



INNOVATION

THROUGH

COLLABORATION

# DAFA ESG REPORT 2025

1 JANUARY 2024 – 31 DECEMBER 2024



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A close-up, macro photograph of a dark, textured surface, possibly a book cover or a piece of fabric. A prominent diagonal crease or fold runs from the upper left towards the lower right. The texture is grainy and uneven, with some lighter and darker patches. The lighting is soft, creating subtle highlights and shadows that emphasize the texture and the crease.

# INTRODUCTION



At DAFA, we strive to become an even more responsible business. Therefore, we have developed several current and future initiatives covering environmental, social, and governance focus areas.

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## SENIOR MANAGEMENT ENGANGEMET

**This report covers DAFA Group's ESG efforts for the financial year from January 1 to December 31, 2024, in accordance with Section 99a of the Danish Financial Statements Act. DAFA Group is defined as DAFA Holding I and its subsidiaries.**

Published annually alongside our Annual Report, this document also serves as our Communication on Progress under the UN Global Compact and the Corporate Sustainability Reporting Directive (CSRD).

At DAFA, we are committed to becoming a more responsible business by setting and pursuing ambitious social and environmental goals. Our manufacturing processes prioritize environmental stewardship through continuous improvements.

We adhere to the REACH, RoHS, and WEEE directives, aiming to safeguard people and the environment from hazardous chemicals. Our focus also includes effective waste management, with an emphasis on recycling and reuse wherever possible.

In 2024, we developed new policies, validated Scope 3 emissions, explored alternative materials for key products, and made strategic investments to advance our sustainability goals.

These efforts, among others, are detailed in this report. Sustainability remains central to our strategic direction and essential to how we operate and evaluate business opportunities.



# PUBLIC STATEMENT

Driving sustainability through commitment, innovation, and responsibility

Since 2010, DAFA A/S has been a proud participant in the UN Global Compact, the world's largest initiative focused on corporate social responsibility.

With over 85 years of experience, DAFA specializes in developing, manufacturing, and delivering a wide range of sealing, absorption, and protection solutions for the construction and industrial sectors.

Our commitment to people, planet, and profit shapes DAFA's approach to sustainability. We aim to deepen the sustainability of our business decisions, processes, and stakeholder partnerships, achieving a balanced approach to environmental, social, and governance responsibilities.

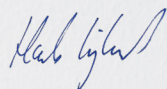
DAFA places high value on our employees, who are essential to our success. To recognize and support their contributions, DAFA organizes annual initiatives that honor their dedication. Since February 2024, DAFA Group has implemented structured policies, enhanced data management practices,

and established a cross-functional collaboration committee to strengthen teamwork across the organization.

The 10 Principles of the Global Compact, which emphasize labor and human rights, environmental responsibility, and anti-corruption, serve as guiding standards for DAFA's operations. By working closely with customers, suppliers, authorities, and stakeholders, we are committed to responsible business practices and positive impact. DAFA reports annually on our progress in alignment with the UN Global Compact's Communication on Progress.

This statutory report adheres to ESG reporting principles established by CFA Society Denmark, FSR, and NASDAQ for "ESG Key Figures in the Annual Report," along with the UN Global Compact's guidelines and the CSRD.

**Mads Kirkegaard**  
Group CEO




“

At DAFA, we recognize that sustainability is a shared responsibility. True progress comes through collaboration and together, we succeed in our efforts. By collaborating closely, we make responsible choices and explore innovative solutions that lead us all toward a sustainable future for customers and employees. That's why we take the lead in guiding you towards responsible decisions, proactively seeking new solutions that unlock potential and create impact. Together, we shape a more sustainable tomorrow—one choice at a time.



## DAFA STRUCTURE

DAFA offers sustainable, enduring solutions which seal, absorb, and protect. Our goal is to become our customers' preferred supplier and for them to experience added value working with DAFA.

### Making small invisible changes with a big impact

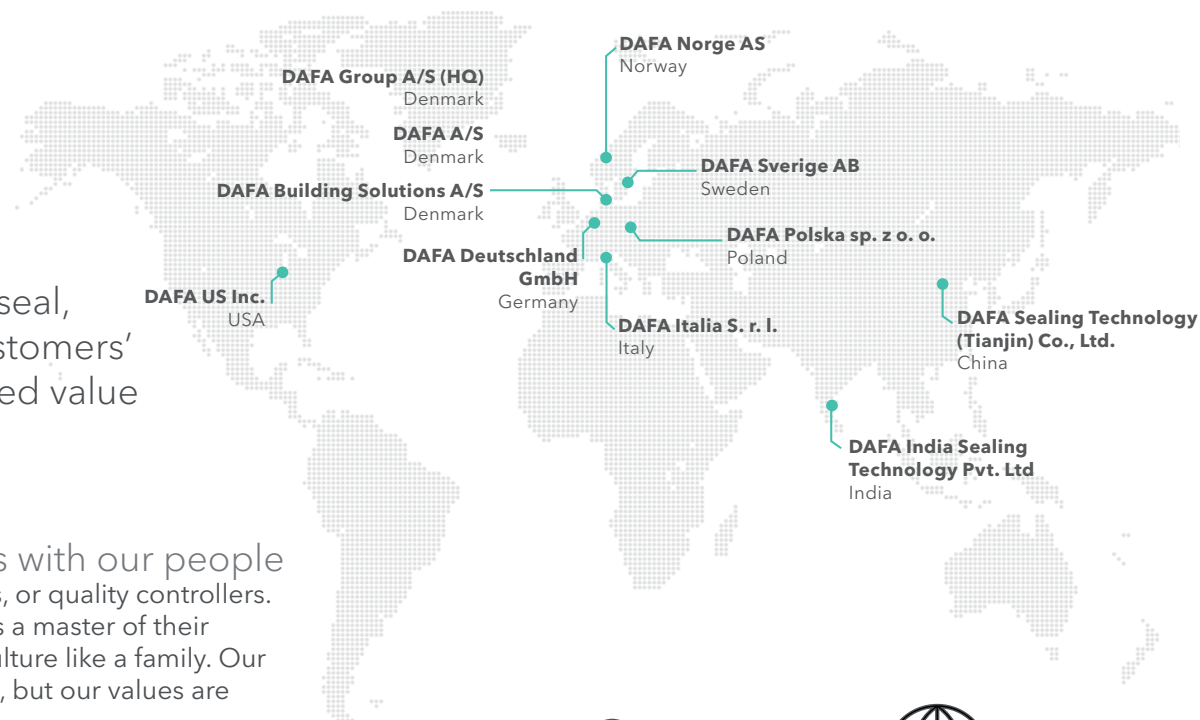
At DAFA, we seal, we absorb, and we protect. With a passion for foam and rubber, we are specialized in making small invisible changes with a big impact. We seal cold air from hot air - and absorb sound to create silence. We dampen vibrations, and we protect objects against shocks and damage. And while our products may seem unnoticeable, they are always irreplaceable.

It all started in 1939 in Denmark. What began as an entrepreneurial family business producing sealing strips of bronze has today expanded into an international operation - manufacturing the unimaginable across three continents. We cut, we print, and we innovate new solutions. From small nose pads for face masks to protecting large wind turbine blades during transportation, we combine cutting-edge production equipment with great engineering skills and know-how to develop solutions geared to the demands of the future.

But it all begins with our people. Engineers, operators, or quality controllers. At DAFA, everyone is a master of their craft, united into a culture like a family. Our ambitions are global, but our values are practical and local.

### World-class solutions driven by our passion for innovation and sustainability

Like our products, being visible to the world is not the most important for us. We simply care about being good at what we do and the difference we can make. We go to work every day to earn the trust of each other and our customers - together shaping the future of manufacturing by pushing the industry standards for quality and more sustainability. We want our 'invisible' products to bring a noticeable impact and make DAFA the best in the world at what we do. Seal, absorb, and protect. One innovative solution at a time.



**266**  
Employees



**11**  
DAFA units on  
3 continents



**4**  
Production sites



**€67**  
Million turnover

# ESG RESPONSIBLE STRUCTURE

Committed to sustainability through strong leadership and collaborative action

**At DAFA, the overall responsibility for our efforts and ambitions within ESG resides with the Management Board.**

Along with our ESG-Manager, Head of People & Culture, Group Procurement Manager, and Group Financial Manager, the Management Board is responsible for our efforts and goals toward sustainability.

Our primary focus is setting a strategic direction by defining relevant goals and ensuring that the organization and stakeholders are working towards these goals.





# RISK AND OPPORTUNITY ASSESSMENT

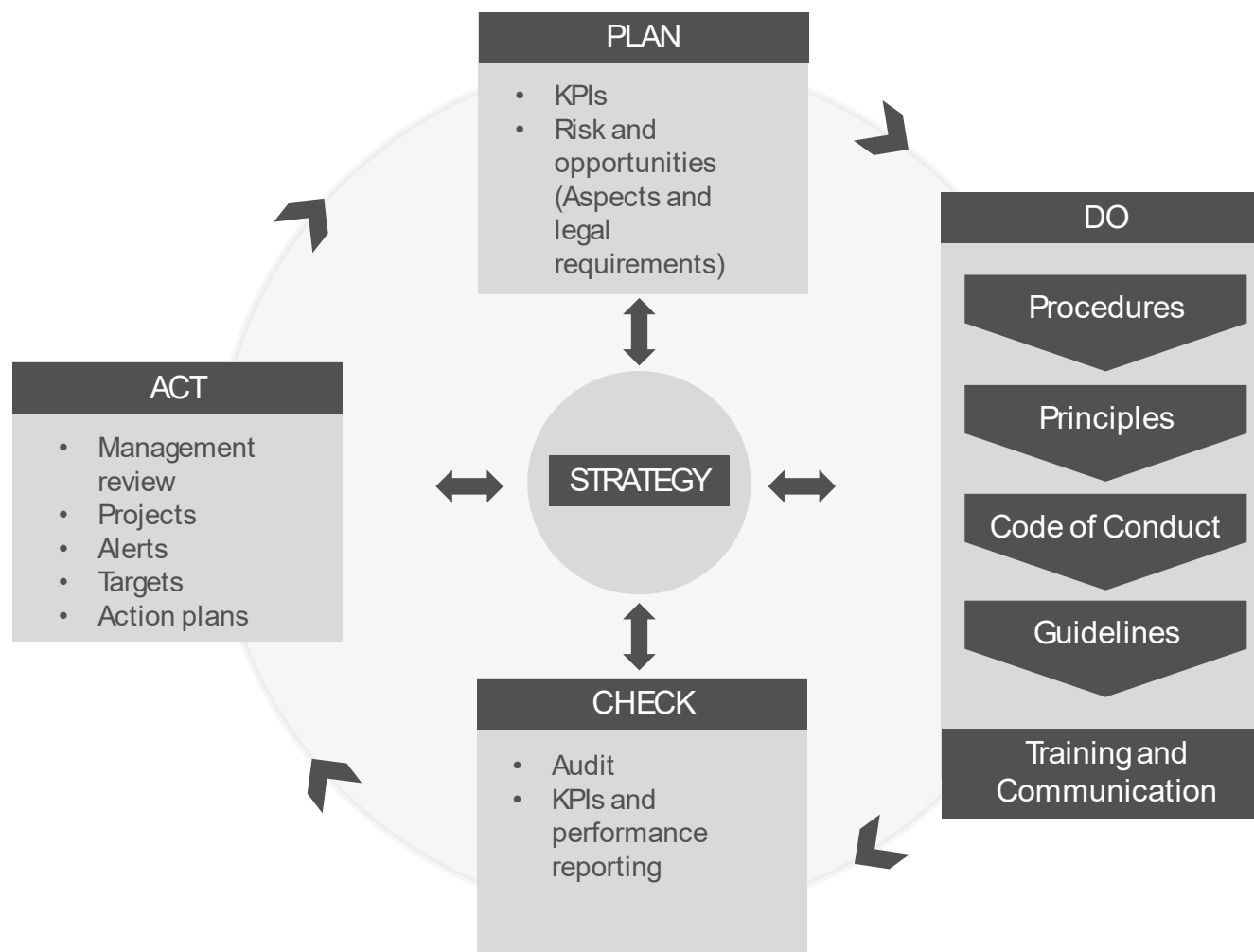
Binding commitments with stakeholders

**We engage in ongoing dialogues with stakeholders to assess the risk of non-compliance with their requirements, quality, and environmental standards.**

Regular reviews of contracts ensure alignment with evolving requirements. In 2024, we strategically aligned our customers' environmental, social, and governance requirements with our DAFA Go Green action plan, mitigating the risk of non-compliance and fostering a sustainable partnership.

Our Group policies set the fundamental principles that govern the way we operate and describe the roles and responsibilities of relevant stakeholders. These policies are supported by group manuals providing working instructions and details on how to comply with the fundamental principles set out in the policy. Guidelines, handbooks, and manuals provide detailed instructions and are specific to functional areas.

By consistently monitoring and addressing various risks, we uphold our commitment to creating a resilient and adaptive organizational framework.



# RISK AND OPPORTUNITY ASSESSMENT PROCESS

At DAFA, risk and opportunity assessments are conducted systematically as part of our operational framework to ensure compliance, quality, and sustainability. The process is outlined as follows:

## 1 Identification of issues and risk sources

- Internal and external issues are identified by evaluating factors such as regulatory changes, market conditions, stakeholder requirements, and operational challenges.
- Sources of risk are pinpointed across processes, including design, production, and delivery, ensuring that quality and environmental aspects are addressed.

## 2 Risk analysis and evaluation

- Risks are assessed based on probability and impact using a standardized risk matrix.
- Opportunities and risks are rated on a scale of 1 to 5 for likelihood and severity to prioritize actions effectively.

## 3 Risk management

- Appropriate strategies are applied based on the risk type, including avoidance, reduction, transfer, or acceptance.
- Mitigation measures are documented and reviewed to ensure they align with strategic objectives and operational goals.

## 4 Documentation and review

- All risks and actions are recorded in DAFA's management system.
- Annual reviews are conducted to monitor progress and incorporate new insights.

## 5 Stakeholder integration

- Regular dialogue with stakeholders ensures alignment with their requirements and expectations, fostering sustainable partnerships.



Our structured process allows us to address risks proactively and leverage opportunities, ensuring alignment with both operational goals and ESG commitments.



