Sustainability

For future generations…

KAMF A/S

2024

Contents

Foreword

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Dear customers, employees, and suppliers

At KAMF A/S, we have decided that 2025 will be the year where we focus on environmental management (ISO 14001) and strengthen our green profile. This includes, among other things, integrating CSR into our management system and communicating strategies, activities, and goals through our ESG report.

Several companies in the Rego Silicones Group have already initiated efforts in environmental management and sustainability, and their experiences have been a great source of inspiration for us.

At the same time, we are experiencing increasing expectations from customers, investors, and the local community that we, as a company, take responsibility and clearly demonstrate our green profile.

By actively working with ESG and implementing ISO 14001, KAMF A/S strives to position itself as a proactive company. We aim not only to meet requirements but also to contribute to the development of a greener and more sustainable future.

We have chosen to follow the voluntary ESG standard CSRD VSME ESRS, developed by EFRAG under the EU, to ensure a targeted and ambitious effort.

The ESG report is supported by our ISO certifications in quality and environment (from summer 2025).

Intertek

We have established our first CO_2e inventory, comparing actual figures from 2024 with historical data from 2023 as well as an estimated projection for 2025 through 2030.

The inventory presented challenges in finding accurate emission factors for our various raw materials. We have not fully reached our goal and, in some cases, have been required to estimate emissions based on comparisons with similar products and with the help of artificial intelligence.

We continue working to find accurate emissions data in collaboration with our suppliers and external emissions databases.

Another area we have also invested considerable effort in is the development of policies for the seven CSR areas.

This is our first ESG report, and we are proud of it.

Are we finished with the report? No, definitely not, but we have set the framework and defined a number of areas to continue working on.

I wish you enjoyable reading and hope you find the information you are looking for and gain an understanding of our work in this area.

Choice of reporting format

This report is based on the specification requirements for the voluntary ESRS for non-listed SMEs (VSME ESRS).

The requirements are based on the memorandum dated 13 November 2024

Two scenarios are being considered

	Basis (B)	Comprehensive (C)
A	☑	✗
B	☑	☑

☑ Krav ✗ Ikke krav ○ Valgt scenarie

Basic
The Basic level maps relevant requirements and metrics covering environmental, social, and business aspects. CO_2 emissions are initially reported for scope 1 and 2 only.

Comprehensive
A set of supplementary data points that may be included in requests from lenders, investors, and business customers. Seven additional data points/areas are introduced, along with requirements for narratives — the free-form descriptions where the company outlines its policies, activities, challenges, and goals.

Additional options
Double materiality (internal aspect), a method for identifying and gaining an overview of which sustainability areas are material to the company.

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Company Characteristics

KAMF A/S
Hornbjergvej 71
8543 Hornslet
CVR.: 27224903
P-nummer: 1009949670

KAMF A/S is part of the Rego Silicones Group, which consists of the following companies:

:

- A.M.P. A/S
- ASICOMO A/S
- Regoform A/S
- Rexsil AB
- Sipla Medical AB
- Sipla Nordic AB
- V. Bech & Co A/S
- VPD Bearbejdning ApS
- KAMF A/S
- DANLASER A/S
- Finnerup A/S
- Proff-Bilindretning ApS (75%)
- T.J. Karrosseri A/S (75%)
- Midtjysk Autoindretning ApS (50%)
- Aalborg Autoindretning ApS (50%)

Report scope

The group's management has expressed a strong desire for each company to begin developing a sustainable profile.

For now, it has been decided not to prepare a consolidated profile and report, but instead to let each company prepare its own report.

Business model

We are committed to integrating sustainability into our business model

Policies and Future Objectives

	Policies	Publicly Available?	Set Objectives?
Energy and Greenhouse Gases	✅	✗	✅
Pollution – Air, Water, and Soil	✗	✗	✗
Biodiversity	✗	✗	✗
Water and Marine Environment	✗	✗	✗
Resource Use, Circular Economy, and Waste Management	✅	✗	✅
Own Workforce	✅	✗	✅
Value Chain Workforce	✅	✗	✗
Value Chain, Local Communities, Consumers, and End Users	✅	✗	✅
Good Business Practices	✅	✗	✅

Products
Our primary activity is machining customer-specific components and solutions. This includes, for example, turning, milling, drilling, and threading parts.

In addition, KAMF also offers assembly and testing of customer solutions.

Materials
KAMF A/S operates 17 CNC machines and has experience and expertise in machining most materials.

Since KAMF works according to customer specifications and bills of materials, material selection is not within KAMF's area of responsibility. However, at the start of a project, our specialists engage in dialogue with the customer regarding optimal production methods, which may also include material selection.

Procurement
We have a global supply chain and purchase raw materials that are produced or use resources originating from both local areas and distant regions of the world.

This is one of several areas we are working to map as part of our sustainability efforts.

Production
We are ISO 9001 certified and have both the production setup and experience to meet the requirements for manufacturing components for the medical and food industries.

