





# OUR COMMITMENT





#### **General Information**

Gromas Maskinfabrik A/S is part of a group consisting of two companies. The parent company is Gromas Holding ApS.

The company consists of two production units:

- Gromas Maskinfabrik A/S, CVRP-nr 1000321718 Located at Spobjergvej 3 A, 8220 Brabrand, DK (Location 1)
- Produktion Torrild, CVRP-nr 1018843419 Located at Præsthøjvej 8, 8300 Odder, DK (Location 2)

### **NACE Sector Code**

255300 - Machining of metal

This code indicates that the company is engaged in the processing and machining of metal products, including welding, CNC machining, assembly, and similar machine manufacturing activities.





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# DEAR READER

Søren Agerbæk, CEO



We are proud to present our first ESG report. In this report, we bring together our initiatives and the key data that help us strengthen our work with sustainability. We have taken the first steps, and although the report is not yet fully comprehensive, we believe that the most important thing is to get started.

The report documents our efforts to run a responsible business and supports us in making the right decisions for the future.

# **Challenges in Unpredictable Times**

2024 was a year marked by challenges and global unrest that impacted raw material prices and supply chains, while we also faced rising energy costs and economic uncertainty.

As a metalworking company, we have felt these fluctuations, but we have also recognized the importance of working purposefully with efficiency, resource optimization, and sustainable solutions.

## Sustainability in Practice

For us, sustainability is not just about responsibility
— it is also an opportunity to create long-term value.

We see ESG as a natural part of our business, because we want to take responsibility for our materials, energy consumption, and the well-being of our employees.

We understand that our industry has a role to play in the green transition, and we will continue to seek practical and realistic solutions that benefit both our company and our customers.

We hope this report offers a valuable insight into our efforts, and we look forward to continuing our sustainability journey in the years to come.

### Our Efforts in 2024

We are committed to actively contributing to the green transition — both within our own company and across the industry we are part of. We see it as our responsibility to use resources wisely, reduce waste, and find smarter ways of working.

ESG has become a natural part of our daily operations, and with this report, we aim to provide a clear picture of what we have already achieved and where we can continue to improve.

### **Economy and the Future**

Despite a challenging year, we have managed to remain financially stable and deliver solid results. As we look ahead to 2025, we maintain a strong ambition to further strengthen our sustainability initiatives and to find solutions that benefit our company, our customers, and the environment alike.

# ABOUT GROMAS



Gromas is your reliable partner in the development and production of metal components for the Food, Pharma, Offshore, and Defence industries. With deep technical expertise, strong project management, and comprehensive certifications, we create the ideal conditions for delivering top-quality products.

We have over 40 years of experience working in demanding and corrosive environments and are experts in precision chip-forming machining, welding, and assembly of metal components.

Through close collaboration with our customers, we have developed a solid understanding of the specific requirements and standards of each industry we serve.

## **Quality at Every Stage**

We ensure full traceability of all materials in our production, allowing them to be tracked throughout their entire lifecycle. With our experience in development, design, and product maturation, we maintain a constant focus on optimization to deliver the best possible end product to our customers.

Our quality management system is certified according to ISO 9001, ensuring that we consistently meet our customers' expectations — in terms of quality, delivery time, and cost.

### **Our Most Important Resource - People**

Our business is built on professional expertise, close collaboration, and skilled guidance. We know that dialogue is just as important as technical equipment, and that even the most advanced CNC machines cannot deliver results without talented people behind them.

Through trust, transparency, and strong competencies, we develop the best solutions in close partnership with our customers.

We believe that a trust-based collaboration is key to building the strongest partnerships.

Our values are the foundation — and our customers' guarantee — of a rewarding partnership.

We believe in our competencies, stand behind the work we do, and focus on building trust through close dialogue and collaboration. In other words, achieving optimal machine performance requires strong teamwork.

### **Environment and ESG**

At Gromas, we see ourselves as an environmentally conscious company striving to carry out our work with the least possible environmental impact.

