



DANREC
THE GREEN CHOICE 

SUSTAINABLE DEVELOPMENT REPORT

2023



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Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.

This is the definition of sustainability in the context of the UN's Sustainable Development Goals (SDGs). The definition comes from the Brundtland report that was published in 1987. This is also the definition we use at our company and in this report.

Preface

At Danrec A/S, our goal is to be among the most climate-responsible companies in Denmark, a responsibility that is not achieved through the purchase of quotas but through active and targeted efforts for a better environment. Danrec must also be a workplace where the individual employee is responsible and takes independent responsibility for both his or her work and colleagues.

We have high ambitions, and should all be proud of our workplace, the efforts we make now and the responsibility we take for a clean environment, sustainable development and the use of the Earth's scarce resources. Together, we will create one of Denmark's best workplace, where there is room for everyone, regardless of differences. We have therefore set ourselves the goals that by the end of 2025:

- ▶ 100% of all our raw materials are made from recycled materials.
- ▶ 100% of our energy consumption comes from renewable energy sources
- ▶ 99% of our production waste will be recycled back into production
- ▶ 95% of all other waste will be recycled.
- ▶ Danrec reflects the surrounding community in terms of gender and ethnicity.
- ▶ Danrec should be a healthy workplace with a high level of well-being, low sickness absence (below the national average) and low employee turnover.
- ▶ Opportunities for continuing education must be available to all employees.
- ▶ Danrec's management team should have a gender diversity of at least 33%.



Henrik Ohm
CEO at DANREC A/S

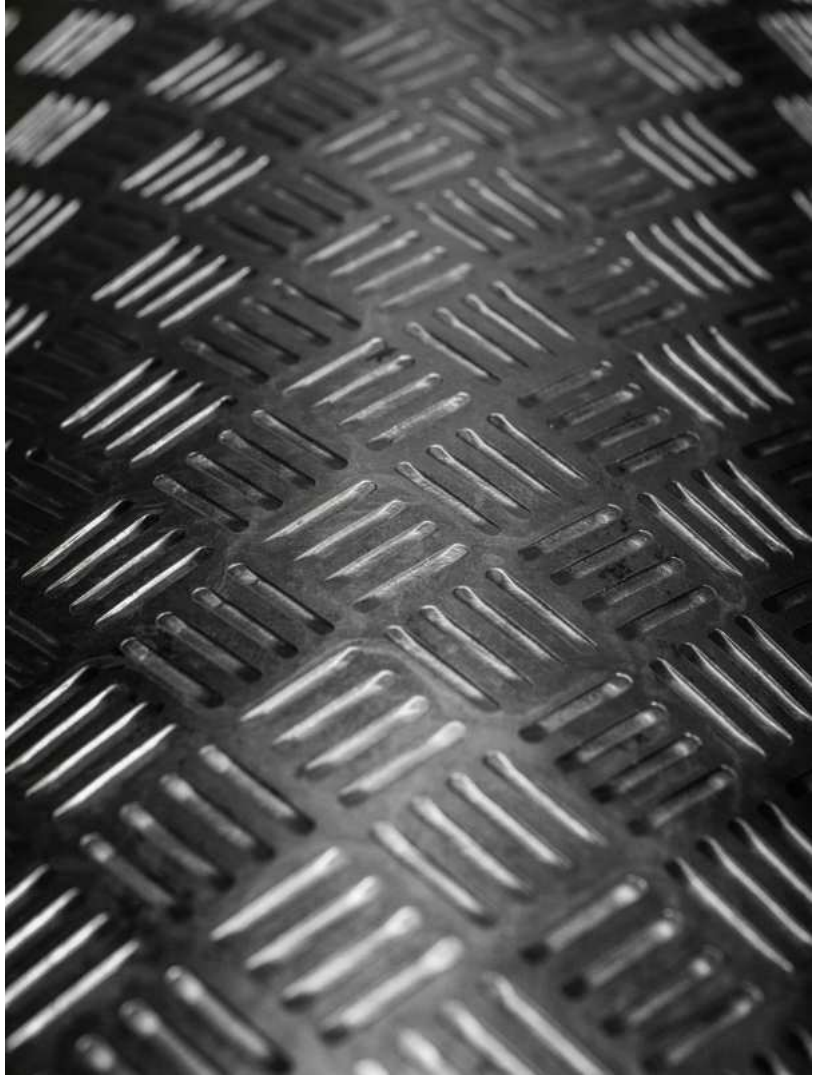
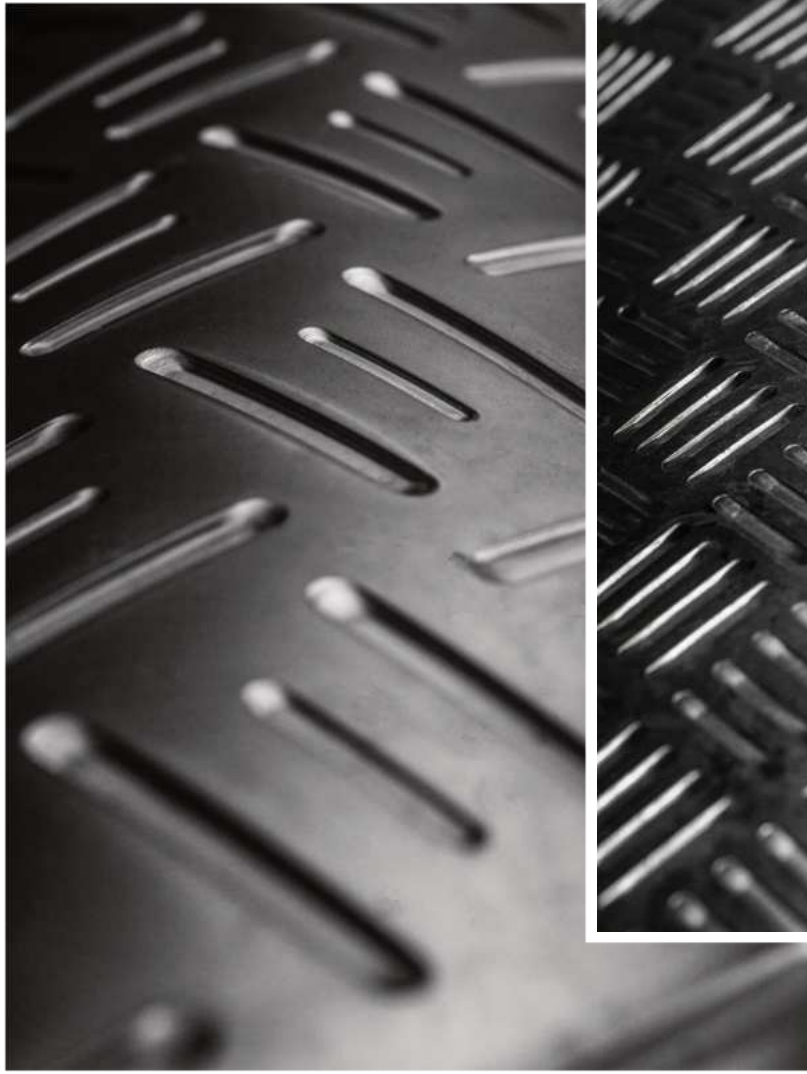


Product CO₂ emission

PLATE SIZE	WEIGHT PER PLATE	CO ₂ FOOTPRINT PER PLATE		CO ₂ REDUCTION PER PLATE
		2022	2023	
1100x700x20 mm	14,1 kg	18,61 kg. CO ₂	17,34 kg. CO ₂	-1,27 kg CO ₂
3000x1100x10 mm	29,5 kg	38,94 kg. CO ₂	36,29 kg. CO ₂	-2,65 kg CO ₂
2400x1200x10 mm	25,7 kg	33,93 kg CO ₂	31,61 kg. CO ₂	-2,32 kg CO ₂
2000x1000x15 mm	27,3 kg	36,04 kg. CO ₂	33,58 kg. CO ₂	-2,46 kg CO ₂

In 2022, 1 kg. ready for sale plate, had a CO₂ footprint of 1.32 kg. CO₂. In 2023 we reduced that number to 1.23 kg. CO₂. pr 1 kg. ready plate.