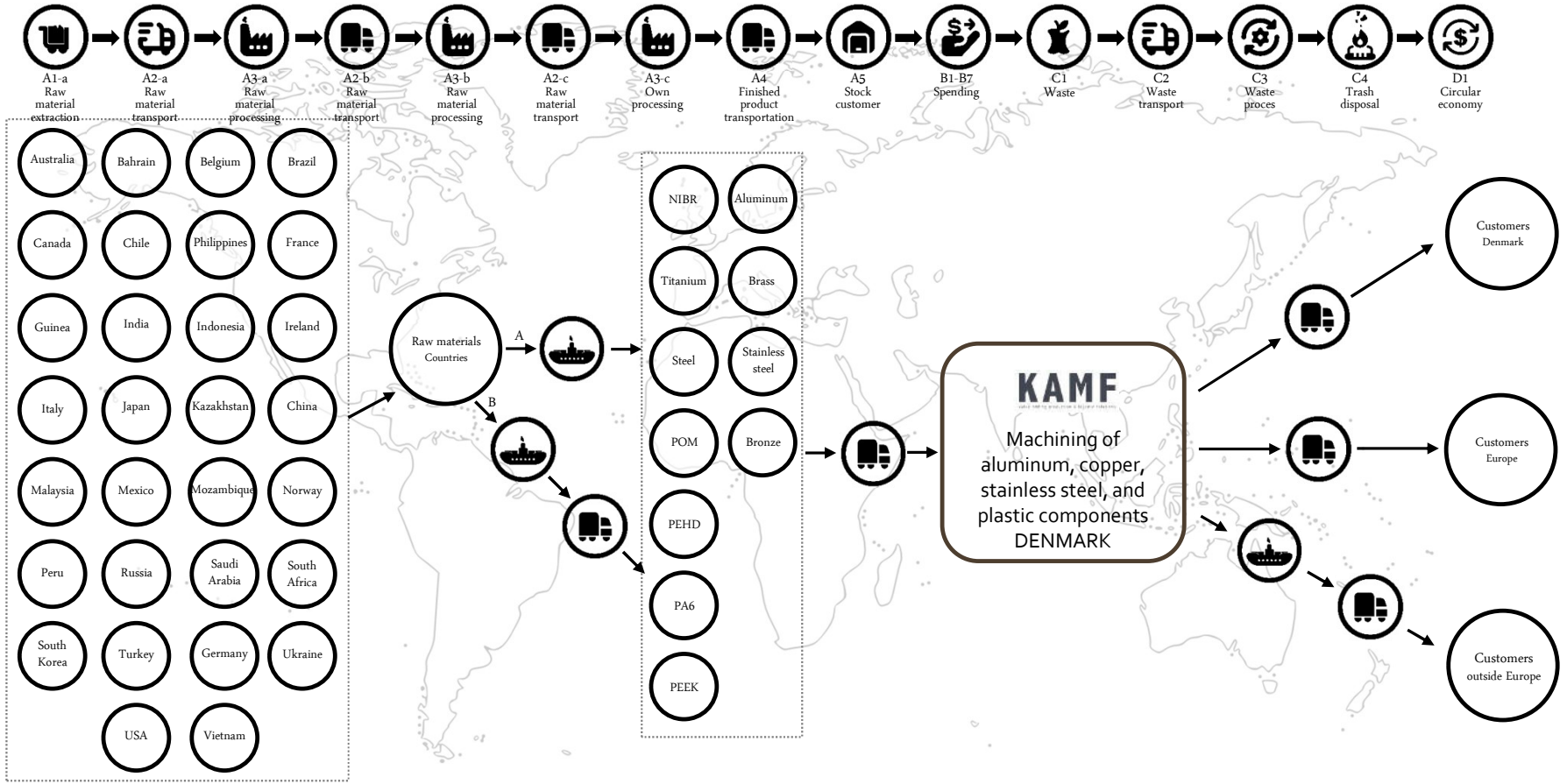
Our employees prepare, manufacture, and quality-check our products before they are packaged and shipped to customers around the world.

Sales
KAMF A/S's products are sold worldwide but primarily in our local markets:

Denmark	*71 %*
Scandinavia	*0 %*
EU	*17 %*
Rest of the world	*12 %*

All our products are sold EXW (ex-works) and begin their journey as traditional road transport. Depending on the final destination, customers can choose to combine road transport with other modes of transport, such as rail or sea.

Cycle description



Double Materiality Assessment (internal)

We see double materiality as a natural extension of our decision to prepare an ESG report

Report for 2024
For the 2024 report, we have chosen to prepare the internal part of our double materiality analysis from a generalized and internal perspective.

We decided to add this extra element because we believe it provides invaluable insight into potential risks and opportunities within the supply chain.

Stakeholders
We have defined our stakeholders as follows:

- Direct
  Board of Directors, employees, suppliers, partners, and customers
- Silent
  Banks, the financial sector, social partners, wildlife, and nature

Selected factors
We have chosen to prioritize our activities by analyzing:

- **Impact materiality** – our impact on society, climate, environment, and people
- **Financial materiality** – impact on our ability for continued development, earnings, performance, and cash flow

The analysis is based on the main areas of CSRD, VSME, and ESRS.

Double Materiality Assessment (internal)

We use several raw materials that include resources originating from distant parts of the world.

Origin of Raw Materials

We have chosen to source all our raw materials from large and reputable suppliers within the EU. Naturally, this decision is based on several factors, including:

- Supply security
- Cost
- Sustainability

Sustainability

When we talk about sustainability in relation to procurement, it includes environmental, social, and ethical aspects:

- Environmental impact from extraction, processing, and transport
- Social conditions for workers and local communities
- Good business practices

Responsibility

We have initiated the extensive task of mapping our supply chain based on risk categories divided as follows:

- Human Rights
- Labor Rights
- Environment
- Good Business Practices

As management, we must admit that we were surprised by the extent of the potential risks in our supply chain.

Fordeling af risici

- 44% relate to labor rights
- 28% relate to human rights
- 15% relate to environmental issues
- 13% relate to good business practices

These are potential risks associated with the geographic regions involved in our supply chain. Therefore, the issues cannot be directly linked to specific suppliers.

In response to these insights, we have developed the following policies:

Code of conduct
Responsible Procurement Standard

Additionally, the results of this analysis are included in our supplier dialogue, where we also request documentation on how these potential risks are addressed in practice.

Management of identified sustainability issues

We have chosen to address the points identified in the materiality analysis within four categories to improve oversight and ensure progress. It is expected that work on each defined point will take place over a three-year period, after which the focus areas will be reviewed.

The materiality analysis will be updated annually, and the sustainability team—consisting of the CEO and selected employees—will assess whether additional points need to be included in one or more of the four categories.

Sustainable operations

Reduce the relative CO_2e footprint and environmental impact through understanding and strategically selected activities

Reduce uncertainty in CO_2e reporting with a particular focus on Scope 3

- Transition to sustainable energy in our own production
- Reduce waste in our production processes
- Ensure proper waste management and address opportunities for circular recycling
- Focus on social aspects in our supply chain in collaboration with our suppliers

Attractive workplace

Continue efforts to promote inclusivity and well-being within our organization

Build knowledge of social conditions in our supply chain, including known challenges in the geographical areas involved in the supply chain

- Focus on activities that, alongside our growth, ensure we remain an attractive workplace capable of attracting the necessary skills while increasing organizational diversity
- Continue our efforts towards zero workplace accidents and focus on overall conditions that can improve employee well-being and reduce absenteeism.

Good business practice

Behavior, internal policies, and active collaboration with suppliers, aiming for transparency and high business conduct in the supply chain.

- Develop, communicate, and train employees in our Code of Conduct and responsible purchasing standards.
- Develop procedures to ensure that our recently established policies on good business practices and supplier collaboration are implemented as intended.

Management Systems

Our management systems are central to our work with sustainability

- Ensure that procedures and instructions related to sustainability are developed and integrated into the management system in a way that guarantees effective control of the area in line with the system's structure.
- Adapt ISO 14001 to reflect the more holistic environmental and sustainability focus embedded in the CSRD

Each of the selected focus areas has been assigned a responsible manager in charge of establishing and maintaining activities to ensure that the goals are achieved. All activities are approved by the CEO, who also monitors progress in each area. Management's commitment to sustainability is documented in the company's annual management review, which is an integrated part of the existing management system. Relevant elements will be included in the sustainability report for the given year.

Key stakeholders and responsibilities


Foto: Darkmoon_Art (Pixabay.com)

Key stakeholders
As part of the materiality analysis, we have categorized our stakeholders into two main groups: direct stakeholders and silent stakeholders.