We have developed an environmental policy as well as an ESG and sustainability policy that help us meet our environmental objectives. These are focused on minimizing our impact on nature and the environment, while continuously improving our environmental performance.

We are ISO 14001 certified and, of course, comply with environmental legislation and other environmental requirements from, for example, our customers.

We actively participate in the green transition by optimizing our processes, reducing waste, and ensuring more efficient use of resources.

Our ESG report provides insight into our efforts and documents the specific initiatives we implement to minimize our environmental footprint and promote responsible business practices.



# HOW DO WE WORK WITH ESG

At Gromas, we work strategically with ESG as an integrated part of our business and value chain. Our ESG report documents our efforts and helps us build a more sustainable and responsible business – for ourselves, our customers, and the society around us.

# VSME – Our Framework for Responsibility and Value Creation

(VSME: Voluntary Standard for Micro, Small and Medium-sized Enterprises)

To ensure a holistic and long-term approach, we use the extended VSME model as the overall framework for our ESG strategy. VSME links our sustainability efforts with business value creation and social responsibility:

#### Value Creation

How we as a company create value for customers, employees, partners, and society – through quality, collaboration, and accountability.

## Social Responsibility

Our social responsibility – both internally in terms of employee well-being and leadership, and externally through our contributions to society and support for the UN Sustainable Development Goals.

#### Environment

Our efforts to reduce climate and environmental impacts through energy efficiency, circular practices, responsible transportation, and waste management.

### Economy

Our ability to run a healthy, transparent, and resilient business with strong governance, risk management, and compliance.

VSME serves as a holistic framework that ensures our ESG efforts are rooted in both business and societal objectives. It forms the foundation for the initiatives and targets outlined in this report.

# Materiality Assessment and Prioritized ESG Areas

To ensure that we focus on the most relevant areas, we have conducted a materiality assessment. This involved analyzing how Gromas impacts the environment, society, and stakeholders – and how the external world impacts us. The assessment was carried out based on the CSRD and the associated ESRS standards, which ensure consistent and comparable reporting across the EU. The assessment was conducted in three stages:

### 1. Understanding Our Impacts

We have mapped our environmental, social, and governance footprints across the entire value chain and listened to our key stakeholders.

#### 2. Identification of Focus Areas

We have assessed both positive and negative impacts and analyzed where we can make the greatest difference.

## 3. Prioritization of Key Action Areas

We have identified the following as our most material areas:

- Energy efficiency
- Resource consumption and circular economy
- Employee well-being and development
- Customer relations and behavior
- Governance structure, ethics, transparency, policies, and actions.

### Reporting Frameworks and Climate Data

Our CO<sub>2</sub>e accounting follows the GHG Protocol and includes Scope 1, 2, and partially Scope 3.

In this first ESG report, we have chosen to focus specifically on our primary material consumption

(metal) and related transportation within Scope 3, as these areas represent the majority of our environmental impact.

We actively engage with ESG and sustainability to manage the most significant risks related to climate, environment, employee conditions, and our value chain. Our management conducts an annual risk assessment, where material risks are translated into concrete action plans.

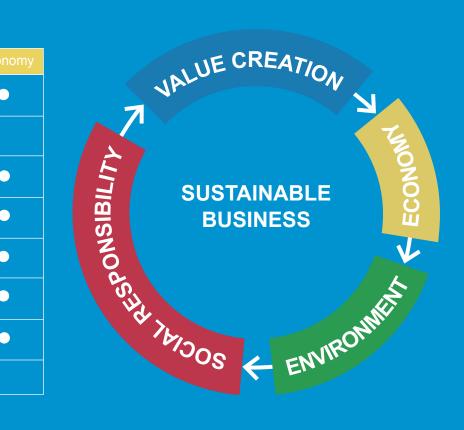
But sustainability is not only about minimizing risks – it's also about meeting new expectations from customers and partners. That's why we view ESG as a strategic opportunity to strengthen our competitiveness and create value through responsibility.