# SUSTAINABILITY DOCUMENTATION

## Enabling sustainable decisions with transparent product information

At DAFA, we are committed to providing the essential knowledge and documentation needed to support sustainable alternatives, aiming to be your preferred ESG partner.

Our goal is to equip customers with detailed product information and meet their needs for deeper environmental insights into product impacts across every stage of the life cycle.

At DAFA, we empower our customers to make informed, sustainable choices. We work to deliver comprehensive product documentation and fulfill our customers' expectations for enhanced environmental transparency on product life cycles. For greater sustainability, consider choosing products with recognized eco-labels.

DAFA offers a wide range of products approved for Nordic Swan Ecolabel construction, underscoring our dedication to environmentally responsible choices.



## EcoVadis

In 2022, DAFA joined EcoVadis, a global leader in sustainability assessments and ratings for companies across various sectors and regions.

EcoVadis supports companies in managing value chain risk, ensuring regulatory compliance, improving performance, and adapting to the evolving requirements of due diligence.

EcoVadis takes a comprehensive approach to sustainability ratings via its global cloud-based platform,

evaluating a broad range of non-financial management systems. These include impacts related to the environment, labor and human rights, ethics, and sustainable procurement.

In our 2024 assessment, DAFA was awarded a bronze rating, underscoring our commitment to advancing sustainable practices.







# DOUBLE MATERIALITY ASSESSMENT



DAFA's commitment to environmental, social, and governance principles is underpinned by a materiality assessment framework.

DAFA's commitment to sustainable business practices is underscored by a comprehensive materiality assessment framework. Led by our ESG Manager, this assessment delves into the environmental, social, and governance dimensions, aiming to identify and prioritize factors that have a substantive impact on both internal operations and external stakeholders.

14 Process overview

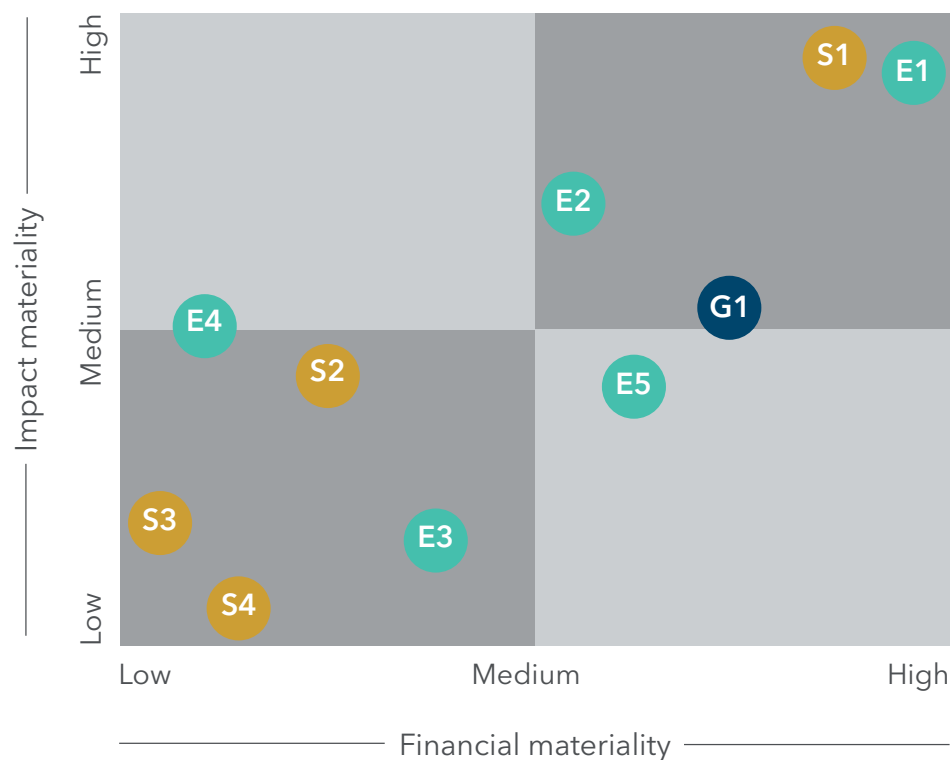
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16 ESG key figures

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# PROCESS OVERVIEW

## Double materiality assessment



## Stakeholders' engagement and sessions

In 2023, we started the materiality assessment process by identifying key stakeholders, who understand the diverse perspectives that influence our ESG landscape.

Sessions dedicated to environmental, social, and governance aspects were conducted, involving key decision-makers such as the ESG Manager, the Group Chief Business Development Officer, the Group Chief Operation Officer, and the

Head of People & Culture. These sessions, spanning half a day each, allowed for in-depth exploration of material issues.

In 2024, we have once again reviewed the risks and opportunities. Based on this analysis, we have updated our materiality assessment, as illustrated in the figure.

## External knowledge and stakeholders

To complement our internal perspectives, we have actively sought external knowledge regarding industry-related factors.

This external insight has been thoroughly integrated into our double materiality assessment, contributing to a more comprehensive and nuanced understanding of key issues.

We have consulted relevant industry analyses, expert assessments, and benchmarking data to ensure that our

evaluation is informed, not only by internal perspectives, but also by external factors that may impact our business and stakeholders.

This combination of internal and external insights has strengthened our ability to identify and prioritize material issues across our ESG agenda.

**E1**

- CO2 reduction
- Reduction of material use
- Waste management

**E2**

- Pollution

**S1**

- Impact on own workforce
- Learning and development

**G1**

- Prevention of corruption and bribery
- Awareness in supply chain

## Focus areas identified

Building on the insights gathered during the sessions, specific focus areas were identified for environmental, social, and governance considerations. The Impact, Risk and Opportunities (IROs) that needed further work are highlighted in the figure.

We commit to annually updating our double materiality assessment, with a more comprehensive review and adjustment process over the next three years.

Every third year, starting in 2023, this assessment will undergo a thorough update and alignment with our Management Board and stakeholders, ensuring continuous progress and refinement of our ESG focus areas.

As illustrated in the figure, areas positioned in the 'high/high' quadrant (high impact and high financial materiality) will be prioritized over the next three years.

Subsequently, focus will shift to areas categorized as 'medium and below' in either dimension, ensuring that all material issues are systematically addressed over time.



# ESG KEY FIGURES

## DAFA GROUP KEY FIGURES

	Unit	2024	2023	2022	2021	2020	2019
<b>ENVIRONMENT</b>							
CO2e, scope 1	Tonnes	241	294	333	378	274	360
CO2e, scope 2 (location based)	Tonnes	1434	1441	1555	1468	1304	1430
CO2e, scope 2 (market based)	Tonnes	1178	1386	1210	1468	1304	1430
CO2e, scope 3	Tonnes	24131	22573***	Not calculated	Not calculated	Not calculated	Not calculated
Energy consumption	GJ	16385	13605	14500	16918	14058	15878
Renewable energy share	%	32	41	22	1	1	1
Water consumption	m3	3946	3265	3882	4488	4332	4173
<b>SOCIAL</b>							
Full-time workforce, average total	FTE	266	285	303	340	309	302
Employee turnover ratio	%	13,9	20	21	11,1	13,9	15,6
Sickness absence	Days per FTE	6,2	5	10,1	9,8	8,1	7,5
Customer retention ratio	%	77,12	63,85	76,0	61,3	76,8 *	80,2 *
<b>GOVERNANCE</b>							
Board gender diversity	%	20	20	0	25	25	25
COC commitment (suppliers**)	%	100	100	100	100	0	0
COC commitment (employees)	%	100	100	100	0	0	0

\* DAFA A/S

\*\* Strategic suppliers

\*\*\* Updated calculation methods

The methods of calculation are listed on page 45.

# OUR GOALS

Our sustainability goals towards 2030 have been set out as shown below with reference to the year 2019.



**50%** reduction of CO2 by 2025 by production hour



**100%** renewable energy consumption by 2030



**50%** of our waste is recycled by 2030



**30%** of DAFA's products comply with EU Taxonomy substantial contribution by 2030\*



**90%** local sourcing of raw materials by 2025



**30** eNPS score in DAFA's yearly employee engagement survey

\* Redefinition of our goal. Read more on page 27.







ENVIRONMENTAL







In the pursuit of mitigating climate change and aligning with global efforts, DAFA has outlined a comprehensive transition plan that encompasses various aspects of its operations.

This chapter provides a detailed overview of the disclosure of the transition plan, targets, decarbonization levers, key actions taken, and future plans for climate change mitigation.

20 Economic activities and alignment  
with regulations  
21 CO2 reduction

27 Reduction of material use  
29 Waste management  
30 Pollution



# ECONOMIC ACTIVITIES AND ALIGNMENT WITH REGULATIONS

## At DAFA, sustainability and strategic investment go hand in hand.

Our commitment to environmental, social, and governance initiatives drives our decision-making processes, ensuring alignment with both business goals and environmental responsibilities.

This report outlines our key investments and actions in 2024, highlighting our efforts to optimize operations, validate and update Environmental Product Declarations (EPDs), and integrate climate change mitigation into our overall business strategy. By prioritizing sustainable practices and adhering to international directives, we continually strive to minimize our environmental footprint while enhancing operational efficiency.

As part of the 2024 budget, we prioritized investments at both the operating expenses (OpEx) and capital expenditures (CapEx) levels. On the operational side, we increased working hours in production as a measure to optimize operational expenditures (OpEx). Simultaneously, we made significant investments in waste handling processes. Additionally, we allocated resources to validate our Scope 3 expenditures as capital (CapEx).

Furthermore, we would like to highlight our commitment to Environmental Product Declarations (EPDs). In 2023, we invested in an LCA calculation software and hired a new team member specifically to manage and implement the program effectively. In 2024, we established a full-time employee position

dedicated to updating EPDs. In our commitment to ESG initiatives and ongoing development, we acknowledge the necessity for strategic investments. Consequently, a decision has been made to subject all OpEx investments to approval processes with allocated time, while substantial CapEx investments require a comprehensive business case. The Management Board will then deliberate on whether to proceed with such investments, ensuring consideration of environmental, social, and economic factors. For example, although there was a financial inclination to invest further in solar panels, the decision was influenced by the realization that it did not align with our environmental objectives. As a result, the focus shifted towards enhancing production capabilities in Poland.

## Integration with business strategy

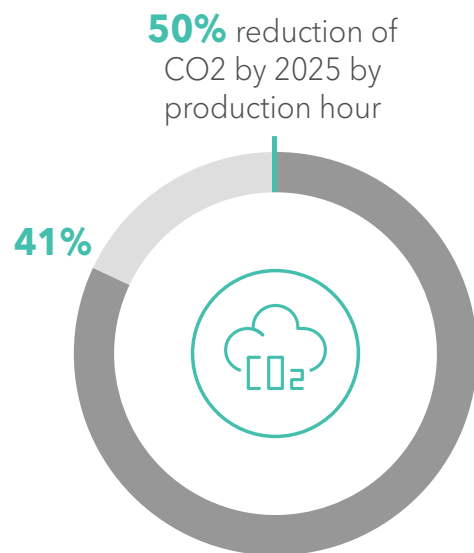
DAFA integrates its climate change mitigation plan with its overall business strategy and financial planning. The company actively seeks to reduce its environmental impact, aligning with the UN Global Compact principles since 2010. Committed to sustainability, DAFA continually optimizes manufacturing processes, complies with environmental directives, and focuses on waste management, recycling, and reuse.

We ensure to reduce the environmental impact of our production by continuously improving our manufacturing processes.

We are constantly investigating new ways of optimizing our manufacturing processes, and always taking into account the environment.

We comply with the REACH, RoHS, and WEEE directives, and thereby aim to protect humans and the environment from hazardous and toxic chemicals. We also focus on waste management, and as much recycling and reuse as possible.





## REDUCTION OF CO<sub>2</sub>

50% reduction of CO<sub>2</sub> by 2025 by production hour

**Back in 2023, DAFA initiated a comprehensive corporate-level inventory to monitor greenhouse gas emissions**, adhering to the standards set by the GHG Protocol. This critical step has ensured accurate measurement and understanding of the company's carbon footprint, paving the way for targeted reductions.

By optimizing working hours, material use and investments in renewable energy for our Danish facilities have further contributed to a reduction in CO<sub>2</sub> emissions per production hour.

In 2024, we relocated more production activities to Poland, necessitating an enhanced focus on optimizing energy consumption in our Polish facilities. As part of this effort, we conducted an energy audit that identified key opportunities for energy optimization. These opportunities have been implemented, leading to improved energy efficiency.

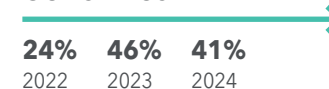
Additionally, we initiated an investigation into the potential of procuring Power

Purchase Agreements (PPAs) for our production sites. This step underscores our commitment to supporting the demand for green energy and contributing to the broader transition towards renewable energy sources.

At group level, DAFA has enhanced its production efficiency by prioritizing performance improvement and time optimization. This focus has minimized the generation of waste streams and reinforced our commitment to sustainable production practices.

By the end of 2024, we have achieved a 41% reduction in CO<sub>2</sub> emissions, reflecting our ongoing commitment to sustainability and climate responsibility.

### OUR STATUS



## REDUCTION OF CO2

100% renewable energy consumption by 2030

**At DAFA, taking responsibility for renewable energy consumption is a key priority.** To support this commitment, we have implemented a company car policy mandating that all company vehicles must be electric. This initiative reduces carbon emissions associated with transportation and complements our broader efforts to transition to 100% renewable energy consumption.

Our renewable energy journey began in 2013 with the installation of 20 kWp solar panels at our Danish production site. In 2023, we expanded this effort significantly by installing 267 kWp solar panels, which increased energy production by 131 MWh that year. However, recognizing environmental and economic constraints, we chose to redirect further investments toward energy optimization at our Polish production site.

In 2024, our solar panels produced 257,593 kWh, bringing the total energy generated since installation to 761.1 MWh. This renewable energy production plays a crucial role in reducing our environmental impact and achieving our sustainability goals.