At present, we consider our key stakeholders to be within the group of direct stakeholders.

- Board of Directors
  Thomas Nielsen (Chairman of the Board and Owner)
- Employees
  Our employees are the primary bearers of our company culture, and it is essential to us that they understand and are passionate about the activities and goals we have set as an organization in this area.
- Suppliers
  Collaboration with our suppliers will, over time, ensure reliable emission factors and more sustainable products.
- Customers
  Our customers, their needs, and expectations are an important part of our journey towards more sustainable solutions.

At present, we do not collaborate with any NGOs, and we have also chosen not to include silent stakeholders such as wildlife and nature at this stage.

Responsibility for sustainability matters
The overall responsibility for driving, allocating resources, and aligning the organization's activities to support the company's sustainability strategy rests with the CEO, Lasse Mølskov.

Daily activities in this area are managed and overseen by Lasse Mølskov together with other selected employees.

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Environment

Supports the UN's global goals

Environment

Why?

We provide precision machining of custom components and solutions in a wide range of materials.

Our calculations show that raw materials account for approximately 76% of our total CO_2e footprint. About 0.2% of our tonnage is based on estimated emissions, while the remainder is calculated using standard emission factors.

Our manufacturing processes are fully electrified, and in 2024 electricity accounted for approximately 63% of our total energy consumption.

Heating energy is supplied by our local district heating plant and is calculated using standard emission factors. In 2024, district heating accounted for approximately 30% of our total energy consumption.

Areas of focus

- Establish more accurate emission factors for our raw materials (Scope 3)
- Increase energy efficiency of our electrified production equipment (Scope 2)
- Transition to renewable energy in our production areas (Scope 2)

Goal 2025

- Lower energy consumption per kg of finished product *(1% reduction per year)*
- Less waste in production *(1% reduction per year)*
- Reduced CO_2 footprint *(Paris Agreement: 1% reduction per year)*

Energy and greenhouse gases

Sustainability Report 2024 establishes the baseline for our future work!

Sustainability
Our Sustainability Report for 2024 will serve as the baseline for our continued work. A number of strategic decisions have been made in the environmental field, both regarding measurement methods and criteria, as well as the strategic path forward.

Management Systems
For several years, we have worked with quality management in accordance with ISO 9001. We have chosen to support this work with environmental management in accordance with ISO 14001 – certification is expected in August 2025.

Emissions
All emissions used in this report must comply with the LCA requirements described in ISO 14040 and ISO 14044. However, in some cases we have been forced to deviate from this requirement due to lack of access to data.

Emission factors are prioritized as follows:

- Supplier-specific LCA
- Standard emission factors from Klimakompasset
- Standard emission factors from other climate databases
- Estimated emissions based on comparable raw materials combined with AI.

Energy consumption

We have calculated our energy consumption in MWh for 2023, the reporting year 2024, and estimated consumption for 2025.

	2023	2024	2025 estimate
Fossil fuel	34,8	36,1	38,0
Electricity	295,6	336,2	360,0
District heating	118,9	158,3	160,0
Total	**449,3**	**530,6**	**558,0**

Calculated based on the Danish Energy Agency's mandatory standard assumptions of June 29, 2023, Case No. 2023-116, combined with conversion factors from Statistics Denmark.

Greenhouse gases (CO_2e)

What is included?

This report contains data for the following scopes:

Scope 1:
We use natural gas for heating, which is included as the only parameter.

Scope 2:
Scope 2 in our company is limited to electricity purchased from the public grid. However, the CO_2e impact of this is neutralized to zero, as we purchase renewable energy certificates corresponding to our consumption.

Scope 3:

We have decided that all primary and secondary purchases for the company are included in our Scope 3.

Secondary purchases are primarily calculated using standard emissions based on value, whereas all primary purchases are calculated based on tonnage.

Emissions from transport and packaging are not included in the 2024 report.

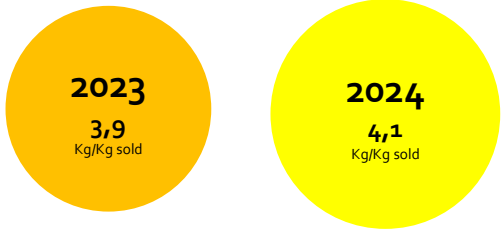
GHG emissions overview (T CO2e)

We work according to the GHG Protocol's three emission categories. CO2e includes CO_2, CH_4 and N2O.

	2023	2024	2025 estimate
Scope 1	7,4	7,6	7,7
Scope 2	136,7	156,0	180,0
Scope 3	1.911,8	1.684,0	1.800,0
Total	**2.055,9**	**1.847,7**	**1.987,7**

The total CO_2e level is expected to increase in 2025. This is due to a combination of growth and changes in the product mix.

Relative CO_2e impact in relation to sold tonnage



Goal setting and plan (energy and greenhouse gases)

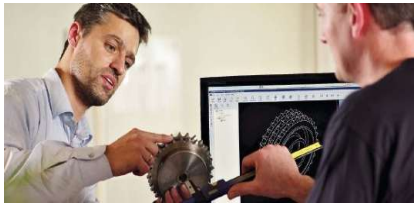
A visible strategy and clear goal setting creates secure progress!

Objective

The objective of our first sustainability report (ESG Report 2024) was to establish a strong and accurate environmental baseline and set targets for the next three years.

During the preparation of the report, it became clear that the industry is still not ready with comprehensive emission factors. Therefore, significant effort has been invested in identifying standard emission factors and, in particular, estimating emission factors for products where neither supplier-specific nor standard data was available.

The overall goal for 2025 is to maintain or slightly reduce the relative CO2e footprint compared to 2024, and to ensure improved data validity, enabling the establishment of objectively measurable sustainability targets and activities for the period from 2026 to 2028.



Plan

2024
- First Sustainability Report
- Establishment of Baseline
- Goals and Activities through 2026

2025
- Goals and Activities through 2028
- Lower energy consumption per kg of finished product (1% reduction per year)
- Reduced production waste (1% reduction per year)
- Lower CO_2 footprint (Paris Agreement: 1% reduction per year)

2026
- Upstream transport included in the calculation
- Relative CO_2e reduced by 2% compared to 2024

2027
- Relative CO_2e reduced by 3% compared to 2024

Air, water and soil pollution

In 2024, we have chosen to exclude this area - we expect to implement selected parts in the 2025 report.