In the following chapters, we present our efforts and results within climate, social responsibility, and good corporate governance – structured according to the ESG framework and guided by the VSME model as the underlying logic.



# **VSME Overview Model**

ESG Focus Area	Value creation	Social Responsibility	Environment	Economy
ESG Policy and Business Model	•	•	•	•
UN Sustainable Development Goals	•	•	•	
Employee Well-being and Development	•	•		•
CO <sub>2</sub> e Accounting and Environment	•	•	•	•
Circularity and Waste Management	•	•	•	•
Code of Conduct and Governance Structure	•	•		•
Risk Analysis and Governance Data	•	•		•
Social Data and Inclusion	•	•		





In both 2023 and 2024, the largest number of employees were in the age group between

> 50-59 YEARS

Energy consumption decreased by

5%

from 2023 to 2024

In 2024, we emitted

4,85 KG CO<sub>2</sub>e

per every kilogram of metal consumed

3 WOMEN AND 44 MEN

Our energy consumption consists of

100%

renewable energy

We are certified to

ISO 14001 ISO 9001

standards

98%

of our metal chips are recycled

In 2024, we emitted

0,094 KG CO<sub>2</sub>e

per every DKK of turnover

In 2024, emissions from purchased goods represented

87%

of our total CO<sub>2</sub>e footprint

Driving in company-owned vehicles was reduced by

26%

from 2023 to 2024

We had

0

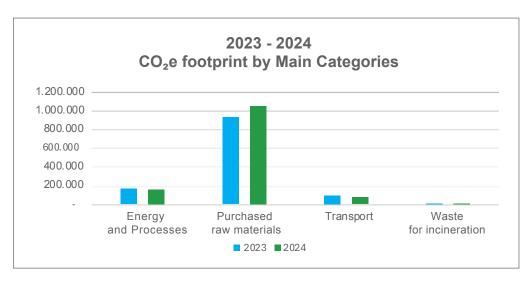
work-related accidents in both 2023 and 2024

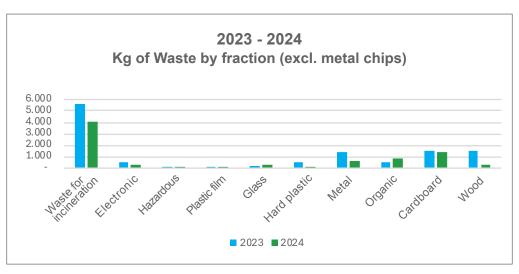
CO<sub>2</sub>e emissions from waste for incineration were reduced by

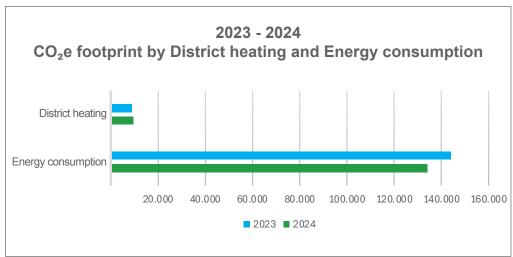
20%

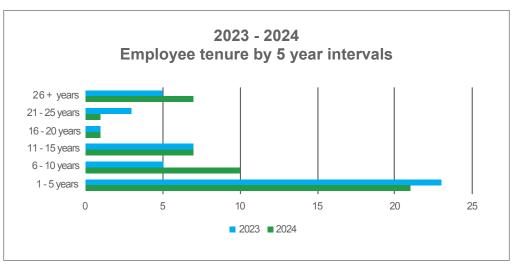
from 2023 to 2024

# VISUAL KEY FIGURES 2023 - 2024









# ESG AND SUSTAINABILITY POLICY

Gromas is committed to integrating sustainability throughout our entire value chain – environmentally, socially, and in governance – in compliance with applicable legislation, international principles, and customer expectations.

This policy forms the overall framework for our ESG work and serves as the foundation for specific goals and initiatives, which are reviewed annually.

