding names can be found in the level 3 document: "Roles in management system".

7.4 Occupational Health and Safety Representative

The Occupational Health and Safety Representative is responsible for:

- Supporting management creating and maintaining a good physical, chemical, mental and ergonomic working environment.
- Sharing of information from the Occupational Health and Safety Group and Committee to colleagues and vice versa in relation to well-being and working environment.

- Carry out risk assessment and investigation of occupational near misses, accidents, and incidents.
- Supporting colleagues in the event of occupational injuries including assistance with registration.
- Statutory workplace assessment (at least every three years).
- Regular safety walks.

7.5 All employees

All employees of the Company have the responsibility and authority to:

- Comply with the requirements of the Management System, procedures and processes within the employee's field of activity.
- Stop any work in which Health and Safety is not being properly managed.
- Identify and report internal and external errors.
- Contribute to continuous improvement by suggesting and participating in improvement projects.
- Ensure that activities follow procedures.
- Roles and responsibilities with corresponding names can be found in the level 3 document: "Roles in management system".

8 Changelog

Revision	Changes	Changed by	Date
1	First version. Approved and published by Peder Riis Nickelsen.	Bo Birkemose	19-01-2021
2	Health and Safety added to the framework.	Marie Munk Andersen	26-04-2022
3	Changing subsidiary company names.	Kristian Strøbech	16-05-2022
4	New CEO added. 7.3, 7.4 reference to Roles in Management system.	Marie Munk Andersen	27-06-2022
5	Changelog integrated.	Anna Strøbech	05-07-2022
6	5.1 added: Registration of incidents, accidents and near misses. Health and Safety includes both physical and mental health. 5.3 Content moved to 5.2. Added OHS Group Responsibility.	Marie Munk Andersen	21-08-2022
7	Changes to Company Overview, Health and Safety Objectives and Quality Objectives.	Marie Munk Andersen	05-10-2023
8	Changes to Strategy, the Management System structure and the Quality Objectives.	Marie Munk Andersen	26-04-2024
9	The Quality Objectives has been elaborated and a new Health and Safety objective added from January 1 st 2025.	Stine Buck Bendtson	19-09-2024