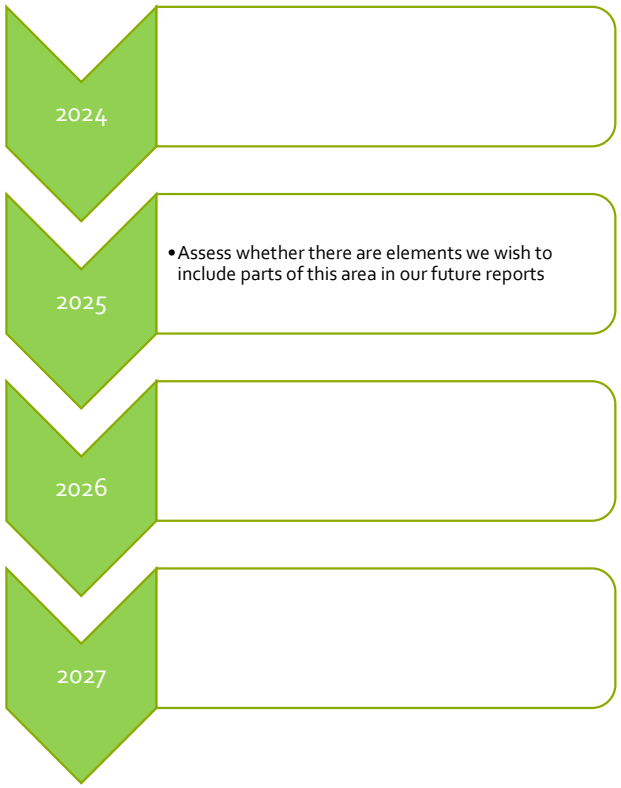
Objective
This area has been excluded, as we are not subject to the IED (Industrial Emissions Directive) and are therefore not required to prepare an assessment of our environmental impact on air, water, and soil.

There is often reference to three additional aspects of air pollution:

- Noise pollution
- Dust pollution
- Odour nuisance

Our activities do not contribute negatively to any of the three aspects listed above.

Plan



Biodiversity and water

Biodiversity - Sensitive areas
KAMF A/S is not located in an area that is protected in any way or listed as a UNESCO World Heritage Site or equivalent.

Utilisation of area
Below you can find a breakdown of our utilisation of area, presented in square meters and divided into three groups. The covered area indicates paved and built-up areas. It also includes nature areas that promote biodiversity, such as green areas, lakes, streams, roofs and facades with vegetation. Natural areas are divided into two categories: internal and external.

	2023	2024	% Change
Covered area	2.516	2.516	0%
Nature-oriented area on-site	1.393	1.393	0%
Nature-oriented area off-site	0	0	0%
Total	3.909	3.909	0%

Water

The production process does not require the use of water, therefore the meter-read water supply will be diverted after use.

Water consumption is calculated in cubic metres.

Water withdrawal	Water consumption	Water discharge
270	0	270

Resource consumption, circular economy and waste management

Resource Consumption

For several years, we have focused on our resource consumption, including replacing lighting fixtures and working systematically to reduce waste.

Circular Economy

A focus on circularity is one of our key approaches to reducing our climate footprint and achieving better utilization of the natural resources used in our production.

We primarily work to optimize the use of purchased raw materials and energy and then focus on how waste is handled in the most environmentally responsible way, considering our overall environmental impact.

We use raw materials containing recycled content where it is meaningful and feasible.

Our waste is collected and disposed of in the most environmentally sound manner from a holistic perspective. In 2024, we sent mixed metal waste for recycling, equivalent to a reduction in environmental impact of over 160 tons of CO_2e.

Waste management

For several years, we have sorted waste into fractions in accordance with Danish legislation. We have assessed that the amount of hazardous waste generated annually by the factory is so small that we have chosen not to include it in the reporting.

From 2025, the reporting will be based on EWC-stat codes, and their reference groups will also be listed accordingly.

For 2024, the waste has been recorded in two categories.

Type	Genbrug	Forbrænding	Deponi
06.32 Mixed metallic wastes	**58.832**	**0**	**0**
07.42 Other plastic wastes	**0**	**0**	**0**
10.21 Mixed packaging	**240**	**0**	**0**
10.22 Other Non-hazardous	**0**	**0**	**0**

Climate change and waste

Climate Change Mitigation plan
KAMF A/S aims to support both the Paris Agreement goal of limiting global warming to 1.5°C and a maximum of 2°C compared to pre-industrial levels, as well as our national target of a 40% reduction in CO_2e emissions by 2030 compared to 1990.

Since KAMF A/S uses 2024 as a baseline, we have set a target to reduce our footprint by 5–8% by 2030 compared to 2024.

Our plan for climate change mitigation is outlined in our environmental plan, which is supported by a series of defined activities.

The goal for 2025 is to develop a more detailed plan with established milestones, responsibilities, and expected impact.

Physical risks related to climate change
We do not consider KAMF A/S to be a high-risk company in relation to physical risks associated with climate change.

According to the Danish Meteorological Institute's (DMI) high-emission scenario on klimatilpasning.dk, we foresee the following conditions in the year 2100:

- A temperature increase of 3.4°C
  This does not, in itself, pose a physical challenge for KAMF A/S operations and activities.

- 25% more precipitation in the winter months
  This may create physical risks affecting business operations, which is why, as a company, in collaboration with the local community, we are obliged to ensure actions are taken to counter these changes.

- Unchanged levels of precipitation in the summer, characterised by fewer but more intense showers
  This may create physical risks affecting business operations, which is why, as a company, in collaboration with the local community, we are obliged to ensure actions are taken to counter these changes.

- A significant increase in the number and intensity of storm surges and rising sea levels
  This is not expected to create direct physical risks for our operations, as we are not located in a coastal area.

S

Social

Supports the UN's global goals

Foto: Tumisu (Pixabay.com)

Social

Why?

It is important for us to create a working environment and a culture that make us an attractive workplace.

We are a workplace with a high average seniority, which we are both pleased with and proud of, but as we are a small company, we also see the importance of being able to attract new competencies and employees to ensure that we will continue to have a dynamic team with the necessary skills in the future.

Areas of focus

- Inclusive and diverse organization, where our strength lies in our differences
- Sick leave
- Work environment and safety
- Present and engaged management
- Knowledge of social conditions in our supply chain
- How do we change the gender balance in the company

Goal 2025

- Sick leave: 2.5%
- Number of workplace accidents: 0
- Absence due to workplace accidents: 0 days
- Focus on the identified risks in our supply chain through implementation of
  - Code of Conduct
  - Standard for Responsible Procurement

Labour force - general

Employee characteristics

Employees	Short-term contractors
22	0

We place great emphasis on strong and long-term relationships, which is why we focus on including local youth as well as employee well-being and the development of our own staff.

Gender diversity

	Male	Female	Other
Workforce	100%	0%	0%
Management	100%	0%	0%
Board of Directors	100%	0%	0%
Salary ratio	100%	0%	

We are an organization that has historically been and still is male-dominated. This is an area we have become aware of during the preparation of this ESG report.

Salary dispersion

Highest	Median
100%	50%

The wage distribution reflects the size of the organization, where the median salary corresponds to that of a skilled process operator on a collective agreement wage, compared to the highest earners.