The CO₂ footprint per plate is calculated based on all activities and all purchased materials to finished plate, ready for sale, with emission factor from IDEMAT, Danish Industry and the climate compass.



Responsibility for report contents

It is no longer possible for anyone to avoid working with sustainable development. Whether you are large or small, you must make an effort to preserve resources, protect the climate, and ensure good conditions for all people. The challenge is to focus on what makes sense for our company, and where our company can have the largest impact.

The UN's 17 SDGs charts the course we must all follow, and the 169 targets are concrete action areas where you can help the World reach these goals. They are also a list of new business opportunities that benefit both the top and bottom lines. On a more serious note, they are a recipe for safeguarding the company against the rising uncertainty faced by most companies.

A sustainable development report is a good place to start. It contributes to an overview of what the company is already doing, and where it would make sense to focus its efforts going forward. The report contributes to a structured effort on sustainable development and enables the company to document its actions and targets.

This report was developed by the company **DANREC A/S** VAT no. **DK16171700** based on a template provided by the Association FN17 Business VAT no. **41759062**

The company using the template is solely responsible for the contents of the report, including its relationship to any applicable legislation. FN17 Business is therefore not responsible for the report, its structure, and its contents.

Introduction

Over the past three years, DANREC has under new leadership undergone significant transformations in its structure, market orientation, and overarching objectives. As we continue to evolve and improve, it has become evident that advancing our eco-focused initiatives is the next logical step. In pursuit of this commitment, we have initiated a collaboration with FN17 Business to develop our own ESG (Environmental, Social, and Governance) report.

This report is not only a reflection of DANREC's journey but also a testament to our dedication to sustainability, shared with our stakeholders and customers alike. It serves as a platform to convey our enthusiasm and steadfast commitment to integrating sustainable practices into every facet of our operations.

Moreover, the ESG report functions as a valuable tool, particularly in a world increasingly concerned with accountability for carbon emissions. It equips our customers with the means to validate that the products they procure from us meet the stringent criteria for production practices.

CO₂

Organization and Implementation

In our organization, the responsibility for working with sustainability is distributed among a dedicated team of individuals who collaborate to ensure that our company's environmental initiatives align with our commitment to sustainability. At the helm of this effort is our CEO, Henrik Ohm, who serves as the main decision-maker and visionary driving our CO2 and ECO reporting strategies.

To execute these sustainability strategies, we have a dedicated team of professionals working in tandem. Paw S. Vogensen, our Marketing Manager, plays a pivotal role in the implementation process. Paw is responsible for technical writing, creating graphics, and performing calculations and data gathering related to our sustainability efforts. His skill set ensures that our sustainability reports and initiatives are not only accurate but also effectively communicated.

Samantha Brander, our Health, Safety, and Environment (HSE) specialist, is another crucial member of our sustainability team. Samantha is primarily focused on collecting data and conducting CO2 calculations and optimization. Her expertise in this area allows us to measure our environmental impact accurately, track our progress, and make data-driven decisions to reduce our carbon emissions.

All members of our team, actively participate in writing texts for our environmental projects. This collaborative effort ensures that our sustainability initiatives are well-rounded, with input from various perspectives and expertise.

Raw materials

At DANREC A/S, sustainability is at the core of everything we do, and our commitment extends to our products. We take immense pride in ensuring that all our plastic sheets and ground protection mats are crafted using 100% recycled LDPE (Low-Density Polyethylene) granules. What sets us apart is not just the use of recycled materials, but the stringent standards we uphold (EUROplast cert).

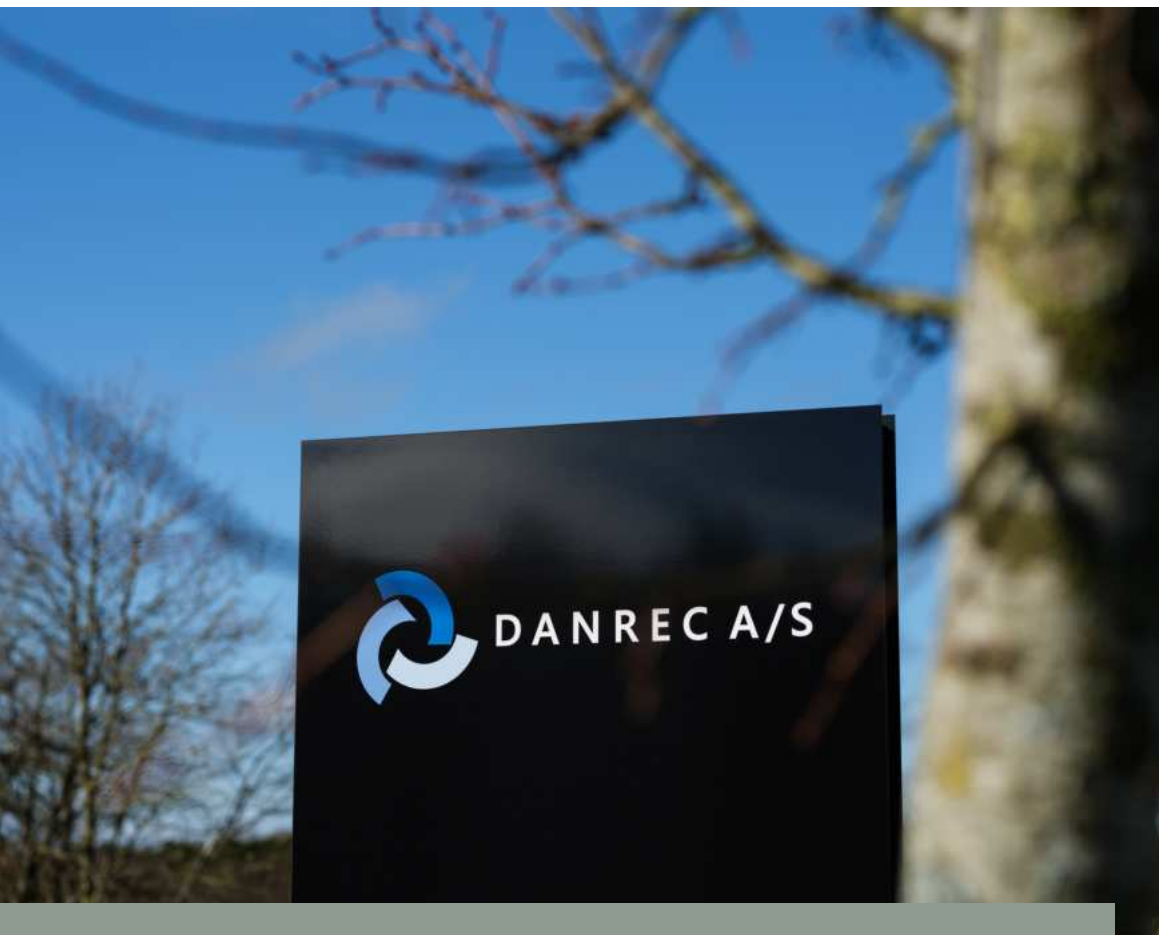
Remarkably, 95% of the LDPE granules we use are sourced from post-consumer wastes. This means that the majority of the material we utilize has had a previous life as a product, emphasizing our dedication to reducing waste and promoting circularity. The remaining 5% comes from post-production sources, further minimizing the environmental impact of our production process.