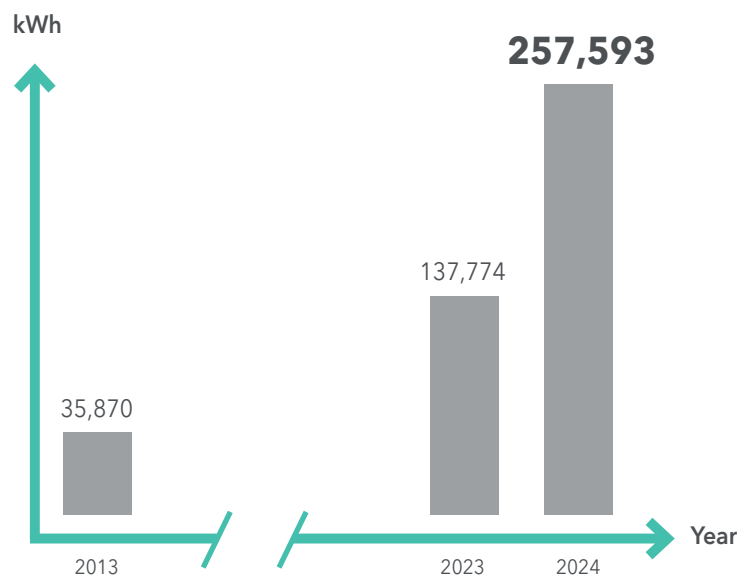
Additionally, a comprehensive energy audit conducted in 2024 at our Polish facility identified key opportunities for optimization, further advancing our efforts to enhance energy efficiency across the company.

By the end of 2024, we have achieved 32% renewable energy consumption, reflecting our continued dedication to sustainability and climate responsibility.

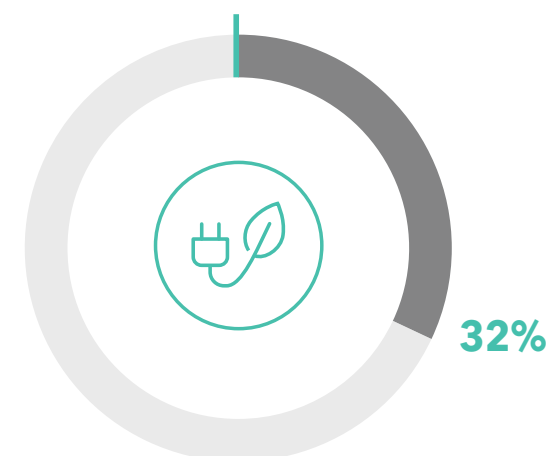
### OUR STATUS

2022	2023	2024
22%	41%	32%

### Solar panel kWh/year



100% renewable energy consumption by 2030

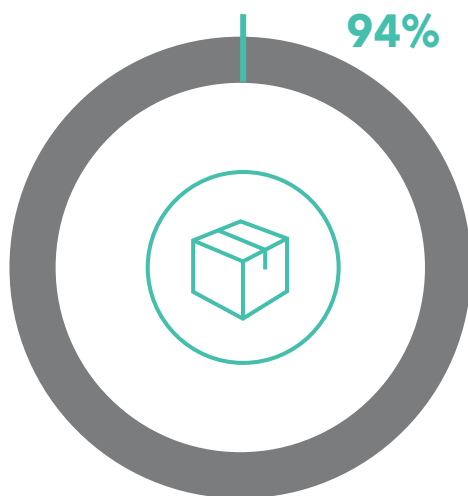


The method of calculation is listed on page 45





**90%** local sourcing  
of raw material  
by 2025



The method of calculation is listed on page 45.

## REDUCTION OF CO2

90% local sourcing of  
raw materials by 2025

**DAFA achieved its goal of 90% local sourcing in 2023** and successfully maintained this achievement throughout 2024. The milestone underscores our commitment to tracking the sources of supplied materials and ensuring responsible sourcing practices.

To ensure continued progress, DAFA is reassessing its local sourcing target in 2024 with the aim of setting even more ambitious goal. As part of this effort, we have introduced our sustainability initiatives to a broader range of suppliers, emphasizing the importance of collaboration in achieving shared environmental goals.

Additionally, we established a Group Sustainable Procurement Policy (appendix 1) in 2024, formalizing our approach to responsible sourcing and setting clear expectations for suppliers.

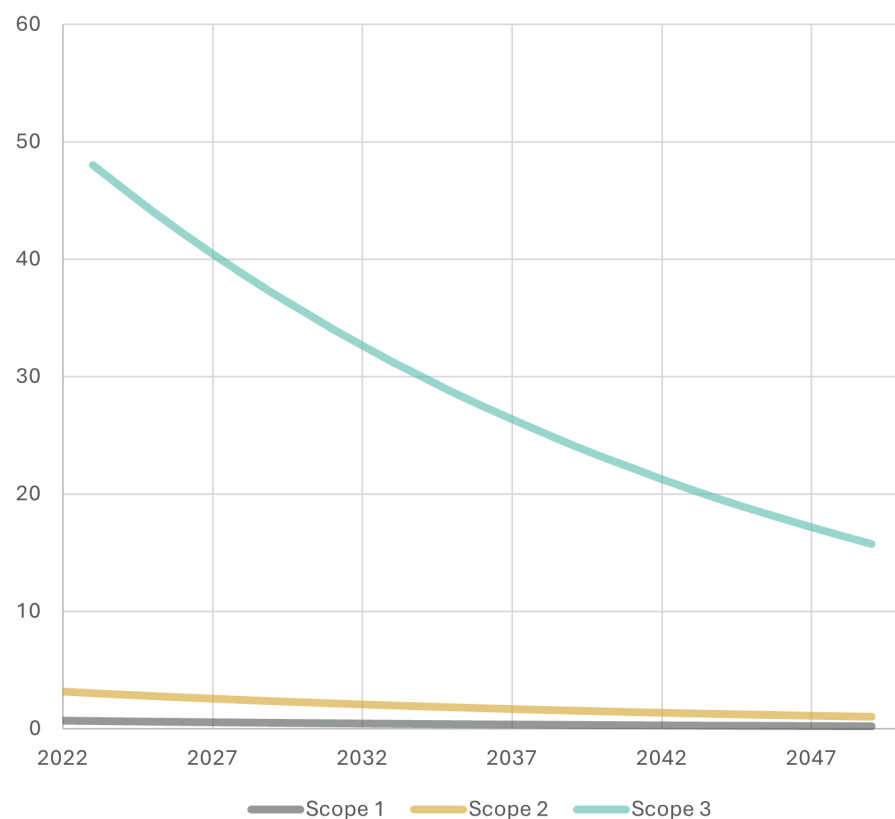
By the end of 2024, 94% of our raw materials are locally sourced, reaffirming DAFA's dedication to sustainable and responsible procurement practices.

### OUR STATUS

2022	2023	2024
91%	94%	94%

## TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

DAFA Group A/S alignment to SBTi



**To ensure alignment with greenhouse gas (GHG) inventory boundaries and emission reduction targets,** DAFA has made significant progress since 2023 by beginning to follow the Science Based Targets initiative (SBTi) framework. The SBTi aligns corporate climate action with the goals of the Paris Agreement, aiming to limit global warming to well below 2°C and pursuing efforts to keep it to 1.5°C.

While DAFA is not yet formally committed to the SBTi, our data and targets are aligned with its principles. To monitor our progress, we update our Scope 1, 2, and 3 emissions data twice a year, ensuring we remain on track to meet these ambitious goals.

In 2024, we took additional steps to validate our data and ensure its robustness. Our Scope 3 calculations, which cover indirect emissions across the value chain, were reviewed and validated by an external partner. This validation reinforces the reliability and accuracy of

our data, enabling us to make informed decisions and maintain accountability.

Our strategy remains focused on achieving GHG emission reduction targets through key decarbonization levers, including improved waste handling, the use of alternative raw materials, circular economy practices, and collaborative initiatives. With regular assessments of impacts and annual calculations, DAFA continues to adapt its approach to align with the latest environmental, societal, and technological developments, ensuring sustainable progress.

**Note: DAFA is not member of SBTi, but we have aligned our calculations with SBTi.**

# GREENHOUSE GAS EMISSIONS

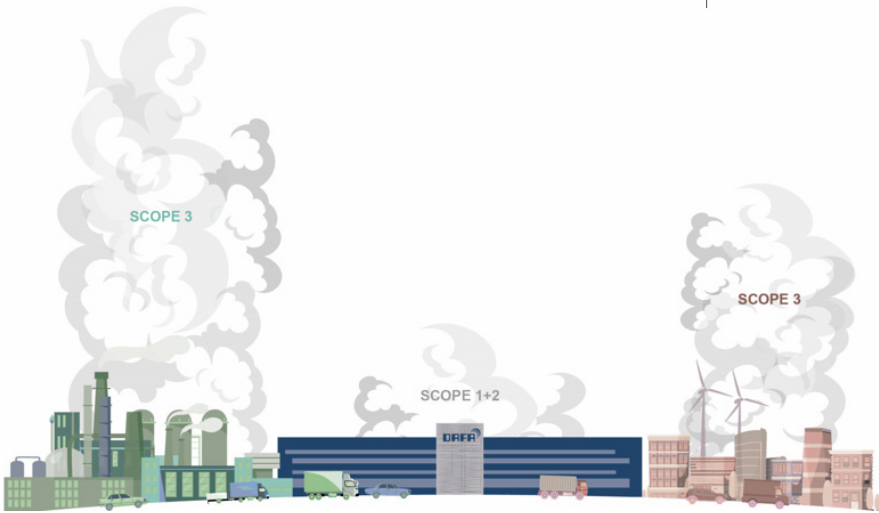
Accounting changes, exclusions, and insights for 2024

**In our comprehensive disclosure of Gross Scopes 1, 2, 3, and Total GHG emissions, we address various aspects.** Firstly, we discuss significant changes in the definition of the reporting undertaking and its value chain, emphasizing the impact on the year-to-year comparability of reported GHG emissions. Notably, our accounting now incorporates Scope 3 emissions upstream and, to a significant extent, downstream emissions since the previous year.

Furthermore, we disclose the effects of significant events and changes in circumstances relevant to GHG emissions that occurred between the reporting dates of entities in our value chain and the date of the undertaking's general-purpose financial statements. For the year 2024, no significant changes were noted.

In explaining the exclusion of certain Scope 3 GHG emissions categories, categories 8 (upstream leased assets), 10 (processing of sold products) and 11 (use of sold products) are excluded due to unavailable data and estimated very low emissions. Categories 13 to 15 are excluded because of the absence of downstream leased assets, franchises, and investments in 2023.

Finally, we note that biogenic emissions of CO2 from combustion or bio-degradation of biomass in the value chain, specifically in packaging materials such as cardboard, wrap foil, and pallets, have not been included in our Scope 3 GHG emissions calculations.

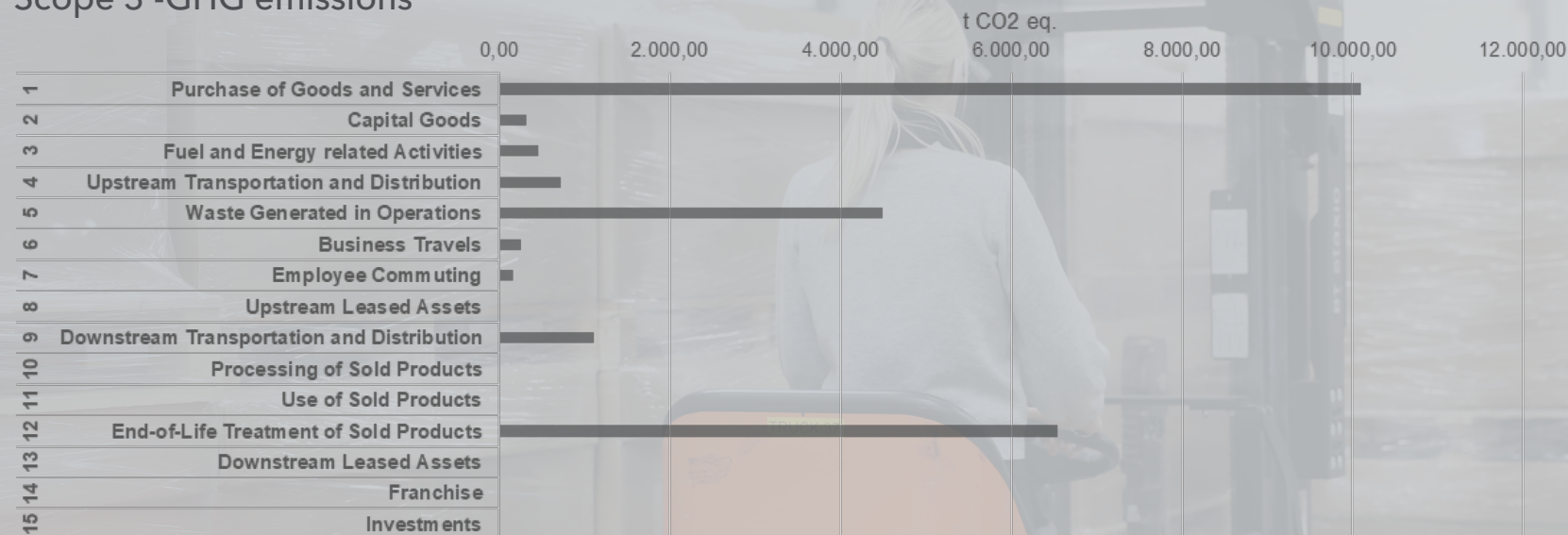


CATEGORY	EXPLANATION
<b>Category 8</b> (Upstream leased assets)	Are excluded due to unavailable data and estimated very low emissions.
<b>Category 10</b> (Processing of sold products)	
<b>Category 11</b> (Use of sold products)	
<b>Category 13</b> (Downstream leased assets)	Are excluded because of the absence of downstream leased assets, franchises, and investments in 2023.
<b>Category 14</b> (Franchise)	
<b>Category 15</b> (Investments)	



# SCOPE 3 OVERVIEW 2024

## Scope 3 -GHG emissions



## Comments on Scope 3

DAFA's Scope 3 GHG emissions are primarily driven by Purchase of Goods and Services, followed by End-of-Life Treatment of Sold Products.

Significant contributions also come from Transportation and Distribution. Smaller impacts are seen in Capital Goods, Waste, and Employee Commuting, highlighting the supply chain and product lifecycle as key areas for emission reductions.

## Our focus in 2024

In 2024, we placed significant focus on addressing our largest emission category, Purchase of Goods and Services, recognizing its critical role in our overall carbon footprint.

With the support of a dedicated group of interns, we successfully transitioned from a spend-based calculation to a more precise activity-based calculation, enhancing the accuracy and granularity of our emissions data. This shift allows us to better understand the environmental impact of specific materials and processes, enabling more targeted reduction strategies.