#### Environmental

- We continuously measure and reduce our CO<sub>2</sub>e
  emissions in accordance with recognized methods
  and targets.
- We improve the energy efficiency of our machinry and production lines as part of our climate commitment.
- We choose materials with a focus on resource efficiency and environmental impact.
- We manage waste responsibly and follow the principles of the circular economy.

#### Social

- We ensure a healthy and safe working environment and promote strong employee well-being.
- We support quality education and ongoing professional development for our employees.
- We promote diversity and inclusion at all levels of the organization.
- We respect human rights and act responsibly toward both customers and society.

#### Governance

- We have zero tolerance for unethical or illegal business conduct.
- We maintain a clear and transparent governance structure with well-defined lines of responsibility
- We engage in responsible customer relationships and partnerships that reflect our values.

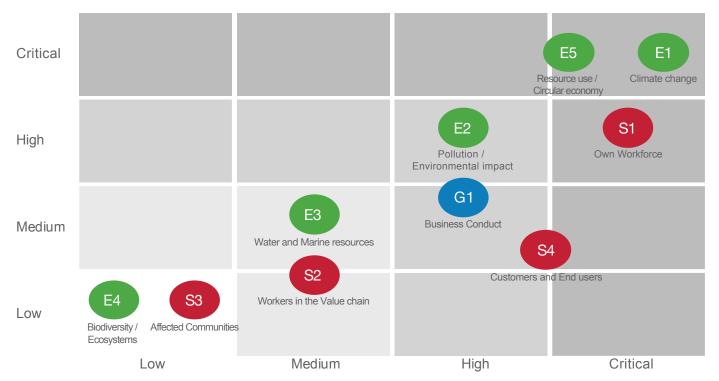




# DOUBLE MATERIALITY ASSESSMENT

## Impact materiality

(how do Gromas' actions affect the world around it)



Financial materiality

(how does the external environment affect Gromas' business)

We have conducted the Double Materiality Assessment in accordance with the requirements of the ESRS. This means we have evaluated both:

- Financial Materiality (X-axis)
   How sustainability matters affect Gromas' business.
- Impact Materiality (Y-axis)
   How Gromas impacts society and the environment.

The topics have been assessed by their degree of materiality using the following scale: Low, Medium, High, Critical.

Based on the Double Materiality Assessment, Gromas has identified a number of significant ESG-related risks and opportunities. These form the basis for our prioritized focus areas and the action plan aimed at strengthening our sustainable development going forward.

In the following sections, we have chosen primarily to address the focus areas rated as High and Critical.

# RISKS AND OPPORTUNITIES WITH ACTION PLAN

# **Environment and Climate**

Key Risks	Negative Impact	Management/ Opportunities	Action Plan
E1 Climate Change	Implementation of energy-efficient     Metal production and processing require     energy and contribute to CO <sub>2</sub> emissions	Optimization of production processes to reduce energy consumption     Implementation of energy-efficient production methods     Use of renewable energy	<ul> <li>Purchase of new energy-saving machinery in 2025–26</li> <li>Optimization of machine utilization</li> <li>Optimization of transport, including to Location 2</li> <li>Continued purchase of renewable energy</li> </ul>
E2 Pollution / Environmental Impact	Discharge of waste, spills, and emissions can negatively impact the environment and lead to stricter regulatory require- ments and increased costs	<ul> <li>Reduce waste and optimize resource use through efficient production processes</li> <li>Ensure proper waste management and recycling of materials</li> <li>Comply with environmental regulations and pursue continuous improvements through ISO 14001 certification</li> </ul>	Strive to optimize resource use when launching new projects     Purchase appropriate materials/quantities to minimize waste     Reevaluate our waste management and partnerships     Continue making improvements through ISO 14001 certification
E5 Resource Use / Circular Economy	High material consumption and waste can lead to increased costs, environ- mental impact, and dependency on scarce resources	<ul> <li>Optimize material use and reduce waste in production</li> <li>Focus on reuse, recycling, and responsible sourcing of raw materials</li> <li>Collaborate with suppliers and customers on more sustainable solutions</li> </ul>	Strive to optimize resource use when launching new projects     Purchase appropriate materials/quantities to minimize waste     Source materials with the highest possible recycled content     Strengthen supplier collaboration around circular economy principles