Our commitment to sustainability doesn't stop at our own practices. We collaborate closely with our suppliers, ensuring that they share our dedication to using only proven 100% recycled LDPE. This diligence helps us maintain the highest quality and environmental standards across our product line.

By choosing DANREC A/S products, our customers can be confident with their choice to support a company that prioritizes sustainability. Our 100% recycled LDPE materials are a testimony to our unwavering commitment to environmental responsibility.



1 Our company



Overview & key figures





DANREC A/S

Vandværksvej 5, 7470 Karup J, Denmark

Produces DAN-Board plastic plates and ground protection mats for various applications from **100% recycled LDPE** plastic granules.

Manufactory located in DENMARK.

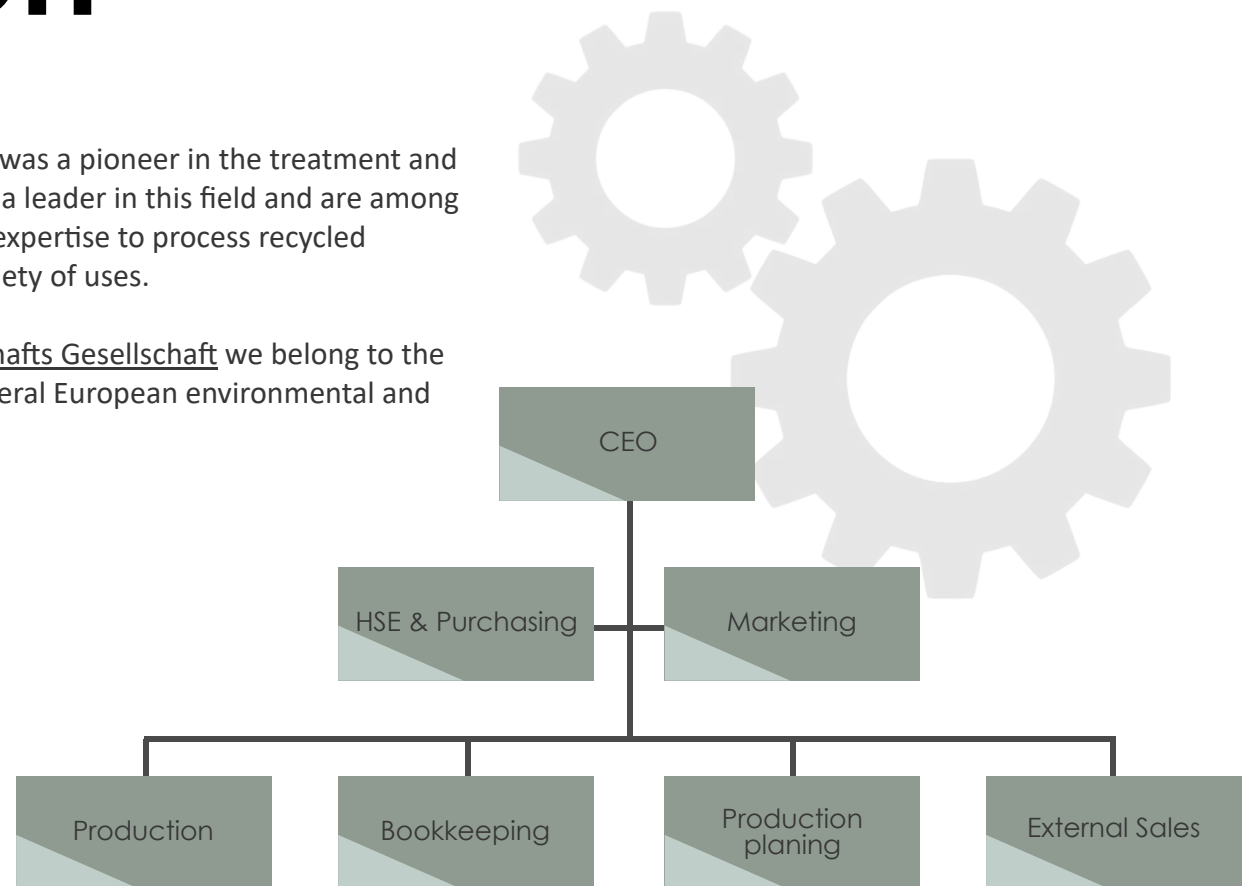
Key figures

 Turnover (mDKK)	2022	2023	 Number of employees	2022	2023
	54,8	59,3		22	31
 Earnings (mDKK)	2022	2023	 Financial growth	2022	2023
	0,562	4,783		15,6%	8,2%

Ownership and organization

DANREC A/S was founded in 1992 and even then, was a pioneer in the treatment and processing of recycled plastics. Even today we are a leader in this field and are among the few companies that have the equipment and expertise to process recycled plastics and manufacture plastic sheets with a variety of uses.

As a subsidiary of the DAW Deutsche Abfallwirtschafts Gesellschaft we belong to the German ARAN Group, which owns interests in several European environmental and technology companies.



Products, Customers and markets

We manufacture and sell high-quality DAN-Board LDPE plastic plates, of sorted and cleaned plastic granules, which means that all our plastic plates / ground protection mats are made of 100% recycled plastic.

The plates are resistant to mechanical loads and pressure and have a good wear resistance. They also have a high resistance to water, chemicals and bio-organic liquids.

All our plates are manufactured in our factory in Karup (Denmark).

At DANREC A/S, our commitment to sustainable waste management has transcended borders, making us a prominent player in the European market. We take pride in serving customers and fostering partnerships in various countries across the continent.

We proudly have a diverse clientele across Europe, extending our products to businesses in countries like Denmark, Sweden, Norway, Germany, France, Poland, The Netherlands, and beyond.

But our commitment to Europe doesn't end there. We continue to explore new opportunities and build relationships with companies across the continent, all driven by the common goal of promoting a cleaner, greener future.

Ground protection mats are essential assets across construction, agriculture, heavy transport, and the wind turbine industry. In construction, they safeguard terrain from heavy machinery and provide stable platforms for workers, enhancing productivity and safety.

Additionally, in agriculture, these mats are used in stalls and for feeding troughs.