Additionally, in autumn 2024, our entire Scope 3 emissions inventory underwent a validation process conducted by an external partner. This independent review ensured the credibility, and reliability of our reporting, reinforcing our commitment to data transparency and continuous improvement.

These advancements mark a significant step toward more data-driven decision-making, allowing DAFA to refine its GHG reduction strategies, engage suppliers more effectively, and identify new opportunities for sustainable innovation within our value chain.



## REDUCTION OF MATERIAL USE

Redefining our goal



Previous definition of goal

**40%** of DAFA's products contain recycled materials by 2025

In 2023, we concentrated heavily on redefining our goal to ensure it was both meaningful and achievable. During this process, we encountered significant challenges in establishing a clear definition for achieving 40% recycled materials in our products.

This lack of clarity made it difficult to create a measurable and transparent framework for what constitutes a "sustainable" product.

Updated definition of goal

**30%** of DAFA's products comply with EU Taxonomy substantial contribution by 2030

In response, we explored alternative ways to define and quantify sustainability more effectively. After careful consideration, we decided to align our goals with the EU Taxonomy, which provides a robust and measurable framework for sustainability.

Despite this effort, by the end of 2023, we had achieved a modest 2% inclusion of recycled materials in our products. Recognizing the limitations of the original goal, we have now shifted our focus to a new target: **30% of DAFA's products to comply with the EU Taxonomy for substantial contribution by 2030.**

The updated goal is defined as: *30% of DAFA's products to comply with the EU Taxonomy for substantial contribution to a circular economy, measured by raw material consumption by mass.*



# REDUCTION OF MATERIAL USE

30% of DAFA's products comply with EU Taxonomy substantial contribution by 2030

## Achievements 2024

Although redefining our goals was a key focus in 2024, this did not detract from our broader efforts to advance the use of sustainable materials across our product portfolio. In 2024, we have worked diligently to quantify our new goal, ensuring it is measurable and actionable.

Alongside this, we have engaged extensively with suppliers and customers to identify where sustainable solutions can be implemented and where the greatest needs exist.

These efforts underline our commitment to driving sustainability throughout our operations while aligning with the demands of our stakeholders and the rigorous standards of the EU Taxonomy. With these changes, we are building a stronger foundation for a more sustainable future.

## Key achievements

### Scope 3 alignment

Through collaboration with our suppliers, we have improved our ability to calculate emissions for select materials based on supplier data. While these calculations are not yet full Environmental Product Declarations (EPDs), they represent a significant step forward in assessing and managing emissions.

### EPDs for building products

In our construction segment, we now have EPDs for 35 products, which are available on EPDhub, enhancing transparency for our customers.

### New sustainable materials

We have identified and introduced several new sustainable materials, which we are proud to offer to our customers.

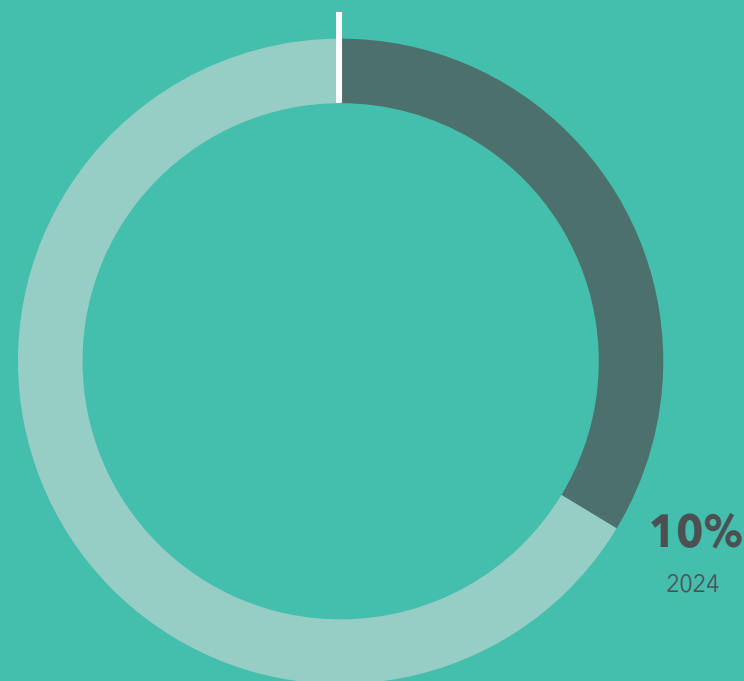
## Potential financial effects

From material physical and transition risks and potential climate-related opportunities.

At the heart of our operations lies foam and rubber, both deeply connected to the use of fossil fuels. Given that our primary raw material is oil, it is crucial to acknowledge and address the potential financial impacts arising from material physical and transition risks.

Recognizing the importance of sustainability, we are actively exploring alternatives within the circular economy and seeking materials derived from bio-oil to mitigate risks and explore climate-related opportunities.

**30%** of DAFA's products comply with EU Taxonomy substantial contribution by 2030



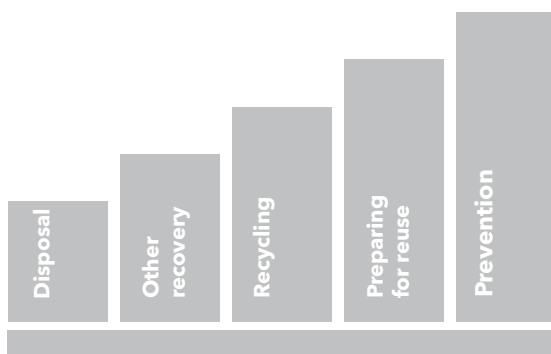
# WASTE MANAGEMENT

50% of our waste is recycled by 2030

**To enhance waste management practices, DAFA has continued to build on its initiatives in 2024 with significant progress.**

In 2024, we successfully completed the Waste Handling project in collaboration with our external partner, Danish Technological Institute. This project has provided valuable insights and incentives to further develop our waste solutions. We have gained a deeper focus on waste streams and how to effectively handle materials when they reach the end of their lifecycle.

A particular focus in 2024 has been identifying new and innovative ways to manage waste currently sent for incineration or landfill. This effort has aimed to reduce the environmental impact of these waste streams and explore more sustainable alternatives.



Internally, we have increased our emphasis on selecting materials that support circularity, ensuring that a greater proportion of waste can be reused or recycled.

## Initiatives

The Waste Handling initiative has already delivered outcomes, amounting to more than 40! tons of annual CO2 savings.

We have a close collaboration with our external partners about our waste, to constantly improve ourselves beyond our current state.

 **40** tons of annual CO2 savings

We strive to optimize production processes to minimize waste, for example, by using previous waste as raw material.

We reduce the amount of residual waste in favor of recycling in other productions.

**Additionally**, we expanded the Green Walk initiative in Denmark to our production sites in Poland and China, creating greater awareness and engagement around waste management practices in these locations.

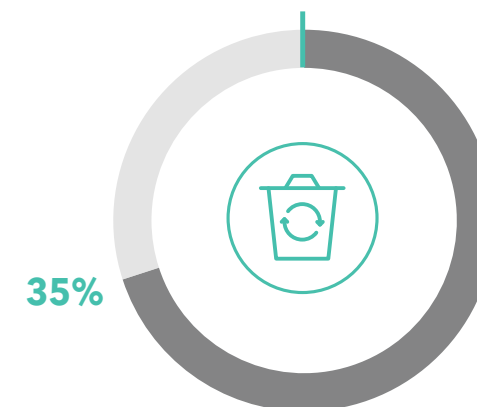
By continuing to prioritize material circularity and collaboration with strategic partners, DAFA remains committed to improving its waste management practices and reducing environmental impact.

By the end of 2024, 35% of our waste is recycled.

## OUR STATUS

**30%** 2022   **36%** 2023   **35%** 2024

**50%** of our waste is recycled by 2030



# POLLUTION

## Policies related to pollution

**Our approach to managing material impacts, risks, and opportunities** related to pollution is outlined in our updated Group Environmental Policy (appendix 2). This policy underscores our responsibility for minimizing the environmental impact of our operations and serves as a comprehensive framework for preventing pollution of air, water, and soil.

It integrates measures to reduce waste, responsibly manage chemicals, and transition towards circular material handling. The policy reflects our strengthened commitment to addressing pollution proactively and aligns with internationally recognized standards such as ISO 14001, REACH, and WEEE, ensuring a clear and focused strategy for environmental stewardship.

As part of this effort, our commitment to pollution prevention is supported by several certifications and initiatives:

**ISO 14001** (DK, PL, CN) ensures our environmental management system focuses on pollution prevention and continuous improvement.

**REACH, ROHS, and POPS statements** outline our dedication to minimizing and phasing out substances of concern and persistent organic pollutants, ensuring compliance with international standards.

A **PFAS statement** highlights our proactive measures to reduce and eliminate the use of PFAS, which are known for their long-lasting environmental impact.

Furthermore, we are prioritizing the substitution and minimization of substances of very high concern, reinforcing our commitment to safer materials and processes.

In our procurement department, we have intensified efforts to optimize transportation efficiency. Recognizing that shipping is the least polluting mode of transport, we prioritize it for both our outgoing products and incoming materials. This practice aligns with our broader

commitment to reducing the carbon footprint of our operations, in compliance with standards such as WEEE for sustainable waste handling of electronic products.

By incorporating these certifications and initiatives into our Group Environmental Policy and operations, we are strengthening our approach to reducing pollution and ensuring sustainable practices throughout our value chain.





SOCIAL





Our workforce is our greatest asset, and we are committed to fostering a diverse, inclusive, and engaging work environment. Respecting human rights is fundamental to our long-term success and our mission to make a positive impact in the world – this is fundamental to **Who We Are.**

- 33 Impact on own workforce
- 37 Learning and development



# IMPACT ON OWN WORKFORCE

## Policies related to own workforce

At DAFA, we are committed to respecting human rights in our operations and business relationships. We believe that human rights are inherent, universal, indivisible, and interdependent, and that we have a responsibility to avoid violating the human rights of others, and to address any adverse human rights impacts we may cause or contribute to.

DAFA complies with international and local laws and regulations: ILO Conventions, The Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, and the UN Guiding Principles of Business and Human Rights as a responsible member of the UN Global Compact.

## Labor rights

We respect our workers' rights to fair and equal treatment, non-discrimination, freedom of association, collective bargaining, safe and healthy working conditions, fair wages and benefits, reasonable working hours, and freedom from harassment, violence, forced labor, child labor and human trafficking. This is elaborated and explicitly addressed in our Labor and Human Rights Policy (appendix 3), our Antiharassment Policy and our Code of Conduct. Our Human Rights Policy applies to all our employees. We expect them to respect our human rights standards and to follow all relevant laws and regulations in the countries where we operate. We communicate our Human Rights Policy on our DAFA Intranet and as part of onboarding new employees.

As part of our cyber security awareness training, we have also introduced training on our policies and code of conduct. A pilot was conducted in Denmark in November 2024 and based on the learnings and optimizations from the pilot, it will continue to be rolled out across the entire group in 2025.

In this way we support our employees in understanding our processes and expectations, to help identify and address how we may negatively impact human rights.

Actions going forward - and based on our DAFA Group Strategy and development plan 2027 - we will increase the efforts to identify risks related to labor and human rights. By 2027 our aim is to identify our potential human rights impacts before major changes in existing operations and before entering new markets. This is based on our identification of areas where the risk of adverse human rights impacts is most significant. We will work together with local stakeholders and engage in dialogue about how to prevent and mitigate such impacts.

## Environmental rights

We respect our workers' rights to a clean and healthy working environment. Through our DAFA Go Green Initiatives, we work to reduce our environmental impact and to help protect and restore the natural resources we depend on.

Recognizing that human rights are complex and ever-evolving, we continuously strive to keep these principles at the forefront of our organization. We formally do this by seeking feedback from our employees annually through our global Employee Engagement Survey, which also provides us with input for necessary adjustments.



“ WE WILL MAKE A POSITIVE IMPACT IN THE WORLD, AND WE BELIEVE THAT IT IS ESSENTIAL FOR LONG-TERM SUCCESS.”

# IMPACT ON OWN WORKFORCE

## Global safety

At DAFA, we are committed to creating a safe and healthy working environment for all our employees. Our comprehensive Health and Safety Policy aims to comply with legal and regulatory requirements, promote a positive safety culture, and continuously improve our health and safety performance.

We have adopted local health and safety policies that set out our commitment and approach to ensuring the health and safety of our own workforce and other stakeholders. Our local policies are based on the international standards of ISO 45001.

We have an equal opportunity standpoint as part of our Global Recruitment policy that ensures that all our employees and job applicants are treated fairly and equally, regardless of their gender, age, race, ethnicity, religion, disability, sexual orientation, or any other protected characteristic.

This is to advance diversity and inclusion in our recruitment and other related HR processes. Our policy is aligned with the EU directives and the national laws on equal treatment and anti-discrimination. Our policy covers all aspects of employment, such as recruitment, selection, and onboarding. Grounds for discrimination are specifically specified in our Anti-Harassment Policy.

## Employee health and safety

We conduct a risk assessment of health and safety issues every three years to identify potential problems and areas for improvement. Based on the results, we prepare an action plan to address and remedy any issues identified. Our goal is to ensure that 100% of our employees are assessed on risks related to health and safety issues.

### Physical health

To protect our employees and ensure their visibility, all employees must use safety shoes when moving around in production and the warehouse. Visitors are also required to wear reflective vests. We strive for zero work-related accidents and provide safety equipment and resources at workstations to minimize risks associated with machinery, hazardous materials, or heavy lifting.

### Safety training

Mandatory health and safety training is conducted for all employees before they commence their work. This training includes both general and job-related components, ensuring that employees are well-prepared to handle safety risks in their roles.

### Safety performance metrics

We track key safety performance metrics, including Lost Time Injury (LTI) and Total Recordable Incident Rate (TRIR), to monitor and improve our safety performance. These metrics help us

identify areas for improvement and implement necessary measures to enhance workplace safety.

## Near-miss reporting initiative

Starting in the beginning of 2025, we will be initiating an awareness and reporting program where each employee will be required to report at least one near-miss incident per year. This initiative aims to enhance our safety culture by encouraging proactive identification and reporting of potential hazards, thereby preventing accidents before they occur.