Etnicitet

Denmark	EU	Rest of the world
100%	0%	0%

Our employee composition reflects that of the local area, and the ethnic composition is therefore not an active choice.

Organizational level

Collective agreement employees	Organized
83%	100%

Health and safety at work

Sick leave	LTAR*	Near miss
2,91%	0	0

Compared to the industry as a whole, we believe that our sickness absence rate of just under 3% is reasonable. We are working towards a target of 2.5% in 2025.

We are proud of our safety efforts, which mean that in 2024 we can report zero workplace accidents. We will initiate near-miss reporting to maintain this high standard.

Other Social

Work-life balance

We see our employees as whole individuals whose well-being is influenced by both work-related and personal factors, which may include both joyful events and life crises.

KAMF A/S aims to create the best possible framework for a working day without unnecessary overtime, while also allowing space for family, leisure activities, and personal development.

Training and trainees

Hours Training	Trainees
x	4

KAMF has not historically recorded hours spent on peer training, courses, and similar activities. Moving forward, we will track this information so that we have data available for our next ESG report.

For several years, we have focused on educating the employees of the future, and we take pride in creating the best possible training conditions for our four apprentices.

We aim to always have four apprentices, staggered in their training periods, so they can learn from our skilled employees and share knowledge with each other.

Disability

Disability
0

For us, disability is much more than visible physical impairments. It includes all physical, mental, intellectual, and sensory impairments that affect an individual's ability to participate in society on an equal basis with others.

During the reporting period, we have not had any employees or associated staff members who fall under the definition of disability.

Employee Turnover and Labour Law Matters

Employee turnover	Violation of rights
14 %	0

Employee turnover should be viewed in the context of the organization's size, where a single employee significantly affects the percentage. Three people have chosen to leave KAMF during the reporting period.

We have no violations of human or labor rights.

Social goal and plan

We want to be known for integrity and a good working environment!

Human rights – policies and processes
We have chosen to combine our Code of Conduct with a Responsible Purchasing Standard to ensure an ethical and sound internal code of conduct, as well as to make clear our minimum expectations for supplier collaborations in the areas of:

Human and Labor Rights

- Health and Safety
- Environment
- Business Ethics

The section on violations of rights includes any known breaches internally as well as within the supply chain.

Objective
Our focus on well-being, working environment, safety, and the whole person will continue in the coming years with the first major target in 2025 in sight.

In 2025, we will primarily focus on some of the lessons learned during the preparation of our 2024 report.

Internally, there will be a focus on our ongoing work with workplace assessments (APV) as well as the preparation of our chemical APV.

In addition, there will be preventive safety efforts through attention to near-miss reporting and dialogue with employees.

Last but not least, there is learning related to social conditions in our supply chain as well as the introduction of the policies developed in this area in connection with the preparation of our 2024 report.

Plan

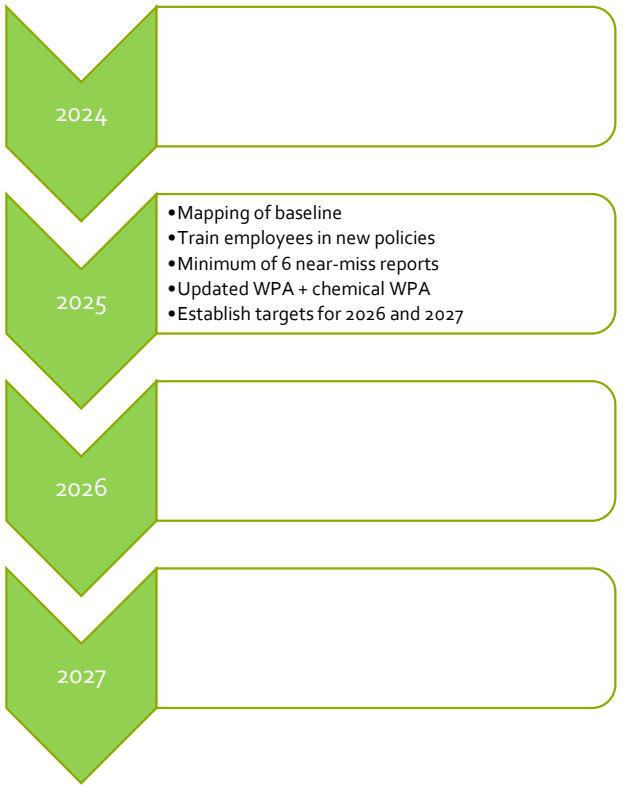


Foto: Gerd Altmann (Pixabay.com)

G

Governance

Supports the UN's global goals

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Foto: Steve Buissinne (Pixabay.com)

Governance

Why?

Our customers are increasingly requesting transparency regarding guidelines for ethics and accountability. We believe this trend reflects the general focus of society.

We aim to do our part to ensure that the supply chain we are part of is operated in an ethically responsible manner that does not negatively impact the human or labor rights of others, and that does not benefit from local or regional conflicts.

Areas of focus

- Maintain a high level of integrity and transparency in all business activities and interactions
- Supplier collaboration
- Customer and consumer relations
- Local community development
- Conduct customer satisfaction survey
- Conduct supplier evaluation

Goal 2025

- Supply chain mapped
- Implementation of Code of Conduct
- Implementation of Responsible Procurement Standard

Good business practices - corruption and bribery

Revenues from onerous sectors

KAMF A/S only supplies goods for peaceful purposes and is not a supplier to sectors that are harmful to health, have significant environmental impacts, or are engaged in warfare.

Whistleblower

Whistleblower

0

As we are not subject to whistleblower regulations, we have no registrations in this area for 2023.

Customer and supplier relations

Customer satisfaction

-

Customer complaints

31

Supplier satisfaction

-

Compliance with payment terms

99%

We have evaluated our customer satisfaction through ISO 9001 for several years, but we do not have an actual score for 2024.

Supplier satisfaction is not a concept we have previously worked with, which is why we do not have data on this.

In the 2025 report, a score for both customer and supplier satisfaction will be included.

We aim to reduce the number of customer complaints to a maximum of 20 accepted customer complaints in 2025.

Corruption and bribery

Incidents of corruption/bribery

0

Financial aid parties

0

Financial aid Lobbyism

0

Our organization has zero tolerance towards corruption and bribery and has had no instances thereof.

We have no tradition of supporting political parties or positions, nor have we made use of lobbyists.