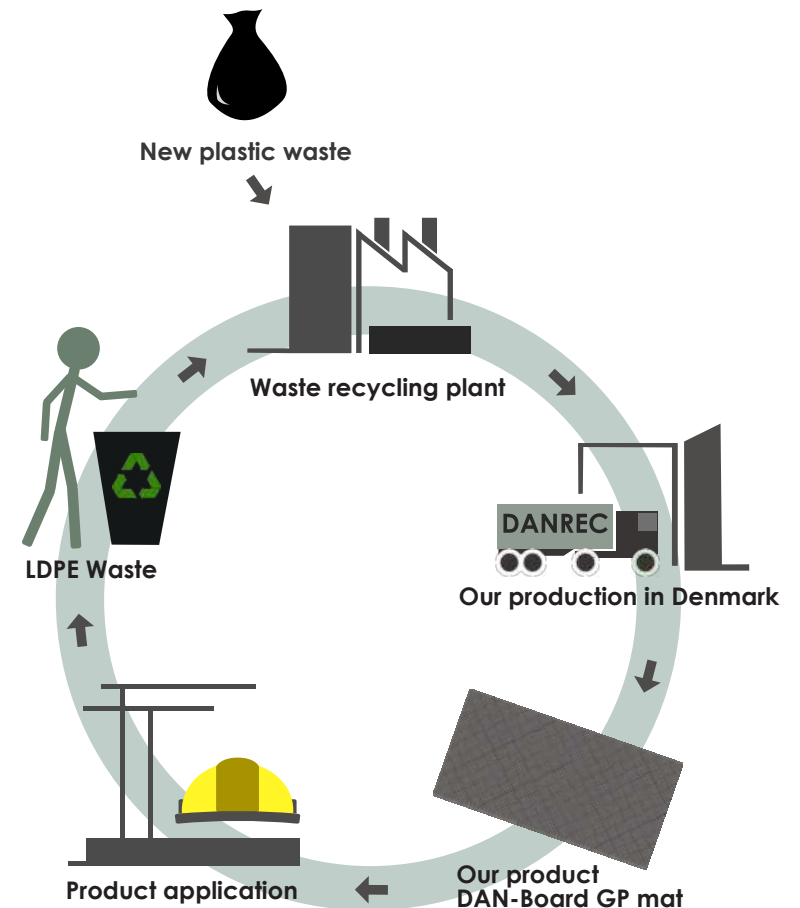
In the wind turbine industry the GP mats are used to protect the terrain and to store windmill components on in the fields, before final assembly.

Circular principles at DANREC A/S

Our circular practices means that we minimize waste and maximize resource use. Our core principles guide us in making a positive impact while delivering quality products:

- 1. Recycled LDPE:** We prioritize recycled LDPE granules, mainly from post-consumer sources, reducing plastic waste. (5% comes from post-production)
- 2. Retail & Consumer Use:** Our products reach retailers and end consumers, serving various needs.
- 3. Post-Use Recycling:** DAN-Boards can be collected and recycled, undergoing thorough cleaning after use and is turned into new LDPE granule.
- 4. Circular Reincorporation:** Cleaned LDPE granules re-enter the circular economy.
- 5. Innovation:** We're committed to ongoing innovation for sustainability. And want to aligning with global sustainability goals.

Our Circular Sustainability Principles drive us to create a greener future, preserving the planet for generations to come.





Why recycle ?

Despite its advantages, the environmental impact of plastic waste is a significant concern. Therefore, recycling plastic is crucial for several reasons:

- 1. Reducing Pollution:** Recycling plastic helps reduce pollution in our oceans and landscapes, preserving ecosystems and wildlife.
- 2. Conserving Resources:** Recycling conserves natural resources by reducing the need for raw material extraction and processing.
- 3. Energy Efficiency:** Producing new plastic from recycled materials requires less energy compared to producing it from virgin materials.
- 4. Decreasing Landfill Waste:** Recycling reduces the amount of plastic waste that ends up in landfills, where it can take hundreds of years to decompose.

Why We Should Avoid Burning Plastic ?

Burning plastic is not a viable solution due to its **harmful** effects:

- 1. Air Pollution:** Burning plastic releases toxic chemicals and greenhouse gases into the atmosphere, contributing to air pollution and climate change.
- 2. Health Risks:** The release of harmful pollutants can pose serious health risks to humans and animals.
- 3. Inefficient Resource Use:** Burning plastic wastes valuable materials that could otherwise be recycled and reused.

Decades of Dedication

Lars embarked on his journey with DANREC back in 2005, when the company's primary focus was waste management and the production of plastic granules. At that time, DANREC operated a modest production line, pioneering the creation of its initial smooth plastic boards.

Over the span of nearly two decades, Lars has witnessed the evolution of DANREC firsthand. He remained a steadfast member of the team during the pivotal decision to discontinue waste recycling and granule production, a period during which the company employed just five individuals.

From its humble beginnings with a single smooth board machine, Lars has observed DANREC's remarkable expansion to encompass three distinct production lines. Notably, he has seen the company's emphasis gradually shift towards Ground Protection mats, which now constitute its primary focus.

Reflecting on the company's growth, Lars acknowledges the numerous benefits it has brought to the table. These include increased employee responsibility and the integration of cutting-edge technologies that have streamlined and optimized daily operations.

A typical workday for Lars entails a twelve-hour shift alongside a colleague, where their responsibilities range from monitoring production lines to ensuring the correct loading of raw materials. Additionally, they adjust production line settings to meet customer specifications regarding size, thickness, color, and texture preferences, whether it be structured, xtreme, or smooth boards. Throughout the shift, production floor personnel meticulously log completed pallets of plates into the computer using planning software, effectively tracking order progress.

In hindsight, Lars views his journey with DANREC as an exciting experience. His enduring commitment to the company's development is a testament to his dedication, and DANREC is fortunate to have him as part of its team.

2 Our Sustainable development

VISION, AMBITION, AND GOAL

At DANREC A/S, being an eco-conscious company is not just a goal; it's a fundamental part of our identity. We are proud of our products and our production practices, but we understand that our journey towards a more environmentally responsible future is ongoing.

Our overarching goal is clear: to reduce our carbon footprint to the absolute minimum and be the leading sustainable company in our line of business. We're committed to achieving this through a multi-faceted approach, with energy optimization being a pivotal element. We're currently in the process of constructing our own solar panel park, a significant step towards powering our production with clean, sustainable electricity. This initiative not only reduces our reliance on fossil fuels but also contributes to the growth of renewable energy sources.

Our dedication extends to waste management as well. We continuously explore innovative ways to minimize waste and maximize recycling and reuse. By doing so, we aim to reduce the environmental impact of our operations and promote a circular economy.

Furthermore, we are committed to optimizing our production processes over time. This involves the adoption of more efficient technologies and practices that not only reduce energy consumption but also enhance our products.



Maturity

We've embarked on multiple projects aimed at enhancing our environmental footprint. One notable initiative is the development of this comprehensive Sustainable Business Report. The report serves as a testament to our commitment to transparency and accountability, providing a clear picture of our efforts to minimize carbon emissions and maximize sustainable practices.

Furthermore, we're working closely with DI (The Confederation of Danish Industry) to refine our in-house emission calculations.

This collaborative effort is a significant step forward, enabling us to measure, manage, and reduce our emissions more effectively. It's all part of our ongoing journey up the sustainability maturity staircase.