## Grievance mechanism

DAFA values and respects honest and open communication, and all stakeholders can raise questions and or concerns through [dafa@dafa.dk](mailto:dafa@dafa.dk)

As an employee, you may ask questions or raise concerns regarding potential and actual adverse human rights impacts to your immediate manager or HR Manager, or you can report through our Whistleblower service available at our DAFA Intranet.

No reprisal or retaliatory action will be taken against any employee for raising concerns under DAFA's Human Rights Policy. We will establish grievance mechanisms and are committed to investigating any concerns, and if we discover any severe adverse human rights impacts, we will act appropriately without delay.



# IMPACT ON OWN WORKFORCE

Workforce actions: Global learning, engagement, and development initiatives in focus

**We have identified some material impacts, risks, and opportunities related to our workforce.**

We have set specific and measurable objectives and targets to address these issues, such as making equal learning and development opportunities available for all employees. We aim to keep the number of learning opportunities at the same level as in 2023: 408 hours (about two and a half weeks). During 2024, we delivered 575 hours of learning across the DAFA Group, exceeding our target by 167 hours. See more of our training on page 37.

In 2024, we aimed to increase the number of internal promotions and hiring by 5%, compared to 1% in 2023. However, our internal promotions remained steady at 1%. We have concluded that this target aligns well with our current organizational needs and future direction. Therefore, we will continue to prioritize the growth and development of our internal talent, ensuring that we nurture and promote from within to build a strong and capable workforce for the years to come.

Primary due to lower activity, the total workforce in the group declined from 273 FTE primo 2024 to 266 ultimo 2024. In Denmark, the development in FTE was from 119 FTE primo 2024 to 115 FTE. The workforce in the rest of the group developed from 154 FTE primo 2024 to 151 FTE ultimo 2024.



**OUR GOAL: 30 eNPS score**  
in DAFA's yearly employee engagement survey

## Employee engagement

In 2024, we continued to adopt a proactive approach to fostering positive impacts on our workforce, focusing on areas such as employee engagement, motivation, and loyalty. To support these efforts, we increased top management communication by implementing monthly Town Hall meetings for all employees. This initiative has helped to enhance transparency, build trust, and ensure that everyone stays informed and connected.

We have chosen to work with Employee Net Promoter Score (eNPS) as part of our ambition to be a World Class Workplace. This means we measure not only the areas outlined above but also take action through various initiatives aimed at driving improvements.

We will set a goal to increase our Employee Net Promoter Score, eNPS, from the benchmark year 2024 of a result of minus 4 with 10% by 2025 to help us on the way to reach our end goal of 30% in 2027. We will achieve this through increased involvement of our employees and managers in various initiatives and programs as part of our journey to obtain the World-class Workplace badge from the supplier Effectory.

# IMPACT ON OWN WORKFORCE

## Yearly employee engagement survey: What it means to be World-class

**Being a World-class Workplace means creating an environment where employees feel inspired, valued, and empowered to contribute their best.** It reflects a commitment to excellence in leadership, engagement, and collaboration, grounded in employee feedback and benchmarked against the highest industry standards.

World-class Workplace certification is awarded to organizations that excel in three key areas:

### 1. Employee response rate:

A high response rate in employee engagement surveys demonstrates trust in the organization and ensures that the feedback reflects the perspectives of a broad group of employees.

### 2. Employer excellence:

Measures how employees perceive the organization compared to industry benchmarks across areas such as vision, workplace quality, and the use of employee ideas. High scores in these areas signify an exceptional work environment.

### 3. Employee net promoter score (eNPS):

eNPS evaluates employees' likelihood to recommend their workplace to others, providing a clear indicator of overall satisfaction and engagement. Organizations that perform exceptionally well in these areas earn the World-class Workplace certification, showcasing their commitment to creating an inspiring and engaging environment for employees.

## Our performance 2024

World-class Workplace certification evaluates organizations based on three key parameters:

### 1. Employee response rate:

A high response rate is a fundamental indicator of employee trust and engagement. In 2023, we achieved a successful implementation of our global employee engagement survey. In 2024, thanks to the active involvement of our employees and managers, we achieved a response rate of 28% higher than the benchmark score for companies in our industry. Therefore, we have set a target to maintain the high response rate for the employee engagement survey of 91% (benchmark 71%) for the group for 2025.

### 2. Employer excellence:

Employer excellence assesses how employees perceive the organization's vision, workplace quality, and appreciation for their contributions. Our survey scores have demonstrated strong performance, including:

**Vision and inspiration:** Scoring 6.7 compared to the benchmark of 7.0.

**Workplace quality:** Achieving 7.7 compared to the benchmark of 7.5.

**Employee appreciation:** A score of 6.8, with opportunities for improvement compared to the benchmark of 7.1.

**Engagement and idea utilization:** Achieving 6.8 and thereby outperforming the benchmark of 6.1 in leveraging employee ideas for improvement.

**3. Employee net promoter score (eNPS):** eNPS measures the likelihood of employees recommending their workplace to others. With a baseline score of -4 in 2024, we are focused on a 10% improvement by 2025, with the goal of reaching 30% by 2027.

By excelling in these parameters, we aim to earn and uphold the recognition as a wWorld-class Wworkplace. Our commitment to listening, acting on feedback, and fostering a collaborative culture is central to achieving sustainable growth and employee satisfaction.



# LEARNING AND DEVELOPMENT

## Employee well-being and development

**We have implemented DAFA Academy for our own workforce, aimed at enhancing their competencies, capabilities, and career prospects as well as job satisfaction and well-being.**

Our DAFA Academy includes elements such as online courses, workshops, on-the job learning, and certification. Promoting the global mindset and the feeling of belonging to the DAFA family.

We will launch well-being initiatives for our own workforce, aimed at improving their physical, mental, and social health. Our initiative includes activities such as fitness challenges, anti-stress sessions, and social events across the countries we operate in. We have identified a material opportunity of employee engagement in our own workforce, as a key driver of our performance, reputation, and sustainability. To pursue this opportunity, we have planned and implemented an employee engagement strategy as part of our People & Culture Strategy, which includes actions such as conducting regular surveys, providing feedback, recognizing achievements like the Employee of the Quarter, and involving employees in decision-making.

We track the progress and outcome of our strategy by measuring the employee engagement score, the employee advocacy rate, and the impact on customer satisfaction and loyalty.

As part of our DAFA Academy, we have identified a material risk of skills shortage in our own workforce due to the rapid changes in technology and customer expectations. To mitigate this risk, we have planned and implemented a comprehensive skills development program called DAFA Way of Selling, which includes online courses, coaching, and onboarding of new employees.

We track the effectiveness of our program by measuring the skills proficiency level, from awareness and understanding to application and final business impact of increased sales. This is done ongoing as part of employees one2one meetings with their manager and during their yearly Employee Development Dialogue.

**We ensure that our own practices** do not cause or contribute to material negative impacts on our own workforce by engaging and consulting with our employees and workers' representatives. We have established a social dialogue mechanism that enables us to communicate and cooperate with our employees and workers' representatives on matters related to our own workforce impacts. We have also integrated our employees and workers' representatives in our decision-making and governance processes that affect our own workforce impacts, such as strategy, policy, and performance. We are always working to foster a culture of trust, respect, and collaboration with our

employees and workers' representatives, and we seek their feedback and input on our own practices and impacts.

## Grievance mechanism

We have established a grievance mechanism, our Whistleblower set-up for our own employees and workers' representatives to raise any concerns or complaints related to our own workforce impacts, such as discrimination, harassment, or unfair treatment.

Our grievance mechanism follows the principles of legitimacy, accessibility, predictability, equitability, transparency, and effectiveness. We have received no incident reports in 2024, and zero are still under investigation.

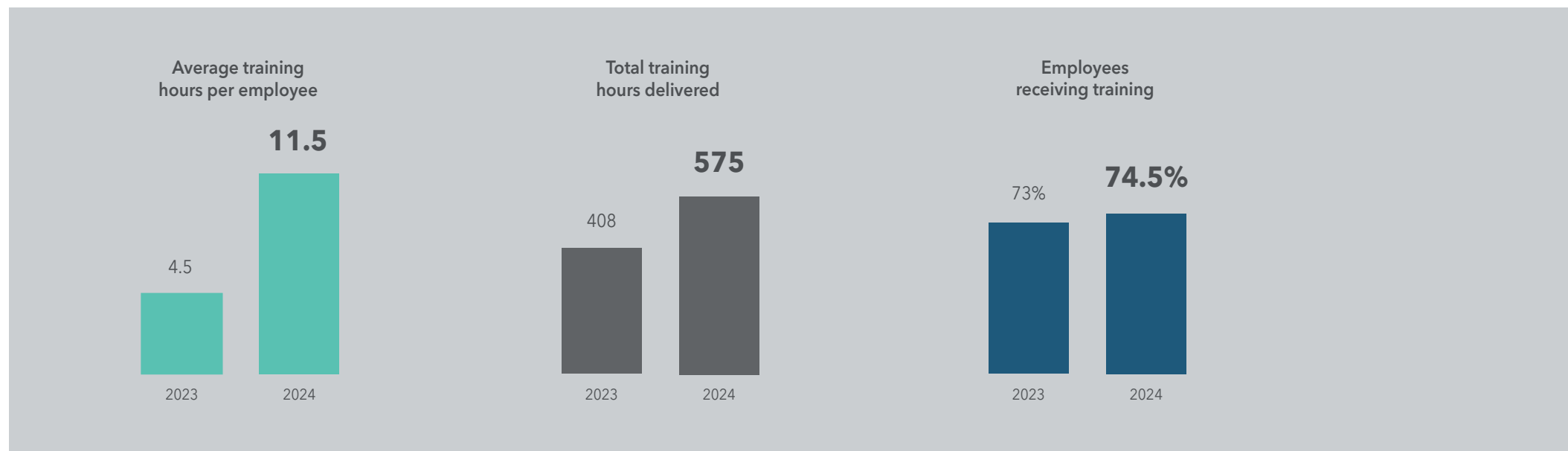


No incident reports submitted in 2024

Should we, however, receive any, we would provide or enable remedy for the affected employees such as an apology, compensation, reinstatement, or disciplinary action, depending on the nature and severity of the impact.

# LEARNING AND DEVELOPMENT

## Training and skills development



**In 2024, we continued our commitment to fostering a culture of learning and professional development across our organization.**

Our training initiatives focused on equipping employees with the skills and knowledge necessary to excel in their roles, contributing to both personal growth and organizational success. Key highlights of our training efforts in 2024:

**Average training hours per employee:**  
Each employee completed an average of **11.2 hours** of training during the year.

**Total training hours delivered:**  
We delivered a total of **575 training hours** to employees across the organization.

**Employees receiving training:**  
**74.5%** of our workforce participated in at least one training session during 2024.



# LEARNING AND DEVELOPMENT

## Training participation by demographics

The data in the figures reflects our dedication to providing accessible training opportunities to employees across all demographics, ensuring equitable skill development throughout the organization.

We have trained more females than males last year. This is because our blue-collar workers, who are predominantly males, were not trained as extensively in 2024 compared to the increased efforts made in 2022 and 2023.

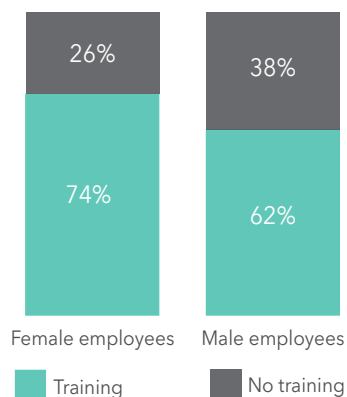


74% females trained  
62% males trained

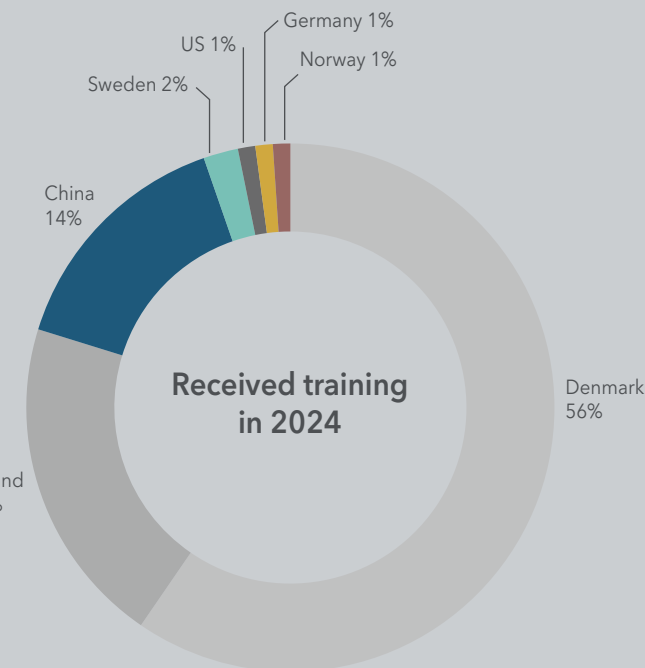
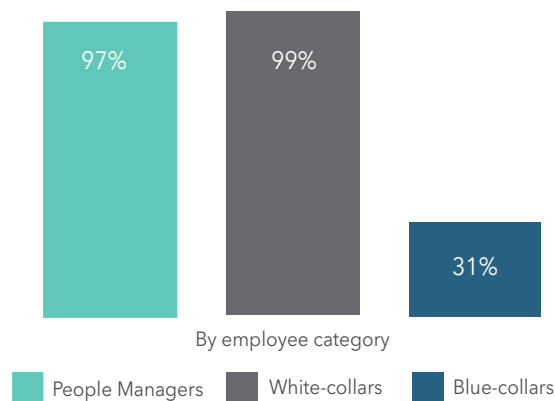
Consequently, the higher proportion of females in the white-collar population contributed to this outcome.

Looking ahead, we aim to build on this progress by continuously aligning our training offerings with our strategy. We will further increase participation rates and ensure that our learning programs are in harmony with both individual and organizational goals.