# **Social Responsibility**

Key Risks	Negative Impact	Management/ Opportunities	Action Plan
S1 Own Workforce	Poor workplace culture, low well-being, and low engagement can lead to high employee turnover, a risk of discrimi- nation or offensive behavior, and an increased risk of workplace injuries	<ul> <li>Create a positive and inclusive work environment through open dialogue, development, and a focus on well-being</li> <li>Uphold labor rights in line with international human rights principles</li> <li>Focus on safety, well-being, and professional development to retain and attract employees</li> <li>Strengthen inclusion and diversity while ensuring compliance with safety procedures</li> </ul>	<ul> <li>Employee well-being survey to be conducted in 2025</li> <li>Professional training courses for continuous development</li> <li>Anonymous reporting channel (whistle-blower scheme) to be implemented</li> <li>Code of Conduct to be implemented</li> <li>Policy on human rights and equal treatment to be developed</li> </ul>
S2 Customers and End Users	<ul> <li>Lack of quality, delays, or failure to meet customer requirements can lead to loss of trust, fewer orders, and damage to the company's reputation</li> <li>Risk of human rights violations in the supply chain can result in customer loss and a breach of trust</li> </ul>	<ul> <li>Ensure high quality through precision work, certifications, and quality control via ISO 9001 (and ISO 14001)</li> <li>Maintain close dialogue with customers to understand their needs and ensure timely delivery</li> <li>Focus on long-term customer relationships and responsible business practices</li> <li>Evaluate suppliers based on ESG criteria, including human rights. Integrate ethical guidelines into the procurement policy</li> </ul>	Supplier overview to be updated with ESG screening     Code of Conduct for human rights in the value chain to be implemented     Procurement policy including ethical guidelines to be developed



# **Good Corporate Governance**

Key Risks	Negative Impact	Management/ Opportunities	Action Plan
G1 Business Conduct	Unclear values, lack of ethics, or violations of the law can damage the company's reputation and lead to a loss of credibility and trust from customers and business partners	<ul> <li>Comply with applicable legislation and ethical guidelines across all business areas</li> <li>Ensure transparency and responsible management through clear policies, internal controls, and a defined governance structure</li> <li>Zero tolerance for corruption and unethical business conduct</li> <li>Strengthen responsible partnerships and customer relationships through an ethical Code of Conduct</li> </ul>	<ul> <li>Update and anchor ethical guidelines</li> <li>Conduct employee sessions on the company's values and ethics, including introduction to the whistleblower scheme and Code of Conduct</li> <li>Management review of the company's governance principles (governance structure, transparency, ethics, and compliance)</li> <li>Development of policies on: <ul> <li>Human Rights</li> <li>Anti-corruption and Ethics</li> <li>Procurement with a focus on responsible supplier requirements</li> <li>Preparation of Code of Conduct (internal /external)</li> </ul> </li> </ul>



# UN SUSTAINABLE DEVELOPMENT GOALS

At Gromas, we have based parts of our sustainability and ESG work on selected UN Sustainable Development Goals.

### SDG #7 - Affordable and Clean Energy

Through energy-saving initiatives, we strive to minimize and manage our energy consumption in both our facilities and production.

Whenever possible, Gromas recycles surplus heat generated from our production systems to improve and increase overall energy efficiency.

We contribute to CO<sub>2</sub> reduction by participating in NRGi Scanenergi's climate initiative VINDenergi, which ensures we use 100% renewable and CO<sub>2</sub>-neutral energy from Danish wind turbines. We also support global CO<sub>2</sub> reduction through the KLIMAskov initiative, which helps combat the loss of biodiversity.