Foto: Tho Vuong Hong (Pixabay.com)

Governance – objectives and plan

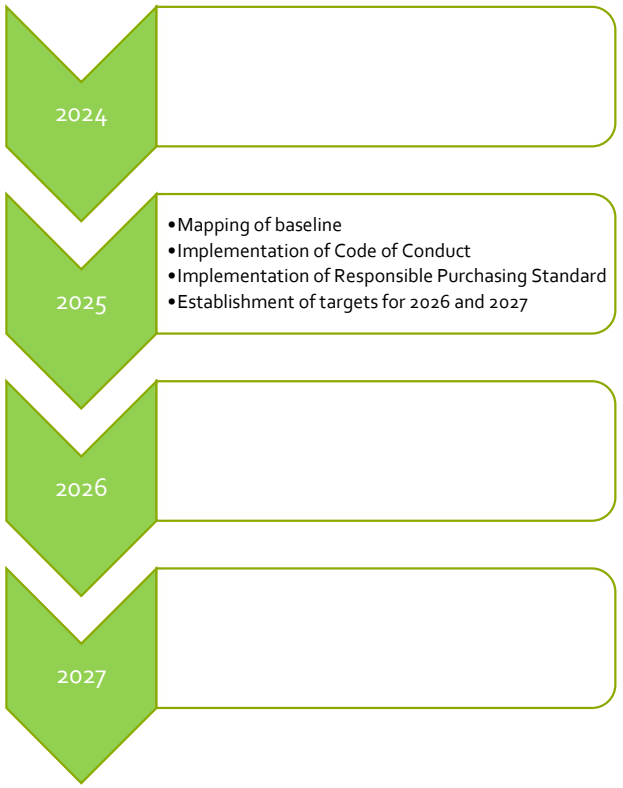
We stand for – and strive to be known for high ethical standards and good business practices.

Objective

Ensure our high ethics and good business practices in our own interactions one step forward and backward in the supply chain.

Map our own efforts that contribute to ensuring high ethics and good business practices throughout our entire supply chain, including respect for all seven areas of the CSR framework.

Plan



Data Sources and Methodology

The GHG Protocol and CO_2e

The Greenhouse Gas Protocol includes the seven greenhouse gases defined in the Kyoto Protocol: Carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

This report primarily uses emission factors from Klimakompasset, valid on the date of publication. These factors only account for CO_2, CH_4, and N_2O, as emissions of other greenhouse gases are typically relatively small.

The technical documentation for Klimakompasset's emission factors specifies the GWP values used, based on the IPCC 6th Assessment Report, 2021 (AR6).

Requirements and Prioritization of Emission Factors

All emissions used in this report must comply with the LCA requirements described in ISO 14040 and 14044. However, in some cases, we have had to deviate from these requirements due to limited data availability. Prioritization follows this hierarchy:

1. Supplier-specific LCA
2. Standard emission factors from Klimakompasset
3. Standard emission factors from other climate databases
4. Estimated emissions based on similar raw materials combined with AI

Recalculation of Previous Years' Emission Levels

To enable comparison and mapping of developments in the total and relative CO_2e footprint, emissions from previous years are recalculated annually to incorporate any updates to Klimakompasset's historical emission data.

As of the update on June 18, 2024, the Klimakompasset database includes annual emissions data from 2015 through 2035. The emissions data is developed by the Danish Energy Agency and used within the Danish Business Authority's Klimakompas tool.

A full recalculation is also carried out if a raw material or product changes emission classification, ensuring consistency and preventing comparison of incompatible emission sets.

The emissions in this report cannot:

- Be regarded as a verified climate account, as the data has not been audited by an accountant.
- Be considered precise calculations of the company's actual emissions, as they are based on average emission factors.

Consumption Data

Consumption data is based on internal consumption records and supplier statements.

This includes, among others:

- Internal systems (e.g. accounting and ERP systems)
- Consumption apps and web applications from energy suppliers
- Supplier-level data on product categories, possibly including CO_2e values
- Sub-meter readings

Organizational Boundary

The applicable organizational boundary is outlined on page 6 of the report under "Company Characteristics".

Operational Control

This report is prepared using the operational control approach:

A company has operational control if it has the authority to implement and carry out operational activities.

Under this method, the company accounts for 100% of the greenhouse gas emissions from operations under its control. Emissions from activities where the company only holds an interest, but does not have control, are excluded.

Definitions – General

Topic	Description	Definition/Formula
Basic module	The CSRD VSME ESRS standard of 20/12/2024 consists of two modules.	The Basic module identifies relevant requirements and metrics covering environmental, social, and business aspects. CO_2 emissions are initially reported only for Scope 1 and 2.
Comprehensive module	The CSRD VSME ESRS standard of 20/12/2024 consists of two modules.	A set of supplementary data points that may be included in requests from lenders, investors, and corporate clients. Seven additional data points/areas are added. Requirements are also introduced for narratives — the 'free' descriptions where the company outlines its policies, activities, challenges, and objectives.
Description of the cycle	This report presents an overall cycle describing the steps from raw material extraction to circularity or disposal. This is combined with a three-part flow: on the left, known and potential countries of origin for raw materials and processing points in the supply chain are mapped. The middle section shows the source of the raw material delivery, while the right section represents the markets.	Data is collected from suppliers wherever possible. In many cases, this data can be combined with AI-generated information, which is then tested and verified online and, where relevant, with the suppliers themselves.
Double materiality assessment	The double materiality assessment focuses on two elements: 1) How ESG areas impact the company's operations and financial performance 2) How the company's operations affect the surrounding society and environment — including its supply chain. The double materiality assessment was removed from the CSRD VSME ESRS in the latest update on 20'th of December 2024.	We have chosen to retain the internal part of the double materiality assessment in this report. The internal analysis maps the impacts in both directions, whereas the full double materiality assessment also includes dialogue with stakeholders such as customers and suppliers. To identify ESG risks in the supply chain, we use the MVO Risk Checker and Globalis as starting points. This analysis provides a general overview but may not be 100% accurate, as these tools reflect known challenges in specific geographic regions. Therefore, the analyses are used solely as guidance for identifying focus areas to be addressed through policies and activities.
Management system	A management system is a documented and structured way of managing processes, objectives, and commitments. The ISO standards (ISO 9001, ISO 14001, and ISO 45001) are among the most widely recognized and used management standards in the world. Many companies choose to integrate one or more of these standards into their management system to support their business operations.	The report will specify which management standards the company is certified in. A management system can enhance the credibility of the ESG report and also facilitate the process of obtaining assurance — either from a sustainability auditor or, in the future, from an accredited verification body.
Small enterprise	Article 3 of Directive 2013/34/EU divides small and medium-sized enterprises into three categories.	Not a micro enterprise and with ≤ 50 FTEs on average during the year, and (a balance sheet total ≤ €5 million or net turnover ≤ €10 million).
Medium-sized enterprise	Article 3 of Directive 2013/34/EU divides small and medium-sized enterprises into three categories.	Not a small enterprise and with ≤ 250 FTEs on average during the year, and (a balance sheet total ≤ €25 million or net turnover ≤ €50 million).
Micro enterprise	Article 3 of Directive 2013/34/EU divides small and medium-sized enterprises into three categories.	≤ 10 FTEs on average during the year, and (a balance sheet total ≤ €450,000 or net turnover ≤ €900,000).
Scope 1	Scope 1 is also referred to as direct emissions — meaning the company's CO_2e emissions that are directly related to its own activities and fully under its control.	The various energy sources are recorded, and CO_2e emissions related to these sources are calculated (consumption × emission factor).Typical sources include fossil fuels used for heating, operation of process equipment, and company vehicles. However, chemical and volatile emissions may also be present.
Scope 2	Scope 2 is also referred to as indirect emissions from energy and includes CO_2e emissions from purchased energy — that is, energy consumed by the company but produced by an external supplier.	The various energy sources are recorded, and CO_2e emissions related to these sources are calculated (consumption × emission factor).Typical sources include electricity and steam, as well as district heating and cooling.
Scope 3	Scope 3 is also referred to as indirect emissions from the value chain. Scope 3 is divided into two categories: Upstream, which includes all emissions generated in the supply chain or internal activities up to the gate (when the product leaves the company), and Downstream, which includes all emissions generated in the value chain after the gate (once the product has left the company).	The various energy sources are recorded, and CO_2e emissions related to these sources are calculated (consumption × emission factor).Typical sources include purchased goods and services, fuels and energy-related activities (not covered under Scope 1 and 2), transportation, waste management, business travel, employee commuting, leased activities, and more.
Scope 4 (beyond scope)	Scope 4, or beyond scope, is not included in the GHG definition. This category covers emissions from renewable energy sources such as biogas and electricity from renewables, as well as CO_2e related to products sent for recycling.	Included in the calculations but not used in the ESG report, as it follows the GHG Protocol.