At DANREC A/S, we understand that sustainability isn't a destination but a continuous journey. With these projects and more, we're dedicated to not only being eco-minded but also actively pushing the boundaries of what it means to be a responsible, environmentally-conscious company.

FN17 BUSINESS: THE MATURITY STAIRCASE

Sustainable development is a process, and in theory the journey never ends. It is important that the company knows its starting points and is concrete about going from reactive to pragmatic to proactive. Everyone wants to climb the maturity staircase but at different speeds and with different levels of ambition.

In sustainable development, a key point is that the further you climb the staircase, the greater the business potential! You evolve from doing what everybody else can do and complying with minimum requirements to a strategic focus for sustainable development and a competitive advantage that is difficult to imitate.



Combination of an FN17 model, a phasemodel from Dania's SME survey (based on Bob Willard's sustainability journey), and the DTI / REGLAB model

Embracing SDGs

We explore our commitment to the United Nations Sustainable Development Goals (SDGs), focusing on FN17 Goals. As a company, we integrate these goals into our business strategies to drive economic, environmental, and social improvements. FN17 highlights the necessity in addressing global challenges, prompting us to work extensively to improve our company both in a production sense but also to create a work place with thriving employees and have an overall positive impact on the communities and the positive development to our sustainability initiatives.

Working within the SDGs not only reaffirms our commitment to sustainable development but also illustrates the tangible steps we are taking to contribute to a more sustainable and equitable future.



3 GOOD HEALTH AND WELL-BEING



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES.

CURRENT EFFORTS

We promote physical, psychological, and mental well-being through our weekly walk and talk sessions and offer all employees an annual health checks. We provide vaccines (influenza and COVID) and are adept at organizing joint events 3-4 times a year. Once a year we conduct Workplace Assessments and all employees are covered by health/treatment insurance. Private/family life is accommodated and considered important for the well-being of each employee. We offer employees who desire it the opportunity to improve their skills through courses and education.

OUR GOAL

Creating more opportunities for health and well-being for all employees. Our employee turnover is decreasing, as is absenteeism due to illness. We aim to maintain this development by focusing on community spirit, information and have a continued emphasis on joint activities, health checks, breaks from tasks during the workday and other benefits we believe will help create a good workplace.

7 AFFORDABLE AND CLEAN ENERGY



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL.

CURRENT EFFORTS

We've implemented energy-saving measures including modifying our extruders' heating schedule from Sunday to Monday morning, saving 12 hours of energy usage without affecting production start times.

By switching to LED lighting and ensuring equipment is off when not in use, we've cut energy use by 22,000 kWh year-over-year. Plans are underway to build a solar park by summer 2024 to supply 30-40% of our power needs, alongside a green electricity contract for the balance.

OUR GOAL

The goal by 2025 is to completely or partially eliminate the use of gas for heating our administrative building and switch to reusing surplus heat from our production hall.

The solar park is operational and we continue to focus on whether there are more initiatives that can further reduce our consumption.

8 DECENT WORK AND ECONOMIC GROWTH



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL.

CURRENT EFFORTS

We are a workplace that champions equal pay, where employment decisions are based solely on qualifications without discrimination based on gender. We strive to be a workplace that embraces diversity and retains employees for long periods to minimize turnover and foster stronger team cohesion. New investments have been made to relieve employees from monotonous tasks.

To improve the working conditions for our production staff, we have focused on reducing noise in the extruder hall. Noise absorbers have been installed around the extruders and on the walls, reducing noise levels by 12 dB. Air quality measurements were conducted to assess whether interventions were needed regarding air quality. The results indicated that the air quality is very good. A management system is being developed to streamline access to all necessary information for all employees.

OUR GOAL

We will continue to ensure decent jobs at a decent wage, where there is no discrimination based on gender, age, or ethnicity. All hiring decisions are made based on qualifications.

We remain focused on reducing noise levels and will also invest in new technology that eases work tasks and eliminates monotonous labor.

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS.

CURRENT EFFORTS

Responsible production is the DNA of our company. We exclusively use re-granulate composed of 95% post-consumer waste and 5% post-production for our products' manufacturing. The raw material is purchased from producers in Europe, all of whom meet EUROcert standards. Our waste percentage is very low (under 1%) since all offcuts or defective products are shredded and reused for the production of new items. Our Ground protection mats can be shredded and melted down to create new boards over and over.

We have introduced new waste sorting methods across the entire company and for all fractions and are dedicated to finding partners who can repurpose our waste for new projects. Currently, we have agreements for iron, paper, plastic, and wood. The amount of combustible waste has decreased by 18.3% from 2022 to 2023, and the recyclable portion has increased by 9.37%. While the total waste volume has dropped by 4.11%.

OUR GOAL

A key component of our waste management strategy is the ambitious goal to decrease combustible waste by a minimum of 10% each year, aiming for a 95% reduction by the benchmark year of 2022. Simultaneously, we are committed to enhancing the proportion of recyclable waste. These efforts are integral to our contribution toward achieving the Sustainable Development Goals, demonstrating our commitment to sustainable practices and efficient resource management.

TARGET 12.5



**SUBSTANTIALLY REDUCE
WASTE GENERATION**

Partnerships

We are embarking on an exciting journey towards sustainable DAN-Board recycling, and we recognize the power of collaboration in achieving our goals. While we currently do not have any established partnerships in this area, we are actively seeking opportunities to forge new connections and potential partnerships that can aid us in our mission.

Our focus is clear: we aim to develop a robust buy-back recycling program for our DAN-Boards. To achieve this, we require the expertise and infrastructure of recycling plants that specialize in the cleaning and collection of LDPE boards. These recycling facilities play a crucial role in helping us efficiently and effectively transform used DAN-Boards into Recycled LDPE granules, a vital component of our circular sustainability model.

We understand that partnerships are built on mutual benefit, and we are committed to creating relationships that are advantageous for all parties involved. Our vision is to work closely with these possible recycling plants, collaborating seamlessly to achieve an opportunity for innovation and growth within the recycling sector.

MOTIVATION
PARTNERSHIPS
COOPERATION
GROWTH STRATEGY VISION SOLUTION

Walk & Talk

Our 'Walk and Talk' meet-ups are now a regular thing on Tuesdays and Thursdays before lunch. We hit the jackpot with a cool new nature trail right next door, so it was a no-brainer to get everyone outside for a bit of sun and a break from the desk.

The idea is simple: get away from the screens, catch some fresh air, move around a bit, and chat with folks you don't usually get to hang out with at work. We all head out together—whether you're from the production floor, the storage dispatch, or the admin desks—everyone mixes and mingles no matter what your job title is. It's been a hit, and it seems like everyone who comes along really digs it. It's totally optional, so it's just if you're feeling it.

We're talking about a quick 30-minute stroll, and we switch up the route to keep things interesting.



A photograph of three large, black, three-dimensional letters spelling 'ESG'. The letters are positioned against a light-colored, textured concrete wall. The floor in the foreground is dark and appears to be made of wood or a similar material. The lighting is dramatic, casting shadows on the wall and floor. A green geometric shape is visible in the top right corner of the page.



3 Our ESG-B key figures

We aim to reduce our CO2 emissions, and thus it is crucial to quantify them accurately. To calculate our emissions, we have utilized the Climate Compass, and to enhance our data collection knowledge, we have participated in the Climate-Ready Production initiative through the Confederation of Danish Industry.