- Goal 7.2: Increase the share of renewable energy in the global energy mix
- Goal 7.3: Double the global rate of improvement in energy efficiency

# SDG #12 – Responsible Consumption and Production

We sort all scrap materials, such as metal chips, so

they can be sold to scrap dealers and recycled for new production at metalworks.

Gromas invests in the collection and repurposing of waste oil for beneficial reuse. We sort waste in accordance with legislation and continuously aim to reduce waste in both our production and administration.

Whenever possible, we prioritize purchasing European stainless steel, which is primarily based on remelted scrap metal. Steel from our largest supplier is made from 95% recycled material.

- Goal 12.2: Achieve the sustainable management and efficient use of natural resources
- Goal 12.5: Substantially reduce waste generation through prevention, reduction, recycling, and reuse

### SDG #4 – Quality Education

Gromas trains new apprentices each year, ensuring they leave with valuable experience and a solid education. Our contribution helps raise the national level of competence within metal machining.

We do not differentiate based on demographic factors when welcoming new employees. We believe that the willingness to learn is the fuel for development.

We collaborate with Aarhus Tech, engaging in mutual dialogue about industry needs and future development.

- Goal 4.3: Ensure equal access to technical and vocational education
- Goal 4.4: Increase the number of youth and adults with relevant skills

## SDG #17 – Partnerships for the Goals

We engage in responsible and transparent partnerships to develop more sustainable solutions.

Our collaboration with suppliers focuses on creating sustainable supply chains, while our customer partnerships promote more environmentally friendly and sustainable choices.

Through a global partnership with EcoVadis, we report our ESG performance and make it visible.

With environmental management certified under ISO 14001, we are able to assess environmental risks and ensure ongoing improvements and reduced environmental impact.

By publishing our GHG Emissions Report, we also provide greater transparency to our partners.

 Goal 17.17: Encourage effective partnerships between public, private, and civil society actors

# **ENVIRONMENT**

### **Environmental Policy and Objectives**

At Gromas, we have an environmental policy that enables us to achieve our environmental objectives. Through this policy, we aim to conserve natural resources and strive to minimize the environmental impact of our business

- Explore new knowledge and technology that ensure improved environmental protection
- Implement initiatives and use products that save energy and water
- Inform employees about how to care for the environment
- Ensure a high level of recycling and minimize waste
- Encourage our suppliers to be environmentally certified/approved or, at a minimum, have an environmental policy

Based on our environmental policy, we have defined the following environmental objectives, focusing on minimizing the impact on the environment and nature, as well as continuously improving our environmental efforts. To fulfill these environmental objectives, Gromas commits to:

- Complying with the requirements of ISO 14001, environmental legislation, and other environmental requirements, such as those from customers
- Sorting metal chips and residual materials as efficiently as possible to achieve the highest possible recycling rate
- Optimizing our processes to use the least amount of energy in the production of components
- Continuously improving deviations and reducing rejections, so that no unnecessary energy is used to produce replacement items
- Coordinating our internal transportation to use the least possible amount of fuel
- Using subcontractors that are environmentally certified, environmentally approved, or at a minimum have an environmental policy