Definitions – Environment

Topic	Description	Definition/Formula
% green energy	Based on the total energy consumption, the share of energy originating from renewable sources is identified.	The following energy sources are generally defined as green energy: solar, wind, hydro, and wave power, biogas, and the purchase of guarantees of origin that certify the energy comes from renewable sources.
Waste management	A description and quantification of waste, grouped and reported according to the European Waste Catalogue (EWC) classifications. Companies generating only standard household waste are exempt from this reporting requirement.	Quantities are based on the waste collector's records of collected waste. In cases where fragments are so small that the company chooses to dispose of them at a recycling station, internal records are used instead.
Biodiversity – Land use	According to the CSRD VSME ESRS standard, this topic has been simplified into three levels: Covered area, Internal natural area, and External natural area.	Covered area: The total area that is either built on or paved, including areas covered with gravel or other materials. Internal natural area: Green spaces, lakes, streams, etc., located on the company's premises. The area may be expanded through notes if, for example, green roofs or facades are established. External natural area: Same definition as internal but applies to areas not included in the company's registered addresses. Examples include forest, wetland, or meadow areas. Total: The area reported in the national building register (BBR). If the reported area exceeds the BBR registration, the discrepancy must be explained in the notes.
Biodiversity – Sensitive areas	It must be disclosed if the organisation's activities take place in or near biodiversity-sensitive areas. Such areas are defined according to WDPA, UNESCO, IUCN, IBAT, Natura 2000, and the World Database on Key Biodiversity Areas.	
Circular economy	Reusability and recycling are key areas in the circular economy.	This is a narrative section where the company describes its activities in this area.
Energy consumption	Total energy consumption is measured in MWh. This allows for comparison of energy usage over time, regardless of changes in energy sources.	Each individual energy source is summed and converted to MWh based on applicable standard conversion factors.
Hazardous and radioactive waste	The handling of hazardous and radioactive materials is essential in relation to both environmental impact and the management of environmental risks.	CLP classifications are used to assess whether waste is hazardous, including radioactive materials. Any waste product that, at the time of disposal, requires one or more hazard labels is by definition considered hazardous.
Pollution of water, air, and soil	This is a sector-specific area, primarily applicable to energy-intensive industries, agriculture, chemical manufacturers, and related sectors. Reporting is required under the Industrial and Livestock Rearing Emissions Directive (IED 2.0) and the Industrial Emissions Portal Regulation (IEPR).Additional guidance can be found in the 'Guide for Business on Air Pollutant Emissions'.	
Substances of concern	Substances of concern are not yet listed in safety data sheets, as the requirement has not yet been included in chemical legislation. The definition is provided in ESRS E2 under the section on pollution.	In this report, substances of concern are defined as all substances subject to disclosure (as listed in safety data sheets) that are not included on the REACH SVHC list.
Nature restoration	Restoration of nature and ecosystems that have been lost due to past human activities.	This is a narrative section in which the company describes its activities in this area.
Resource consumption	Resource consumption is considered from multiple perspectives – internal consumption of energy and materials is naturally central. However, the CSRD VSME ESRS (20 December 2024) also introduces a section addressing usability, reusability, reparability, product disassembly, and the potential for reusing components.	This is a narrative section where the company's activities in the area are described.

Definitions – Environment 1

Topic	Description	Definition/Formula
Substances of Very High Concern (SVHC)	The substances of very high concern are listed under the REACH SVHC list. These substances require authorization and include CMR (carcinogenic, mutagenic, or toxic for reproduction), PBT (persistent, bioaccumulative, and toxic), and vPvB (very persistent and very bioaccumulative) substances, as well as other substances of equivalent concern, such as endocrine disruptors. The definition is included in ESRS E2 under pollution.	Any substances of very high concern (SVHC), used directly or indirectly in the company's activities, are identified based on the safety data sheets (SDS) of the incoming raw materials. These substances are listed according to the information provided in the SDSs.
Water Discharge	According to CSRD VSME ESRS, water is reported at three levels: intake, consumption, and discharge.	The volume subject to wastewater discharge fees.
Water consumption	According to the CSRD VSME ESRS, water is reported at three levels: intake, consumption, and discharge.	Some industries use water in their production process, for example bakeries, where water is included as part of the product or used in the production of the product. The reporting of this metric follows regulatory requirements for sub-metering.
Water Intake	According to the CSRD VSME ESRS, water is reported at three levels: intake, consumption, and discharge.	Water intake is recorded using official water meters.