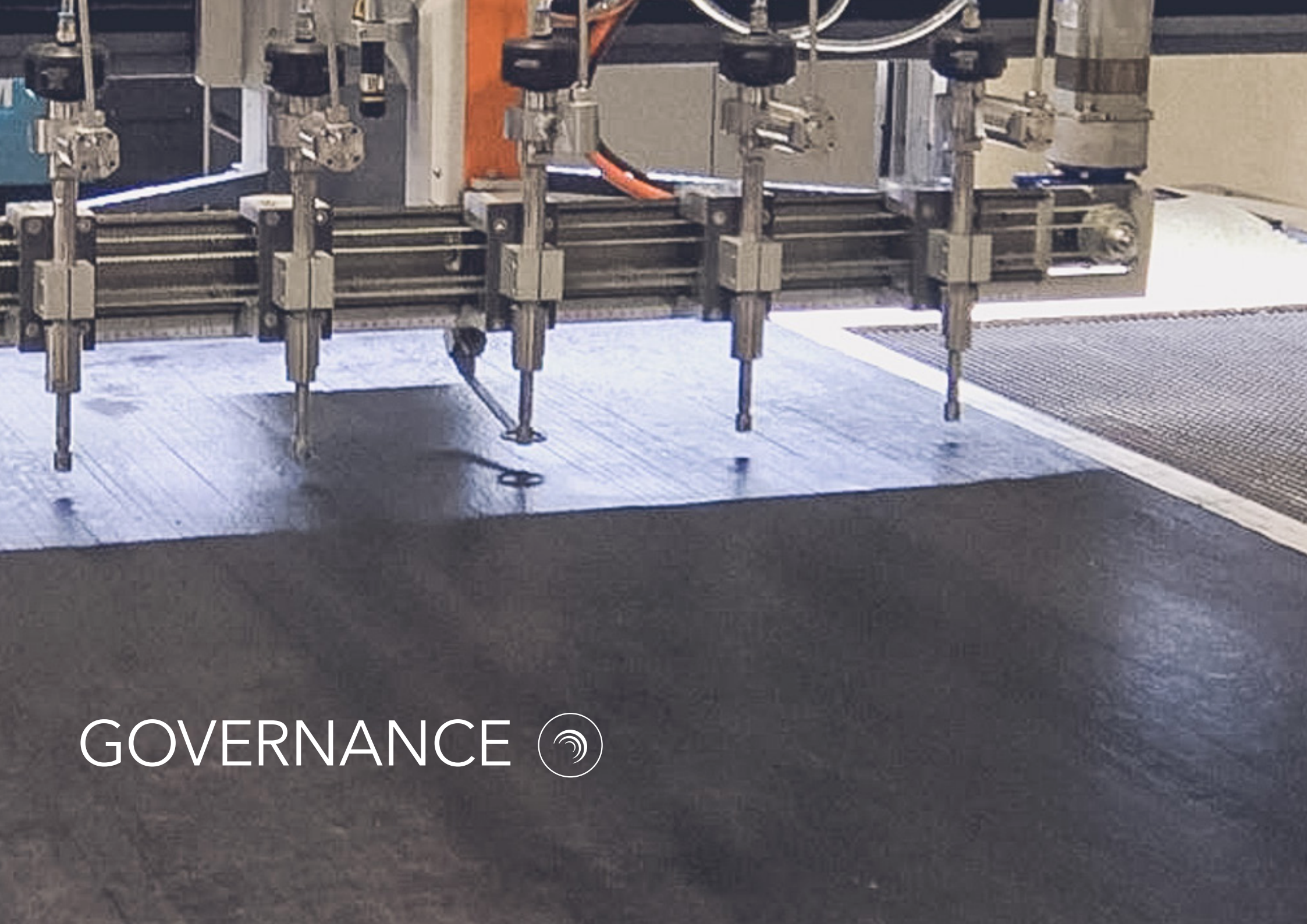
Training by gender



Training by category







GOVERNANCE 



DAFA is committed to ethical and transparent business practices, reflected in our meticulous approach to measuring and documenting progress.

With recent achievements such as developing developing Group Ethics Policy, and Sustainable Procurement policy, we are poised for continued advancement.

42 Prevention of corruption and bribery

44 Awareness in supply chain



# PREVENTION OF CORRUPTION AND BRIEBERY

Corporate culture establishment, and mechanisms for identifying concerns

**We are committed to managing the material impacts, risks, and opportunities related to climate change mitigation and adaptation in accordance with the principles set by CFA Society Denmark, FSR, and NASDAQ.**

Our ESG reporting aligns with the guidelines of the UN Global Compact Annual Communication of Progress. Data quality is ensured through ISO14001, emphasizing completeness, accuracy, consistency, validity, uniqueness, and integrity. In 2016, the environmental system ISO 14001 was implemented and once a year the Management Board reviews the targets, actions, and results.

## Ethics

DAFA's data ethics prioritizes customer and employee privacy, fostering a culture of openness about mistakes for continuous improvement. We provide e-learning on data processing for employees. Our data ethics principles integrate data protection and human rights risks into management processes.

We are proud to announce that we have now developed our Group Ethics Policy (appendix 4), where our ethical values and ways of working are clearly outlined. This serves as a guide to ensure that we uphold

our commitment to ethical conduct in all aspects of our business.

We are committed to contributing to sustainable development that meets the present needs without compromising the ability of future generations to meet their own. In practice, sustainability means that we respect and balance environmental, economic, and social aspects, thereby continuously improving DAFA's local environment, business, and organization.

A description of our corporate culture includes strategic narratives, emphasizing our passion for solutions that seal, absorb and protect, innovation, and sustainability.

Our people are essential to our success. They foster a culture that is responsible, customer- and result-oriented, and innovative. At DAFA, we are passionate about what we do and take responsibility for making a difference. We act proactively and contribute to global ambitions while staying grounded in practical and local values.

## OUR VALUES



We are customer, business, and result-oriented



We take responsibility



We make things happen



We are passionate about what we do





In **2024**, we  
conducted  
anti-corruption  
and anti-bribery  
training

## Prevention and detection of corruption or bribery

**We actively address the risk of corruption and bribery, particularly in the functions of purchase and sales, where an Anti-Corruption Policy is firmly in place.** DAFA's comprehensive risk assessment, structured through the DAFA Management system and guided by the Code of Conduct, extends its reach to employees, the supply chain, and partners.

Our policy commits to full compliance with the Anti-Bribery Act of 2010 and all relevant anti-corruption laws worldwide. Notably, there were no incidents reported in 2024, and inquiries about policy details can be directed to our Group Chief Financial Officer.

Our whistleblower setup on our DAFA Intranet serves as a channel for reporting outcomes to administrative, management, and supervisory bodies.

In 2024, DAFA successfully integrated anti-corruption and anti-bribery training as part of our broader commitment to ethical business practices. This training was conducted alongside our Code of Conduct program, emphasizing the importance of understanding and adhering to these principles.

The anti-corruption and anti-bribery training was delivered in conjunction with the introduction and training on other key policies, including the Group Environmental Policy, Group Labor and Human Rights Policy, Group Ethics Policy, and Group Sustainable Procurement

Policy. This comprehensive approach ensures that employees understand the interconnected nature of these policies and their role in upholding DAFA's commitment to ethical and sustainable practices. The training will continue in 2025.

## Whistleblower

Internally, a whistleblower arrangement allows employees to report concerns anonymously or non-anonymously, encouraging transparency and addressing potential breaches of the law, financial losses, or damage to DAFA's reputation.

We are committed to responding to all inquiries and encourage employees to report any doubts about their observations.

# AWARENESS IN SUPPLY CHAIN

## Management of relationships with suppliers

### **We prioritize effective management of supplier relationships, ensuring adherence to timely payment standards.**

Our commitment to upholding these standards has resulted in no incidents, emphasizing the importance we place on ensuring punctual payments.

In managing our relationships with suppliers, we take a comprehensive approach, considering risks related to the supply chain and the impact on sustainability matters.

For the selection of supply-side contractual partners, we ensure that social and environmental criteria are taken into account. This involves referencing our code of conduct and Anti-Corruption Policy. Additionally, we align with UN Global Compact initiatives.

In 2024, DAFA has strengthened its commitment to sustainability by implementing our updated Group Sustainable Procurement Policy. This policy integrates enhanced environmental, social, and ethical criteria into our procurement processes, reflecting our dedication to sustainable development.

We have outlined clear objectives in 2024, including introducing the policy to five strategic suppliers, integrating sustainable

procurement criteria across all stages of the procurement process, and conducting in-person ESG audits for two suppliers. Additionally, we aim to align ESG audits with our ISO 9001 standards, fostering continuous improvement and collaboration with suppliers to achieve mutual sustainability goals.

Through these actions, we ensure that our procurement practices actively support our overall commitment to sustainability and responsible business conduct.

## Code of Conduct

Mechanisms for identifying concerns about unlawful behavior include external initiatives like signed CoCs with strategic suppliers and ISO 14001 environmental management system reviews. DAFA aims to live in harmony with its surroundings, actively reducing environmental impact through energy management, sustainability commitments, and compliance with statutory environmental requirements.

As a member of the UN Global Compact, DAFA observes principles in human rights, labor, climate action, and anti-corruption, incorporating them into strategies, policies, and procedures.

The Code of Conduct is part of supplier agreements, ensuring adherence through regular audits and assessments, with termination possible in case of non-compliance.

The Code of Conduct has been added to the supplier quality agreement, which must be signed by the strategic suppliers. None of these audits or assessments have given rise to the cessation of cooperation in the financial year 2024.







# ESG DATA AND ACCOUNTING POLICIES



# ESG DATA AND ACCOUNTING POLICIES

## ESG key figure overview | Page 16

### CO2 e, Scope 1:

**Company Cars:** Volume of diesel and gasoline used overall

**Gas for technical installations in factory site:** Volume of natural gas used

### CO2 e, Scope 2 (location based):

**District heating:** MWh used based on data from providers

**Electricity:** MWh used based on data from providers

**Own solar electricity production:** MWh based on data from direct reading (app/el-meter)

### CO2 e, Scope 2 (market based):

**District heating:** MWh used based on data from providers

**Electricity:** MWh used based on data from providers

**Electricity from renewable sources**

**purchased with certificates:** MWh used based on data from providers

**Own solar electricity production:** MWh based on data from direct reading (app/el-meter)

### CO2 e, Scope 3:

**Category 1:** Purchase: Based on purchased quantity in DKK in all DAFA sites (Spend-based Method)

**Category 2:** Capital Goods: Based on Capital Goods quantity in DKK in all DAFA sites (Spend-based Method)

**Category 3:** Fuel- and energy-related activities: Based on data from scope 1 and 2 (Activity-based Method)

### CO2 e, Scope 3:

**Category 4:** Upstream Transportation: Based on quantity in DKK (Spend-based Method) and supplier-based data

**Category 5:** Upstream Waste: Based on quantity in Kg (Average-based Method)

**Category 6:** Business Travel: Based on cost in DKK (Spend-based Method)

**Category 7:** Employee Commuting: Based on estimates on FTE (Average-based Method)

**Category 9:** Downstream Transportation: Based on quantity in DKK (Spend-based Method) and supplier-based data.

**Category 12:** Downstream Waste – End-of-life: Based on Quantity sold

### Energy consumption:

Overall energy consumption in scope 1 and 2 in MWh converted to GJ.

### Water consumption:

All water consumed based on data from direct reading

### Renewable energy share:

Own solar energy production +  
Purchased certified electricity from renewable sources / Overall energy consumption in Scope 1 and 2

### Full time workforce, average total:

Full time equivalents + temporary workforce

### Employee turnover ratio:

Voluntary + involuntary leavers FTE / Total FTEs

### Sickness absence:

Number of sick days for all own FTEs / Total FTEs

### Customer retention rate:

Number of customers at the end of the period – new customers who have joined in the period / number of customers at the beginning of the period

### Boarder gender diversity:

Female board members elected by the general meeting /  
All board members elected by the general meeting

### COC commitment (suppliers):

Strategic suppliers that have signed the COC /  
total amount of strategic suppliers

### COC commitment (employees):

Employees that have signed the COC /  
total amount of employees

# ESG DATA AND ACCOUNTING POLICIES

## DAFA GO GREEN Goals | Page 17

### 50% reduction of CO2 by 2025 by production hour:

CO2 e, Scope 1 + CO2 e, Scope 2 (market based) / overall production machine hours

### 100% renewable energy consumption by 2030:

Own solar energy production + Purchased certified electricity from renewable sources / overall energy consumption in Scope 1 and 2

### 90% local sourcing\* of raw materials by 2025:

Procured volume from site origin region / overall site procured volume

\*Local sourcing is categorized based on regions, e.g. Europe, Asia, Americas.

### 50% of our waste is recycled by 2030:

Amount of waste sorted for recycling / total amount of waste

### 30% of DAFA's products comply with EU Taxonomy substantial contribution by 2030:

100 x Total weight of used materials / total use of materials aligned with EU Taxonomy for substantial contribution

## Training and skills development | Page 33-37

### Training hours per employee:

Total numbers of training hours / total number of employees

### Employees who received training:

100 / Total number of employees x blue-collar

### Employees who received training by gender:

Female: Employees who received training x the percentage of female employees

Male: Employees who received training x the percentage of male employees

### Employees who received training by employee category:

Total number of people attending leadership training / Total number of people managers

Total number of people attending global white-collar offered training / Total number of white-collar employees

### Employees who received training by nationality:

Average number of nationalities per training session x 100 / Total number of nationalities in DAFA





# APPENDIX



## APPENDIX 1

## Group Sustainable Procurement Policy

The purpose of this policy is to ensure that DAFA conducts its procurement activities in a manner that supports sustainable development. We are committed to integrating environmental, social, and ethical considerations into our procurement processes and decisions.

This policy applies to all DAFA employees involved in the procurement process, as well as all suppliers, contractors, and subcontractors who provide goods and services to DAFA.

### Environmental responsibility

**Climate change mitigation:** We are committed to significant reductions in our carbon footprint and adopting sustainable practices across all procurement activities. Our Transition Plan includes reducing CO2 emissions by 50% on scope 2 by 2025, achieving 100% renewable energy consumption by 2030, and ensuring that 40% of DAFA's products contain recycled materials by 2025. We will work with suppliers to align with these goals and prioritize those who demonstrate similar commitments.

**Resource efficiency and energy audits:** We will prioritize procurement from suppliers who engage in energy-efficient practices and use renewable energy sources. Regular energy audits will be conducted to optimize energy usage, and we will explore alternative energy sources to diversify our energy mix and decrease reliance on fossil fuels.

**Waste management and recycling:** Suppliers should have policies and practices in place to minimize waste and ensure proper disposal and recycling of materials. We aim to increase waste recycling to 50% by 2030 and encourage suppliers to contribute to this target by implementing robust waste management systems.