# GHG EMISSIONS REPORT (SCOPE 1, 2, AND 3)

SCOPE 1		2023	2024
Company-owned vehicles CO <sub>2</sub> e footprint from Company-owned vehicles	Km Kg CO₂e	52.000 7.576	38.400 5.903
Oil-fired boiler (*Location 2) CO <sub>2</sub> e footprint from Oil-fired boiler	L Kg CO₂e	8.193 22.031	7.951 21.380
Trucks (Propane) CO <sub>2</sub> e footprint from Trucks	Kg Kg CO₂e	286 958	330 1.106
Total CO <sub>2</sub> e-footprint SCOPE 1	Kg CO <sub>2</sub> e	30.565	28.389
SCOPE 2		2023	2024
Energy consumption CO <sub>2</sub> e footprint of Energy consumption	kWh Kg CO₂e	631.343 134.097	595.775 127.019
District heating (*Location 1) CO <sub>2</sub> e footprint of District heating	kWh Kg CO₂e	119.350 8.808	129.652 9.568
Total CO <sub>2</sub> e-footprint SCOPE 2	Kg CO₂e	142.905	136.588
Total CO <sub>2</sub> e-footprint SCOPE 1 + 2	Kg CO <sub>2</sub> e	173.470	164.977
SCOPE 3		2023	2024
Purchased raw materials (metals and alloys) CO <sub>2</sub> e footprint of Purchased raw materials	Kg Kg CO₂e	183.799 935.826	234.254 1.054.642
Transport of purchased raw materials CO <sub>2</sub> e footprint of Transport of purchased raw materials	- Kg CO₂e	98.318	80.420
Waste for incineration CO <sub>2</sub> e footprint from Waste incineration	Kg Kg CO₂e	5.660 1.000	4.098 780
Total CO <sub>2</sub> e-footprint SCOPE 3	Kg CO <sub>2</sub> e	1.035.144	1.135.842
Total CO <sub>2</sub> e-footprint SCOPE 1-2-3	Kg CO₂e	1.208.614	1.300.819

<sup>\*</sup> Location 1: Brabrand, Location 2: Torrild



<sup>\*</sup> Downstream emissions are not included

# CLIMATE AND ENVIRON-MENTAL EFFORTS

The 2024 GHG Emissions Report show that Gromas' targeted efforts have led to measurable improvements in both energy consumption and transport. At the same time, important steps have been initiated within waste management and circularity, laying the foundation for future reductions in the CO<sub>2</sub>e footprint.

## **Energy Efficiency**

Through upgrades to operational equipment and more systematic energy management, electricity consumption has been reduced by approximately 6%, resulting in a total reduction of Scope 2 emissions by 4.4%.

In addition, energy consumption has been monitored monthly, raising awareness and promoting behavioral changes in daily operations.

# **Responsible Transport**

We have actively worked to reduce our internal transportation needs. With the installation of a measuring machine in Brabrand, the need for transport to Torrild – where measurements were previously carried out – has been significantly reduced.

Driven kilometers using our own vehicles have decreased by 26%, resulting in a 22% reduction in CO2e emissions from company-owned cars (Scope 1).

This has led to a total Scope 1 emissions reduction of 7.1%, despite a slight increase in truck activity.

## **Circularity and Procurement**

The increase in Scope 3 emissions is primarily due to changes in the composition of metal use, which has led to a higher material weight and consequently higher CO2 emissions from raw material procurement.

Circularity was a key focus area in 2024. During the year, we worked on increasing material circularity, including the use of recycled raw materials.

For example, the steel we purchase from our main steel supplier consists of 95% recycled content, which significantly reduces the climate impact compared to virgin steel.

# **Waste Management**

Waste for incineration has been reduced by 28%, with a corresponding decrease in CO2e emissions from waste.

Efforts have focused on improved sorting and data collection to support further improvements. At the same time, we have reviewed our total waste streams with the goal of increasing recycling rates. Today, all metal chips and scrap from production are sent for recycling — representing a significant volume of material.



# WATER USE AND DISCHARGE

Total water use at Gromas has slightly decreased from 614 m³ in 2023 to 603 m³ in 2024 (–1.8%). Water use at the Brabrand site has been reduced, while a slight increase was recorded in Torrild, reflecting changes in activity levels and staffing. Wastewater volume corresponds directly to water consumption (1:1), as there is no significant evaporation or retention. The focus remains on using water responsibly and minimizing waste — including ongoing maintenance of installations and promoting daily awareness.