Definitions – Social

Topic	Description	Definition/Formula
Employees (permanent contract)	Total number of FTEs on permanent contracts	All employees on permanent contracts are converted to FTEs based on the FTE definition.
Violations of rights	Reporting of known violations of either human rights or labor rights. This can occur both within the company's own operations and in the supply chain.	For the company itself, this refers to the number of judgments related to violations of labor or human rights. For the rest of the supply chain, it includes any known judgments in this area.
Trainees in the organization	This can refer to both trainees and apprentices, depending on the industry. It involves a person with whom a written training agreement has been made, where the education is partly carried out within the company and partly at a school.	Number of active training agreements
Ethnicity	One of the social KPIs used is ethnicity, which provides an overview of the ethnic distribution within the organization. In this report, ethnicity is divided into three groups: Denmark, the EU, and the rest of the world.	We have chosen to define ethnicity based on 1) country of birth and 2) citizenship. Individuals are counted, so discrepancies may occur compared to the total number of FTEs. Formula: Number of individuals in ethnic group X / total number = % Ethnic group X.
FTE	Full-time employees are a key comparison factor in the social section, making the understanding of the FTE definition essential. FTEs are calculated for the two binary genders plus others.	FTEs are calculated according to the ATP method, meaning the method aligns with the reporting made to public authorities. (ATP contribution / full-time rate (DKK 297 × 12 in 2025 = DKK 3,564)). The resulting number is then rounded up or down according to general rounding rules. Note: If a significant number of employees work less than 39 hours per month, ATP contributions are not paid for them, but they should still be included. Therefore, the total hours worked by this group over the year should be divided by 1,924 hours, yielding an additional number of average full-time employees. The two figures are then added together to get the total number of FTEs.
Disability	Disability is a KPI indicating the number of people included in the company who have a recognized disability. A disability includes any physical, mental, intellectual, or sensory impairments that affect an individual's ability to participate in society on an equal basis with others.	Formula: reported as number of individuals (NOT FTEs).
Gender diversity	Under gender diversity, gender is divided into three groups (male, female, other).Data is reported for the workforce (entire organization), management, and the board of directors. Gender pay distribution in the VSM standard is calculated based on the total workforce, not equal work, which should be taken into account when interpreting the value (requirement for companies with 50+ employees).	Gender diversity at the three levels is calculated for each gender as: FTE (gender) / FTE (total)Pay distribution is reported only for the two legal genders and calculated as follows: Average gross hourly wage (women) / Average gross hourly wage (men) = women's index. By definition, the men's index is set to 100.
LTAR	Lost Time Accident Rate (LTAR) is a U.S. KPI indicating the number of work-related accidents with lost time during a given period per 100 employees (200,000 working hours – higher than ATP's 192,400 hours per year). Absence is counted only if it exceeds the day of the injury and is directly related to the accident. 0.0 = Perfect – no lost work time <1 = Very low accident rate 1–3 = Acceptable level (depending on industry) >3 = High accident rate requiring safety improvements	Formula: (Number of work-related accidents with lost time) / (Total number of working hours for all employees in one year) × 200,000
Wage distribution	Wage distribution indicates the gap between the median employee salary and the top management salary.	Median employee salary / Highest paid employee salary = median salary index. Both are measured by average gross hourly wage (including allowances, bonuses, etc.). By definition, the highest paid employee's index is set to 100.
Employee turnover rate	Employee turnover rate provides an indication of the level of staff turnover within the workplace.	Employee turnover rate = (Number of employees leaving the company) / (Average number of employees during the year)

Definitioner – Social 1

Topic	Description	Definition/Formula
Near misses	This is a KPI widely used in relation to ISO 45001 occupational health and safety, as it reflects active attention to situations where something nearly went seriously wrong but fortunately did not. There are three different theories behind the use of near misses, all sharing the view that there is a correlation between the number of near misses and actual accidents. Heinrich's model suggests that for every 300 near misses, there will be 29 accidents and 1 serious accident.	Number of observations recorded by colleagues and managers
Organized	Indicates the proportion of the organization that is unionized. Since it is not permitted to inquire about this in Denmark, this will be an informed estimate.	Informed estimate
Collective agreement	Indicates the proportion of the organization covered by a collective agreement. Note: The Salaried Employees Act ("Funktionærloven") is legislation, not a collective agreement, and therefore salaried employees are not included under collective agreements.	All employees covered by collective agreements are converted to FTEs based on the FTE definition.Formula: Number of FTEs under collective agreements / Total number of FTEs.
Sick leave	Sick leave is monitored as it can be one of several indicators that reveal the level of well-being within the company.	This report uses the calculation method of the Danish Working Environment Authority, which is also applied by Statistics Denmark. Sick leave includes only self-reported illness. Unless otherwise specified, the following formula is used: Total absence hours during the period / total planned working hours during the period.
Hours of continuing education	Employee continuing education is central to retaining qualified labor over time. This report addresses peer training, courses, and further education.	Formula: Peer training – time spent is continuously recorded during execution. Courses – time spent is set to the course's predefined duration. Continuing education – includes teaching time as well as any paid preparation hours.
Temporary workers and short-term contracts	The total number of FTEs loosely affiliated with the company, either as temporary workers or through short-term contracts.	All employees in this group are converted to FTEs based on the FTE definition.
Work-life balance	Work-life balance is achieved when neither work life nor private life dominates in an inappropriate way, focusing primarily on creating a balance that promotes both productivity and well-being. There are many perspectives on this topic; in this report, we primarily focus on work-related and personal factors.	This is a narrative section where the company's activities in the area are described.

Definitions – Governance

Topic	Description	Definition/Formula
Customer complaints	Total number of customer complaints	Formula: Total number of received complaints
Customer complaints accepted	Traditionally, companies periodically receive complaints that cannot be accepted according to specifications, sales conditions, etc.This figure includes only complaints that have been accepted by the company.	Formula: Number of approved complaints
Customer satisfaction	Customer satisfaction is measured through a quantitative survey where customers are asked about a range of factors, including overall customer satisfaction.	Formula: The value is determined based on the conducted customer satisfaction survey.
Supplier satisfaction	Supplier satisfaction is measured through a quantitative survey where suppliers are asked about a range of factors, including overall supplier satisfaction.	Formula: The value is determined based on the conducted supplier satisfaction survey.
Compliance with payment terms	Compliance with payment terms indicates the company's ability to meet its obligations to a given supplier. This metric does not take into account whether there are disputes or potential conflicts between the involved parties regarding the claim.	Formula: Number of invoices paid on time / total number of invoices
Support for lobbying	Some companies with specific interests in an area may purchase democratic influence through lobbying. Regarding ESG, there should be transparency around this.	Formula: Contribution in DKK to lobbying
Support for political parties	Some companies choose to support a political party. Regarding ESG, there should be transparency about this.	Formula: Contribution in DKK to political parties
Cases of corruption / bribery	Corruption occurs when a person in a position of power abuses their role for personal gain. Bribery is a form of corruption where someone gives or receives a benefit to unlawfully influence a decision.	Formula: Number of registered cases
Whistleblower	All companies with more than 50 employees must have a whistleblower system where internal and external stakeholders can easily and securely report legal violations. There are additional requirements that these reports are followed up on, and that whistleblowers are protected against any potential retaliation.	Formula: Number of reports in the system

Thank you for reading our sustainability report

We hope we have lived up to your expectations and gladly welcome your feedback.

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