**Sustainable sourcing:** We will favor suppliers who demonstrate responsible sourcing practices, including the use of sustainably sourced raw materials and adherence to recognized environmental standards. Our goal is to source 90% of raw materials locally by 2025 to reduce transportation emissions and support local economies.

**Pollution prevention:** Suppliers are expected to comply with all relevant environmental laws and regulations, adopting measures to prevent pollution at the source. This includes using cleaner production techniques and materials, managing waste responsibly, and protecting water bodies and soil from contamination.

### Social responsibility

**Respect for human rights:** DAFA is committed to respecting human rights in all our operations and business relationships. Our Human Rights Policy applies to all employees who are expected to uphold our human rights standards and comply with all relevant laws and regulations in the countries where we operate.

**Non-discrimination and harassment:** We strictly prohibit discrimination of any kind based on race, religion, political opinion, gender, age, national origin, sexual orientation, marital status, or disability. Harassment is not tolerated and will be addressed immediately as per our Anti-Harassment Policy. We respect and value diversity, fostering an inclusive environment where all employees feel a sense of belonging and alignment with DAFA's values, regardless of their background.

**Local community engagement:** DAFA actively engages with local communities to understand and address potential human rights abuses related to our projects, such as land grabbing. Our community engagement goes beyond philanthropy, focusing on meaningful communication and collaboration from the project's inception. We support various local initiatives, including contributions to local museums, cancer funds, hospital clowns, and collaborations with universities and job centers.

**Employee health and safety:** We are committed to providing a safe and healthy workplace for all employees. This includes respecting the right to a work-life balance and ensuring all employees are insured and receive occupational health checks as per local terms. Intoxicants are prohibited at work.

## APPENDIX 1

## Group Sustainable Procurement Policy

We maintain open and confidential communication between management and employees, aiming to resolve conflicts promptly. Our safety organization conducts mandatory health and safety training and workplace assessments, with action plans to address identified issues.

**Physical and mental health:** Safety shoes and PPEs are mandatory for visitors in production and warehouse areas, and all workstations are equipped with relevant safety equipment. DAFA also provides guidance on identifying and managing stress, offering resources to support mental health through our health insurance partner. We emphasize the importance of sleep, exercise, and mental health in preventing stress-related issues.

**General employee well-being:** We conduct annual Employee Engagement Surveys to capture feedback on various social matters, including work-life balance, work performance, and experiences of harassment. Results are treated anonymously and used to develop action plans for continuous improvement.

**Diversity and inclusion:** Our recruitment processes aim to drive diversity and inclusion by ensuring the team composition reflects a balance of gender, generation, and educational backgrounds. All people managers and HR professionals are briefed on our Global Recruitment Policy and diversity guidelines.

**Remuneration, working hours, and social benefits:** DAFA offers fair and transparent compensation, reflecting individual performance and the requirements of each position. We ensure that employees receive a living wage and maintain a work-life balance. Flexible working arrangements are available, and all employees are locally provided with fair employment contracts.

**Skill development, knowledge, and employability:** DAFA is committed to the continuous development of our employees. Training is provided when introducing new processes and techniques, and opportunities for professional growth are encouraged.

**Forced labor, child labor, and human trafficking:** DAFA prohibits forced labor, child labor, and human trafficking in all its operations and associated partners. Violations will result in immediate action, including termination of partnerships or employment.

**Grievance procedure:** DAFA has a reporting system for employees to report concerns about misconduct, such as embezzlement, theft, corruption, bribery, fraud, and harassment. The system is confidential and ensures that all reports are investigated thoroughly.

### Ethical Conduct

**Corporate culture and business conduct:** DAFA

is dedicated to fostering a corporate culture rooted in integrity and ethical behavior. All employees involved in procurement are expected to act with honesty and uphold our ethical standards in all business dealings. We promote transparency, accountability, and ethical conduct, ensuring that our workplace is free from discrimination, harassment, and any form of unfair treatment. Open communication is encouraged, and employees can report unethical behavior without fear of retaliation.

**Compliance and training:** Compliance with all applicable laws, regulations, and company policies is mandatory for every employee. To support this, DAFA makes information about these requirements easily accessible through our intranet and Intranet App. We aim to cultivate a workplace where ethical behavior is recognized and rewarded.

**Management of supplier relationships:** Our commitment to ethical behavior extends to our relationships with suppliers. We expect our suppliers to adhere to ethical standards that align with our own, as outlined in our Supplier Code of Conduct. This code specifies our expectations regarding labor practices, environmental impact, health and safety, and overall ethical behavior. We are dedicated to fair, transparent, and competitive procurement processes.



## APPENDIX 1

## Group Sustainable Procurement Policy

Supplier selection is based on objective criteria such as quality, cost, reliability, and ethical practices. Regular assessments ensure ongoing compliance, and non-compliance may result in corrective actions, including termination of the business relationship.

**Prevention and detection of corruption and bribery:** DAFA maintains a zero-tolerance policy towards corruption and bribery. Employees and business partners must not offer, give, receive, or solicit any bribes or unethical inducements. Information about anti-corruption laws and internal policies is readily available to all employees. Starting in 2025, we will provide annual training on these topics. Employees are encouraged to report any suspicious activities or concerns regarding potential corruption or bribery through designated channels such as our Whistleblower system. All reports are thoroughly investigated, and appropriate disciplinary actions, including termination and legal action, are taken against those found in violation of this policy.

**Transparency and reporting:** DAFA is committed to transparency in all business dealings. Suppliers must maintain transparency in their operations and provide accurate, timely information regarding their practices. Regular audits and assessments may be conducted to ensure compliance with our ethical standards.

**Sustainable procurement management**  
**Supplier assessment:** DAFA will conduct due dili-

gence in assessing the sustainability performance of suppliers. This includes presenting the policy at strategic supplier meetings in 2024, ensuring all strategic suppliers are introduced to the present policy by 2025. Our goal is to present the following policy for 5 of our strategic suppliers in 2024.

**Continuous improvement:** We will work collaboratively with suppliers to promote continuous improvement in sustainability practices, offering support and guidance where necessary. Suppliers are expected to develop and implement their own sustainable management focus through relevant policies, targets, actions, etc.

**Training and awareness:** DAFA will provide training and resources to employees involved in procurement to ensure they understand and implement sustainable procurement practices effectively. Our goal is to communicate our Sustainable Procurement Policy internally across global procurement teams and introduce it into procurement practices by 2024.

**Implementation**  
**Integration into procurement processes:** Sustainable procurement criteria will be integrated into all stages of the procurement process, from supplier selection and evaluation to contract management and performance review.

**Supplier engagement:** We will actively engage with suppliers to communicate our sustainability

expectations and collaborate on achieving mutual sustainability goals. Suppliers are expected to develop and implement their own sustainable management focus through relevant policies, targets, actions, etc.

**Monitoring and reporting:** DAFA will monitor and report on the progress of our sustainable procurement initiatives, including supplier performance and compliance with this policy. We will initiate audits on our suppliers to review their sustainability efforts, starting with targeting in-person audits at two suppliers within 2024. Additionally, ESG audits will be aligned with our 9001 audits.

**Review**  
This policy will be reviewed annually to ensure its relevance and effectiveness in promoting sustainable procurement. Updates will be made as necessary to reflect changes in regulatory requirements, industry best practices, and organizational goals.

This policy will be reviewed annually by the Top Management.

**Mads Kirkegaard**  
CEO, DAFA Group



## APPENDIX 2

## Group Environmental Policy

At DAFA, we stand at the forefront of recognizing the urgent need to address climate change and its far-reaching consequences. As stewards of sustainability and corporate responsibility, we have crafted a comprehensive Environmental Policy, aligning our actions with our commitment to safeguarding the planet for current and future generations.

### Our commitment to sustainability

Central to our corporate ethos is a dedication to significant reductions in our carbon footprint and the embrace of sustainable practices across all facets of our operations. The Environmental Policy serves as a blueprint for achieving these ambitious goals, charting a course towards a more sustainable future for both DAFA and the wider global community. To gain deeper insights into our environmental progress and ongoing improvements, we encourage all to explore our annual ESG report on our website.

This comprehensive document highlights the strides we have made in sustainability and provides a detailed account of our efforts throughout the year.

### Transition plan for climate change mitigation

At DAFA, we recognize the critical importance of addressing climate change and mitigating its impact on our planet. As part of our commitment to sustainability and corporate responsibility, we

have developed a comprehensive Transition Plan for climate change mitigation.

As part of our overarching environmental goals, we are committed to significant reductions in our carbon footprint and the adoption of sustainable practices. Our Transition Plan for climate change mitigation outlines key steps to achieve these objectives, ensuring a more sustainable future for DAFA and the planet.

To ensure progress and adherence to our goals, we have launched DAFA Go Green, an action plan tailored to address the most critical Environmental, Social, and Governance (ESG) areas. This plan is updated annually in alignment with our double materiality assessment, reflecting our commitment to continuous improvement.

Regular development meetings are held quarterly to review progress and identify areas for further enhancement. Through DAFA Go Green, we aim to:

- Reduce CO2 emissions by 50% by 2025, measured by production hours.
- Achieve 100% renewable energy consumption by 2030.
- Increase waste recycling to 50% by 2030.

- Ensure that 40% of DAFA's products contain recycled materials by 2025.

- Source 90% of raw materials locally by 2025.

Through these efforts, we strive to lead by example in combating climate change and creating a more sustainable future for generations to come.

**Our goal** is to once a year, align our double materiality assessment with our DAFA Go Green action plan, to ensure progress.

### Actions and resources in relation to climate change policies

Our policy on the Transition Plan for climate change mitigation is a central component of our overarching environmental strategy. This plan is designed to coordinate and manage our actions and resources in relation to climate change policies. To ensure progress, it is crucial to integrate capital expenditures (CapEx) and operating expenses (OpEx) into our annual budgeting process, encompassing all departments, not just ESG.

Our Transition Plan for climate change mitigation focuses on identifying and implementing actions that reduce our organization's climate impact.



## APPENDIX 2

## Group Environmental Policy

This includes investments in energy efficiency, renewable energy sources, emission-cutting technologies, and sustainable practices across our supply chain and operational processes. We will also prioritize awareness and education among our employees to foster a culture of sustainability and environmental consciousness.

**Our Goal** in 2024 is to develop our new Environmental Policy and ensure that it will be an integrated part of our work with environmental actions.

### Targets related to climate change mitigation and adaptation

Our Environmental Policy prioritizes the development of a Transition Plan to address climate change. A crucial aspect of this plan is setting targets for reducing energy consumption and greenhouse gas (GHG) emissions at a high level. We aim to ensure that our actions align with emission and energy consumption goals, considering realistic objectives.

We focus our efforts on areas where we can make the most significant impact. This means our initiatives target Scope 2 emissions and the relevant categories within Scope 3 that we have influence over. These categories include procurement, transportation, end-of-life, and operational waste.

**Our goal** in 2024 is to revise our existing goal of 40% of DAFA's products contain recycled materials by 2025. This updated target will ensure our

efforts address the initiatives necessary to reduce our impact within Scope 3.

### Energy consumption and mix

In our endeavor to address climate change, one crucial aspect we are focusing on is the Transition Plan for climate change mitigation. Energy consumption and mix stand out as pivotal, constituting a significant portion of our climate impact that we can influence. We believe it's imperative for both our suppliers and customers to shoulder responsibility in this effort. Therefore, we emphasize responsible resource and energy usage, alongside conducting energy audits and exploring alternative energy sources.

As part of our commitment to sustainable practices, we conduct regular energy audits to assess and optimize our energy usage. These audits help identify areas where we can improve efficiency and reduce our carbon footprint. Additionally, we actively explore alternative energy sources to diversify our energy mix and decrease reliance on fossil fuels. By investing in renewable energy technologies such as solar, wind, and hydroelectric power, we aim to transition towards a more sustainable energy future.

**Our goal** for 2024 is to conduct an energy audit in Poland.

**Gross scope 1, 2, 3 and total GHG emissions**  
At DAFA, we are committed to transparency and

accountability in reporting our greenhouse gas (GHG) emissions. This includes comprehensive tracking and reporting of our Scope 1, Scope 2, and Scope 3 emissions to ensure we are making measurable progress in our climate change mitigation efforts.

This policy applies to all levels of our operations and covers Scope 1 emissions, which are direct GHG emissions from sources owned or controlled by the company; Scope 2 emissions, which are indirect GHG emissions from the consumption of purchased electricity, steam, heating, and cooling; and Scope 3 emissions, which are all other indirect GHG emissions that occur in the value chain of DAFA, including both upstream and downstream emissions.

**Our goal** is to improve and develop on how we ensure higher validation of our Scope 3 data.

### Potential financial effects from material physical and transition risks and potential climate-related opportunities

DAFA acknowledges the importance of addressing climate change and adapting our business model accordingly. One of the key challenges we face is reducing our reliance on fossil fuels, as our primary raw materials are deeply connected to them.

## APPENDIX 2

## Group Environmental Policy

To address the potential financial impacts of material physical and transition risks and identify climate-related opportunities, we are actively exploring alternatives within the circular economy and investigating materials derived from bio-oil.

We are seeking alternative materials such as bio-based products and the circular economy to diminish our dependence on fossil fuels. This involves identifying and integrating sustainable solutions into our supply chain and production processes. We are investing in research and development of new materials that can replace traditional fossil fuels while maintaining or enhancing the quality and performance of our products.

**Our goal** in 2024 is to align our Procurement Policy to actively engage with our suppliers regarding alternative raw materials.

### Policies related to pollution

Our company is committed to minimizing environmental impact and promoting sustainable practices. This policy outlines our approach to managing and reducing pollution in all aspects of our operations. This policy applies to all employees, contractors, and stakeholders involved in our operations.

We recognize the importance of preventing pollution to protect human health and the environment. To achieve this, we are committed to the following principles:

#### 1. Compliance and prevention:

We will comply with all relevant environmental laws and regulations and adopt measures to prevent pollution at the source, including the use of cleaner production techniques and materials.

#### 2. Waste and emissions management:

We aim to reduce waste through recycling and reusing materials and will safely manage and dispose of hazardous waste.

#### 3. Water and soil protection:

We will prevent contamination of water bodies and soil by managing chemicals and waste responsibly and ensuring water usage.