We have entered data reflecting our purchases, energy use, heating consumption, transportation, and more. These figures cover the periods from 01/01/2022 to 31/12/2022 and from 01/01/2023 to 31/12/2023, sourced from our accounting records and supplier invoices.

The majority of our emissions stem from the procurement of raw materials. We have limited capacity to influence this, as re-granulate has a significantly smaller footprint than virgin plastic.



ENVIRONMENTAL MEASUREMENTS

	2022	2023	Value change	Value change %
Energy consumption (total)	2985 Mwh	2963 Mwh	-22 Mwh	-0,74%
Energy mix (Types of energy sources)	100%	100%	0	0%
Water consumption	130 M3	107 M3	-23 M3	-17,69%
Gas consumption	26.256 Nm3	16.743 Nm3	-9513 Nm3	-36,23%
CO2e scope 1 (total)	57,78 Tons	36,85 Tons	-20,93 Tons	-36,22%
CO2e scope 2 (total)	314,90 Tons	312,58 Tons	-2,32 Tons	-0,74%
CO2e scope 3 (total)	4095,27 Tons	3498,02 Tons	-597,25 Tons	-14,58%
CO2e emissions (total)	4467,95 Tons	3847,45 Tons	-620,50 Tons	-13,89%
Waste (total)	100,99 Tons	96,84 Tons	-4,15 Tons	-4,11%
Hazardous waste	6,14 Tons	1,41 Tons	-4,73 Tons	-77,04%
Recyclable waste	65,75 Tons	72,55 Tons	+6,80 Tons	+9,37%
Recyclable waste (share)	65,11 %	74,92 %	+13,09 %	+13,09 %

PARTIAL RESULTS 2022

Energy & Proccess	CO ₂ e scope 1+2+3 (Tons)	% of scope 1+2+2	CO ₂ e outside of scope (Tons)
Electricity	494,57	11,1%	0,00
Heating and process energy	66,62	1,5%	0,00

Purchases

Materials (primary purchase)	3.620,58	81,0%	0,00
Physical units purchased	279,70	6,3%	0,00
Physical units with own emission factors	3.340,88	74,8%	0,00
Products and services (primary purchase)	0,10	0,0%	0,00
Purchasing of physical products in units	0,10	0,0%	0,00
Products and services (secondary purchase)	286,08	6,4%	0,00
Purchasing of physical products in units	3,39	0,1%	0,00
Purchases of products in monitary units (DKK)	282,69	6,3%	0,00

Waste & recycling

Waste	0,00	0,00%	-29,04
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TOTAL

	4.467,93	100%	-29,04
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PARTIAL RESULTS 2023

Energy & Proccess	CO ₂ e scope 1+2+3 (Tons)	% of scope 1+2+2	CO ₂ e outside of scope (Tons)
Electricity	490,93	12,8%	0,00
Heating and process energy	42,49	1,1%	0,00

Purchases

Materials (primary purchase)	3.184,82	82,8%	0,00
Physical units purchased	394,81	10,3%	0,00
Physical units with own emission factors	2.790,01	72,5%	0,00
Products and services (primary purchase)	0,08	0,0%	0,00
Purchasing of physical products in units	0,08	0,0%	0,00
Products and services (secondary purchase)	128,93	3,4%	0,00
Purchases of products in monitary units (DKK)	128,93	3,4%	0,00

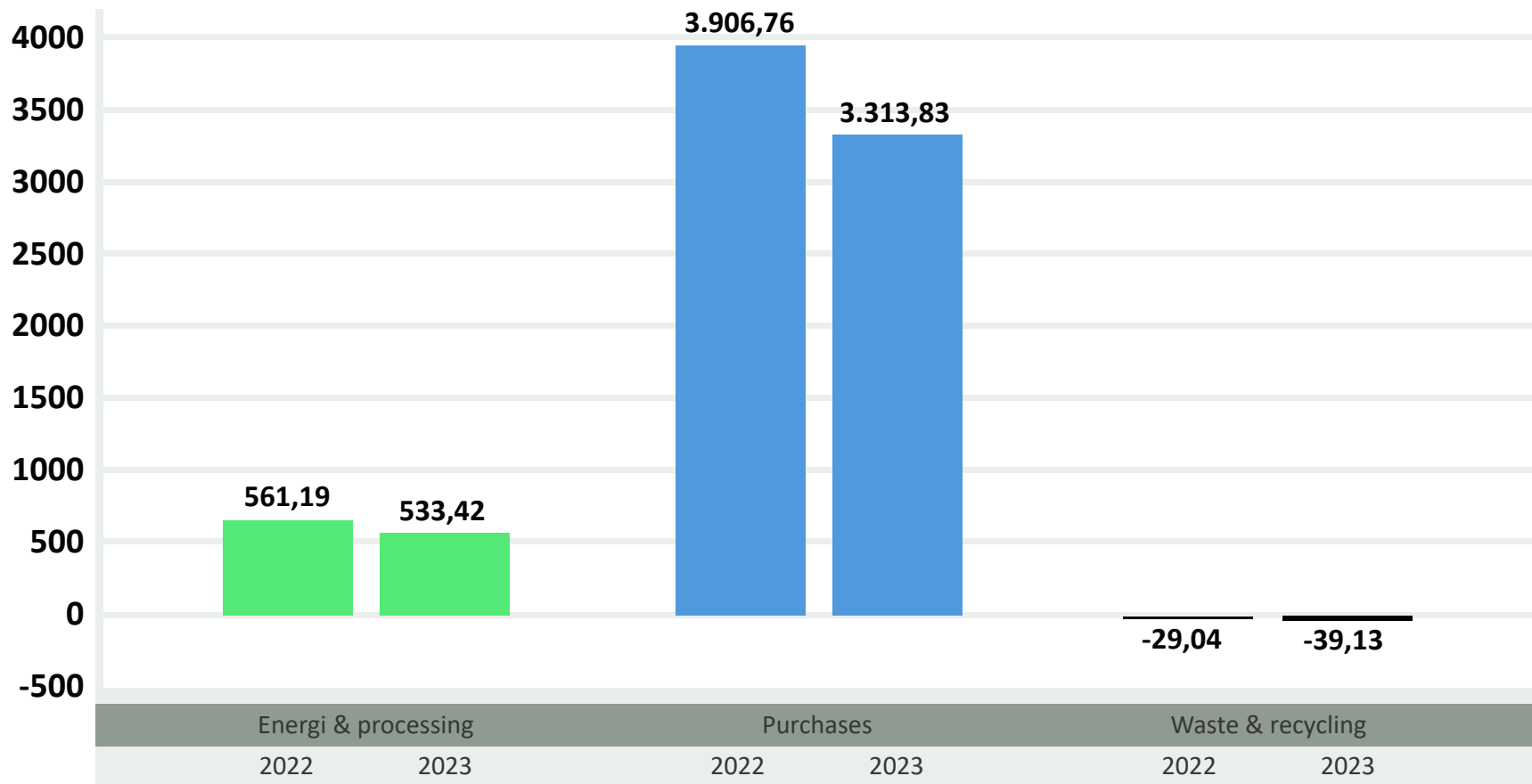
Waste & recycling

Waste	0,20	0,00%	-39,33
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TOTAL

	3.847,45	100%	-39,33
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CO₂ EMISSION (tons)



OBJECTIVE BY 2025

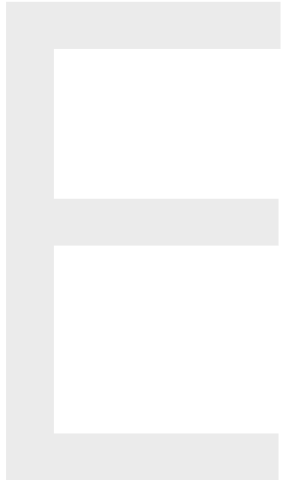
In the summer of 2024, we will transition to green energy, which is expected to lead to a substantial decrease in CO2 emissions from electricity consumption moving forward. As part of the shift to green energy, we will establish our own solar park. The goal is for DANREC to have transitioned to 100% green energy by 2025.