Responsibilities for pollution prevention will be assigned within the organization. We will conduct training for employees, monitor progress through audits, and engage with stakeholders to support pollution prevention initiatives.

**Our goal** is to gain an understanding of our waste and utilization levels.

### Review

This policy will be reviewed annually to ensure its relevance and effectiveness. Updates will be made as necessary to reflect changes in regulatory requirements, industry best practices, and organizational goals.

This policy will be reviewed annually by the Top Management.

**Mads Kirkegaard**  
CEO, DAFA Group



## APPENDIX 3

## Group Labor and Human Rights Policy

At DAFA, we are committed to respecting human rights in our operations and business relationships. We believe that human rights are inherent, universal, indivisible, and interdependent and that we have a responsibility to avoid breaking the human rights of others and to address any adverse human rights impacts we may cause or contribute to.

Our Human Rights Policy applies to all our employees. We expect them to respect our human rights standards and to follow all relevant laws and regulations in the countries where we operate.

DAFA complies with international and local laws and regulations: ILO Conventions, The Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, and the UN Guiding Principles of Business and Human Rights as a responsible member of the UN Global Compact.

### Non-discrimination and harassment

No discrimination of any kind based on race, religion, political opinion, gender, age, national origin, sexual orientation, marital status, or disability is allowed. All types of harassment are prohibited and will be eliminated immediately according to our Anti-harassment policy.

DAFA acknowledges the differences between people and respects those differences. Diversity areas considered are gender, disability, ethnicity,

sexual orientation, religion, and age. DAFA can integrate different people into the company so that they all have a feeling of belonging and can relate to DAFA's values regardless of their background. Inclusion areas we consider are ethnicity, gender, sexual orientation, educational background, and personality types.

**Our goal** is to reduce the percentage of employees who in our January 2024 Employee Engagement Survey answered that they have experienced undesirable behavior by colleagues in the past year (such as verbal aggression, physical abuse, sexual harassment, bullying, discrimination, etc.). We want to reduce the answers: regularly from 2% to 0% and occasionally from 22% to 11%.

### Freedom of association

At DAFA, freedom of association is the fundamental human right that allows all employees to organize themselves and identify representatives to connect with company leadership.

This means ensuring direct consultation and communication is possible between employees and executives, ensuring employees are free to join trade unions and engaging them for structural dialogue.

Freedom of association ensures that the intimidation of and discrimination against union members or employee representatives is reduced

or prevented.

### Local community engagement

Local community engagement looks at the impact of projects on communities. It is more in-depth than philanthropy, which focuses on charitable acts. Local community engagement involves communication and collaboration with local communities from the beginning of the project to identify potential human rights abuses such as land grabbing. DAFA participates in several charitable and supporting local communities' activities.

### Employee health and safety

We offer a safe and healthy workplace for everybody working in DAFA. We respect an employee's right to balance private and professional life. This helps us to attract and retain competent people. All employees are insured, and we provide occupational health checks to our employees according to local terms. We do not allow the use of any intoxicants at work.

In DAFA, we believe that confidential relationships between management and personnel, the free flow of information, and good cooperation form an important basis for successful management of the business. The starting point for good cooperation is to attempt to resolve all conflicts as soon as possible and at the level where they arise.



## APPENDIX 3

## Group Labor and Human Rights Policy

To ensure a good working environment, DAFA's safety organization carries out mandatory health and safety training and a workplace assessment every 3 years. Based on the result, the safety organization prepares an action plan to remedy the problems that may have been identified.

**Our goal** is that 100% of our employees feel that the health and safety regulations are communicated clearly. This will be measured in our January 2024 Employee Engagement Survey. If the outcome of the feedback is that the employees disagree or strongly disagree that the regulations are communicated clearly, corrective actions will be taken, and new measures will be taken in 2025.

### Physical health

- To protect themselves and be visible, all employees must use safety shoes when moving around in production and in the warehouse. In addition, all visitors must use safety shoes and wear a reflective vest in production and in the warehouse. The DAFA employee who shows guests around must also wear a reflective vest and use safety shoes. At the entrance to the production, there are both safety shoes and reflective vests, which can be used. All workstations in the production are equipped with relevant safety equipment such as gloves, goggles, lifts, etc. to minimize the risk associated with the operation of machinery, the management of hazardous materials, and lifting or moving heavy items.

### Mental health

- DAFA provides guidance on how to identify and react to long-term stress within employees and coworkers. At DAFA, stress is defined as a state of physical and mental overload. Stress can occur when external demand or the individual's own demands exceed the resources available. It is described as a step-by-step guide to address mental health issues from naming the risk to seeking medical advice and help.

- DAFA supplies resources to prevent stress by strengthening employees' mental health via a health insurance partner. Several topics are addressed here to prevent and guard employees against stress and eventual mental health issues. Stress-related subjects here are sleep, exercise, movement, and mental health. These subjects are detailed and explained on the freely available platform, applying tips and guidance.

### General employee well-being

- Every year DAFA conducts an Employee Engagement Survey helping the company to capture the voice of all employees across countries, focusing on different social matters, for example: work-life balance, work performance, and enjoyment, workload, harassment, mobbing, verbal abuse, etc. All employees are invited to take part in the survey, and DAFA highly encourages employees to make their voices heard. All results are treated anonymously to supply safety in giving feedback at DAFA.

We work with the survey results by communicating the results of the reports to everybody. Each manager handles working on the results with the respective team, making concrete action plans to be executed in the coming year.

### Diversity and inclusion

Each recruitment process will contribute to driving our diversity & inclusion agenda for team composition:

- Max. 85% of team members with the same gender
- Max. 85% of team members from the same generation
- Max. 85% of team members from the same educational/disciplinary background

Functional teams must reach a minimum of one of the three demographic factors. Candidate application review for shortlisting considers team composition gaps. This may not be excluding. In the candidate pool for selection, it is expected to have people represented from the diversity groups.

All people managers and HR professionals in DAFA must be briefed on the Global Recruitment Policy incl. the diversity and inclusion guidelines.

## APPENDIX 3

## Group Labor and Human Rights Policy

Agencies are to be briefed on the diversity and inclusion agenda, criteria, and team composition gaps for the specific position(s).

**Our goal** is to start reporting on team diversity to the management board as part of the Global HR process called Organizational Review at the end of each year and based on the above principles.

### **Remuneration, working hours, and social benefits**

DAFA offers fair and transparent rewards to its employees at all levels. Salaries are based on applicable laws in accordance with specific practices in given countries. The salary level reflects the individual performance and the requirements of the position as well as specified competence demands.

The performance targets are mutually agreed upon in annual structured performance appraisal and competence evaluation discussions, which enable all employees to influence their reward through excellent performance.

To provide workers with a decent living DAFA considers the wages and ensures that all employees have an adequate income on a fixed payment schedule. DAFA ensures work-life balance, rest periods, and flexible work options and pays for overtime in relation to working hours. Further,

DAFA considers employment conditions as we provide fair employment contracts and use a fair recruitment process in accordance with our Global Recruitment Guidelines.

For the sake of the work rhythm in production, it may be right for some functions and departments to adapt the flexible working hours accordingly. This is agreed individually within the individual departments and will appear in the employment contract.

The regular working hours for white-collar employees are according to local legislation.

In DAFA, it is possible to take a home-working day for our white-collar workers if they have a task that is best solved from home, or if something else means that they need to work from home. The home-working day must be agreed upon with the immediate manager and noted in the Outlook calendar.

Our goal is to ensure that 100% of employees across the organization earn a living wage both for current and future employees. Mandatory time registration for all employees across DAFA ensures we live up to the EU legislation of number of working hours.

### **Skill development, knowledge, and employability**

As an employee of DAFA, one must take part actively in the information process, both when it comes to receiving and giving information.

DAFA strives towards respectful and proper communication, both internally between colleagues, but also when we communicate with customers, business partners, suppliers, etc.

We do not tolerate harmful or conflict-causing communication, either verbally or in writing. We expect employees to solve current issues proactively and constructively, along with the immediate manager.

Besides compliance with regulatory requirements, DAFA upholds a range of ethical principles such as keeping its employees safe and empowering their development.

In DAFA, training is supplied for workers when introducing new processes and techniques or to refresh knowledge on existing skills. This ensures that employees grow in their roles and responsibilities within the company.

## APPENDIX 3

## Group Labor and Human Rights Policy

A competent and motivated workforce is key to DAFA's success. Employees are provided with continuous learning opportunities. This ensures employee growth while maintaining a happy, unified, and well-trained workforce.

**Our goal** is to reach a target of the benchmark score of 7,6 on the question "I am satisfied with my development opportunities" in our January 2024 Employee Engagement Survey compared to our 6,7 score in January 2023.

**Forced labor, child labor and human trafficking**  
Forced labor, child labor, and human trafficking is forbidden in DAFA and all associate partners of DAFA.

- Human trafficking: This involves the use of violence, threats or coercion to transport, recruit, or harbor people to exploit them for commercial gain.
- Forced labor: This involves any work or services that people are forced to do against their will or under the threat of punishment.
- Child labor: This is when a child is exploited for someone else's gain. Child employment is forbidden in DAFA.  
The practices will be addressed, and a short

deadline will be given to bring the matter in order. If the practice persists, termination of the partnership would take place. If the practice takes place in DAFA, the party responsible will be dismissed from their duties.

### Grievance procedure

DAFA has a reporting system where all DAFA employees can quickly and easily report concerns about actual or suspected misconduct that can affect DAFA or the well-being of people.

Such as: Embezzlement, theft, corruption, bribery, fraud, forgery, conflicts of interest, extortion, misuse of inside information, irregularities concerning accounting and auditing, disclosure of incorrect or misleading information to public authorities, physical violence, and sexual abuse.

The reporting system may not be used to make false accusations against others, and altogether, deliberate untrue information may not be reported, according to our Whistleblower Policy.

**Our goal** is to ensure that 100% of employees have an opportunity to raise a concern. Currently, 75% have access, and we aim to close the remaining 25% gap by 2025 through the local translation of procedures and processes.

### Disciplinary action

If personnel should fail to comply with this policy or Anti-Corruption Laws, the employee will be subject to disciplinary action up to and including termination of employment or other relationship with the company. Restitution could also be required, and civil or criminal action against individual personnel could be warranted.

If personnel are involved in or aware of a situation they believe may violate or lead to a violation of this policy, they must ask for guidance from their manager or other personnel in a superior position.

### Review

This policy will be reviewed annually to ensure its relevance and effectiveness. Updates will be made as necessary to reflect changes in regulatory requirements, industry best practices, and organizational goals.

This policy will be reviewed annually by the Top Management.

**Mads Kirkegaard**  
CEO, DAFA Group





## APPENDIX 4

## Group Ethics Policy

DAFA is committed to maintaining the highest standards of ethics and integrity in all our business operations. This Ethics Policy outlines our principles and guidelines for corporate culture and business conduct, management of relationships with suppliers, and the prevention and detection of corruption or bribery.

### Corporate culture and business conduct policies

At DAFA, we are dedicated to fostering a corporate culture rooted in integrity and ethical behavior. Every employee is expected to act with honesty and uphold our ethical standards in all business dealings. We believe in creating a culture of transparency and accountability, where ethical conduct is the norm and any behavior compromising these values is unacceptable.

We are committed to respecting and valuing the diversity of our workforce. Our workplace must be free from discrimination, harassment, and any form of unfair treatment. We strive to create a positive work environment where open communication is encouraged, and employees can report unethical behavior without fear of retaliation.

Compliance with all applicable laws, regulations, and company policies is mandatory for every employee. To support this, we inform about this by making the information easily accessible to all

colleagues. In pushing this information through our DAFA Intranet and Intranet App we make sure employees are well-informed and adhere to these requirements.

**Our goal** is to cultivate a workplace environment where ethical behavior is recognized and rewarded.

Management of relationships with suppliers  
Our commitment to ethical behavior extends to our relationships with suppliers. We expect our suppliers to adhere to ethical standards that align with our own, as outlined in our Supplier Code of Conduct. This code specifies our expectations regarding labor practices, environmental impact, health and safety, and overall ethical behavior.

We are dedicated to fair, transparent, and competitive procurement processes. Supplier selection is based on objective criteria such as quality, cost, reliability, and ethical practices. To ensure ongoing compliance, we regularly assess our suppliers. Non-compliance with our standards may result in corrective actions, including the termination of the business relationship.

Our goal is to create our Sustainable Procurement Policy in line with our management of relationships with suppliers.

### Prevention and detection of corruption or bribery

Description of how we see prevention and detection of corruption.

DAFA maintains a zero-tolerance policy towards corruption and bribery in any form. Employees and business partners must not offer, give, receive, or solicit any bribes or unethical inducements. To reinforce this stance, we make this information easily available for all employees and are planning in 2025 to annually provide training on anti-corruption laws and internal policies. Employees are encouraged to report any suspicious activities or concerns regarding potential corruption or bribery.

We have established robust mechanisms for monitoring compliance with our anti-corruption policies. Employees can report violations or concerns through designated channels, such as our Whistleblower system. All reports of potential corruption or bribery are thoroughly investigated, and appropriate disciplinary

actions, including termination and legal action, are taken against those found in violation of this policy.

## APPENDIX 4

## Group Ethics Policy

**Our goal** in 2024 is to prepare to start documenting on provided training to all employees on internal policies.

### Acknowledgment

Adhering to this Ethics Policy is fundamental to maintaining the trust of our stakeholders and upholding DAFA's reputation. We are dedicated to fostering an ethical culture and ensuring that our business practices reflect our commitment to integrity, transparency, and responsibility.

By following this policy, DAFA aims to maintain the highest standards of ethical behavior, foster positive relationships with suppliers, and prevent and detect corruption or bribery.

### Review

This policy will be reviewed annually to ensure its relevance and effectiveness. Updates will be made as necessary to reflect changes in regulatory requirements, industry best practices, and organizational goals.

This policy will be reviewed annually by the Top Management.

**Mads Kirkegaard**  
CEO, DAFA Group







DAFA



# Responsibility happens in collaboration

DAFA constantly aims for improvements in the whole organization, and we believe that it is our responsibility to handle the impacts of our improvements correctly. We are very aware of our limited size seen from a global perspective, but we know we make a difference in our local business area.

By using UN Global Compact as our overall guideline, we will extend our sustainable business ethics while striving to become a more global company.

We look forward to communicating our progress in the years to come.