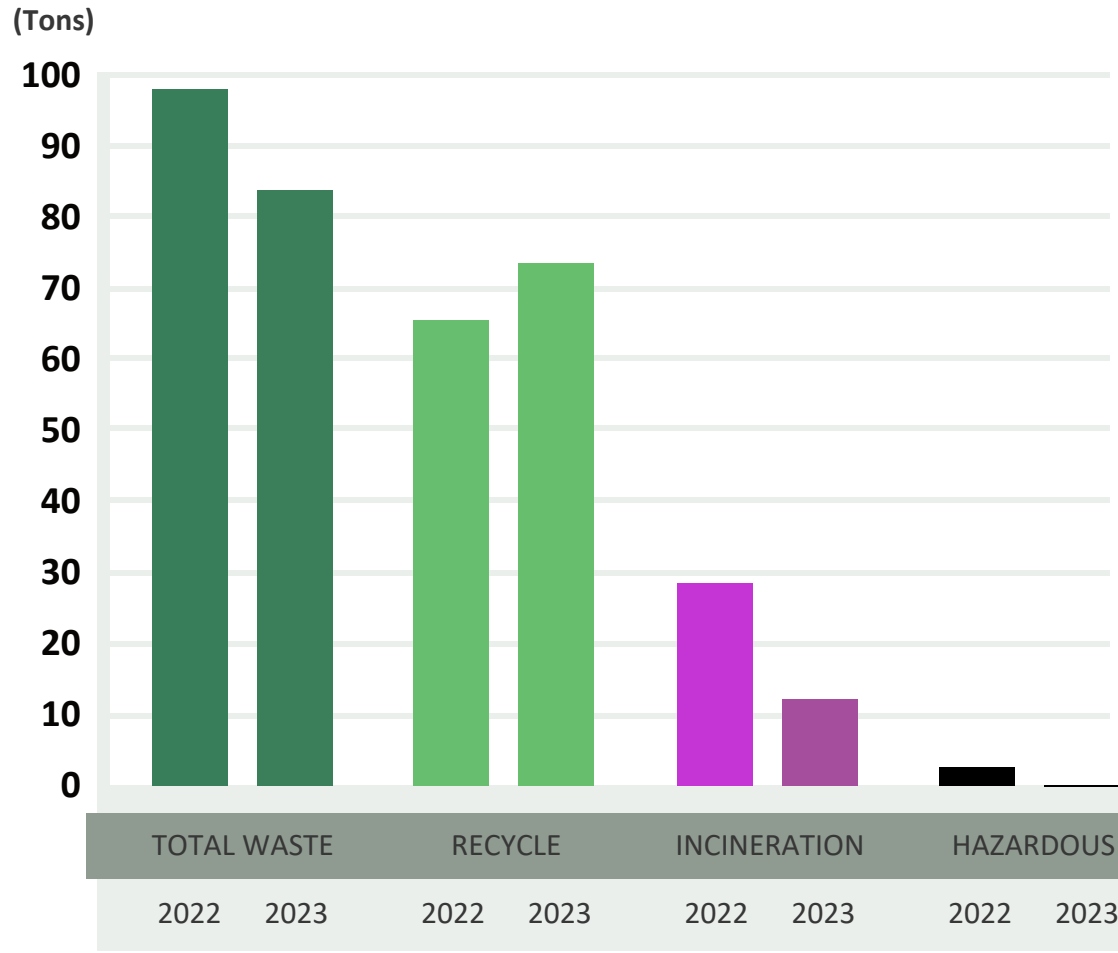
Our target for waste is to reduce the amount of combustible waste by a minimum of 10% until we achieve a 95% reduction compared to the baseline, which is the year 2022. Concurrently, the recyclable portion should increase correspondingly.

We are also developing solutions to decrease our need for gas heating within our administration. Through awareness and minor adjustments, we have already reduced consumption by 36.23% from 2022 to 2023. The objective is to further decrease gas usage by an additional 30% by 2025 by utilizing waste heat from our production hall.

ENVIRONMENTAL GOVERNANCE REPORTING

Do you have an environmental policy?	Yes
Do you have a policy for waste, water, energy, and/or recycling?	Yes
Does the board monitor climate-related risks?	No
Does management monitor climate-related risks?	Yes
Do you have a policy for reducing climate impacts?	Yes
Do you have a due diligence process for environmental issues and climate impacts?	Yes





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SOCIAL MEASUREMENTS

	2022	2023
Number of employees (full time)	22 people	31 people
Number of part-time employees (share)	4,76%	3,23%
Number of temporary employees (share)	0%	0%
Sick leave	3,95%	2,27%
Work place accidents	2	1
Employee turnover	19,04%	9,68%
Gender wage difference	0%	0%
Gender diversity in organisation	19,05%	19,35%
Gender diversity in other management	0%	0%
Gender diversity in top management	0%	0%



SOCIAL GOVERNANCE REPORTING

Can the CEO be chairman of the board?	No
Management is formally rewarded for sustainable performance?	No
Do you have a policy for ensuring human rights compliance?	Yes
Do you have a policy for preventing gender violations and discrimination?	Yes
Do you have a health and safety policy?	Yes
Do you have a policy for preventing child labour and forced labour?	Yes
Do you have a due diligence process for human rights issues?	Yes
Do you have a staff policy?	Yes
Do you have a due diligence process for staff issues?	Yes



GOVERNANCE MEASUREMENTS

Members of the board	3 people
Gender diversity on the board	0%
Presence at board meetings (attendance)	100%
External board members	100%
Employees covered by collective agreements	100%

GENERAL GOVERNANCE REPORTING

Do you have a Code of Conduct?	Yes
Do you prepare and publish an annual sustainability report?	Yes
Does sustainability data form part of your reporting to authorities?	No
Do you focus on specific SDGs?	Yes
Do you set targets and report progress as regards the SDGs?	Yes
Do you work with risk management regarding climate and financial consequences?	No
Do you have a policy for ethical behaviour and anti-corruption?	Yes
Do you have a data protection policy?	Yes
Have you taken steps/actions to comply with GDPR rules?	Yes
Do you have a due diligence process for ethical behaviour, anti-corruption, and bribery?	Yes



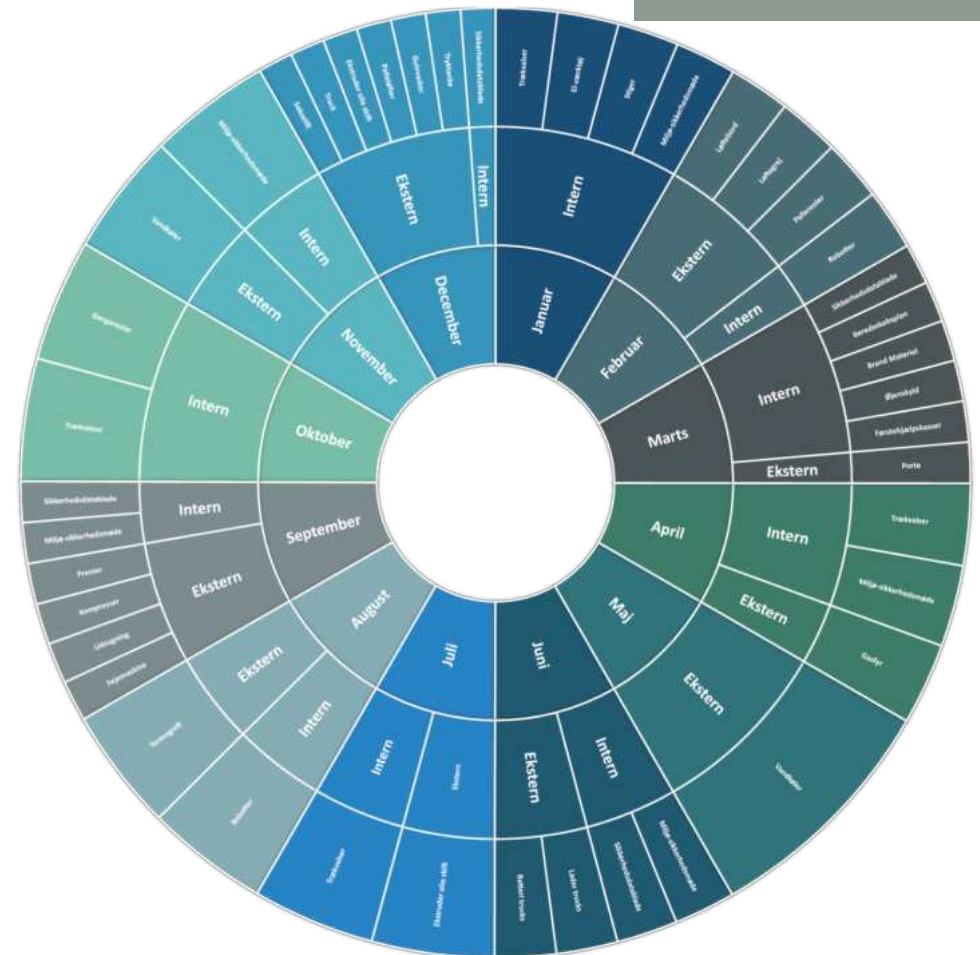


Adding structure

Over the past three years, DANREC A/S has undergone a transformative journey, evolving from an organization with minimal structured planning to one that boasts a robust production planning system and a meticulously designed annual maintenance schedule. This shift towards structured operations has not only streamlined our processes but also significantly propelled our growth and enhanced our capability for future improvements.

To further our commitment to operational excellence, we implemented the 'Year Wheel'—a visual tool that outlines our maintenance schedule throughout the year. This tool will be instrumental in preemptively scheduling maintenance, both in-house and with external third-party services.

These changes have set a solid foundation for sustained growth. As we continue to refine our processes and systems, DANREC A/S is poised to not only meet the current demands of the market but to adapt swiftly to future challenges and opportunities.



4 Our Certifications and labels

Certifications

At DANREC A/S, we are proud to announce that we have achieved ISO 9001 and ISO 14001 certifications, marking a significant milestone in our commitment to excellence and environmental stewardship. Attaining ISO 9001 certification demonstrates our dedication to consistently delivering quality products and services that meet customer and regulatory requirements. This aligns with our core values of reliability and customer satisfaction.

Simultaneously, earning the ISO 14001 certification underscores our commitment to environmental management, ensuring that our operations minimize negative impacts on the environment while complying with applicable laws and regulations. This not only enhances our marketability but also supports our sustainability objectives.



TÜV test report

DANREC A/S commissioned the Munich branch of TÜV SÜD Industrie Service GmbH to perform pressure testing on three floor protection plates and a material characterization of the materials used.

Test methods

1. Fourier-Transform Infrared Spectroscopy (FT-IR): Used for qualitative and semi-quantitative analysis of organic compounds, identifying material composition by comparing spectra with database entries.
2. Differential Scanning Calorimetry (DSC) (ISO 11357:2017): Analyzed thermal effects, crystallinity, and melting behavior of the materials, identifying three crystalline melting points corresponding to PE-LD, PE-HD, and PP.
3. Pressure Testing (ISO 306: 2003): Conducted on conditioned samples to measure compressive strength, which was found to be at least 398 t/m² with no plastic deformation observed.

Conclusion

The tested floor protection plates demonstrated robust material properties and high compressive strength, suitable for heavy-duty applications. The materials used were accurately characterized as composites of PE-LD, PE-HD, and PP, contributing to their structural integrity and durability under pressure.



Commitments

At DANREC, we are dedicated to integrating sustainability and proactive environmental stewardship in all our operations. Our commitment to "Climate-Ready Production" (Klimaklar Produktionsvirksomhed) ensures that our processes not only meet current environmental standards but are also prepared for future climatic challenges. This initiative reflects our ongoing efforts to reduce carbon emissions and enhance energy efficiency across our production lines.

We are proud members of the Danish Red Cross Corporate Club, where we join forces with other businesses to support humanitarian efforts both locally and globally. Our collaboration with the Red Cross allows us to contribute meaningfully to disaster response and community resilience, affirming our commitment to social responsibility.

Additionally, DANREC is actively involved in Operation Clean Sweep, an international campaign aimed at preventing the leakage of plastics into the environment. By adopting best practices in our handling and disposal of plastic materials, we are taking concrete steps towards a cleaner and more sustainable planet.

Together, these initiatives represent DANREC's holistic approach to corporate responsibility, where environmental care and community support go hand in hand.



**CORPORATE
MEMBERSHIP 2024**



We contribute to the work
of the Danish Red Cross



Our perspectives

As we put together this report, we've mapped out where we want to go and zoomed in on growing sustainably — not just as a company, but as a place people are proud to work for. The endgame for sustainability might not be super clear, but we're definitely on the right track and moving ahead.

Topping our to-do list is getting better at handling our wastes. We're all in as we go after our big-picture goals. After all, we're trying to shape DANREC into a company that's all about being green — in how we make revenue, how we treat each other, and how we tread on the earth.

With new leadership at the helm, we're shaking up how we do things and adding more to what we can do, strengthening our crew from top to bottom. This shift is a big deal for the future we're building. By making these tweaks, we're looking to make everyone's day-to-day smoother and take some weight off our team's shoulders.

We look forward with great anticipation to the preparation of our ESG 2024 report in the coming year. It will be a significant opportunity to measure the changes we have initiated this year through our sustained development efforts. Our team is fully committed to the continual improvement of our environmental, social, and governance practices, and the forthcoming report will serve as a testament to our progress. We are eager to document and share the advancements we will have achieved, underscoring our dedication to corporate responsibility and sustainable growth.

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