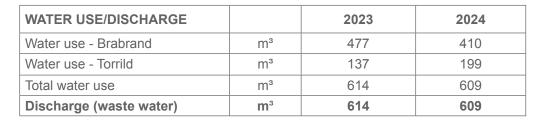
## Forward-Looking Focus

Scope 1 and 2 emissions are developing in the right direction. Going forward, efforts related to Scope 3 must be intensified, as the value chain accounts for the majority of the climate footprint. This involves:

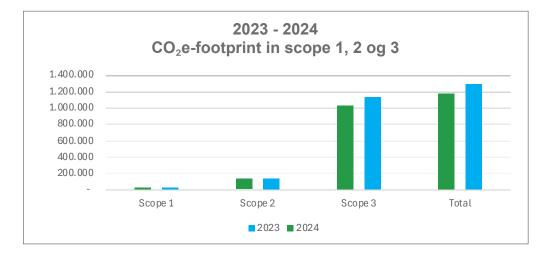
- · Closer collaboration with suppliers on climate data
- Increased focus on circular design and responsible material choices

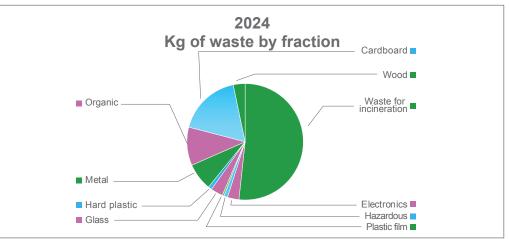
- Enhanced digitalization and data collection in production and waste management
- Mapping emissions across the entire supply chain to identify reduction opportunities
- Further development of our environmental goals in collaboration with customers and industry partners

The goal is to strengthen transparency in our environmental efforts and ensure that environmental considerations are integrated even earlier in decision-making processes — from procurement and design to production and logistics.



Metal chips sent for recycling are not included in the diagram.





# SOCIAL RESPONSIBILITY

## **Working Environment**

Gromas continuously works to optimize processes and collaboration to ensure minimal environmental impact and the best possible working environment.

All employees are involved and expected to actively contribute to this collaboration, helping to create a workplace that promotes well-being, engagement, and efficiency.

We maintain zero tolerance for any form of misconduct, including harassment of colleagues or employees.

A Workplace Health and Safety Organization (AMO) has been established, consisting of a representative from executive management, the daily production manager, and two employee-elected safety representatives — one from production and one from administration.

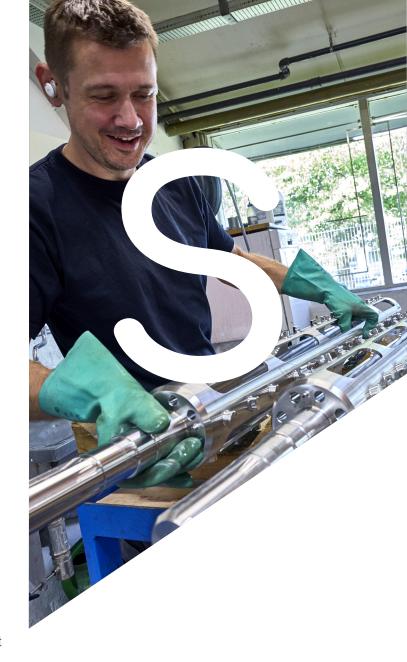
Gromas views safety as a shared responsibility and generally does not accept excuses for accidents of any kind. We are committed to continuously minimizing the risk of accidents.

It is therefore a requirement that all employees are familiar with and comply with the established "Safety, Health, and Environment" (SHE) guidelines.

### **Occupational Health and Safety Policy**

Gromas is committed to continuously improving the company's working environment with the aim to:

- Continuously improve working conditions to minimize the risk of accidents and occupational illnesses
- Involve the Workplace Health and Safety
   Organization in all tasks related to occupational
   health and safety
- Ensure that the company's health and safety initiatives are well known and understood throughout the organization
- Create a culture where all employees feel empowered to raise concerns about health and safety risks
- Design workspaces in a way that avoids significant environmental nuisances for employees
- Set up the workplace to present the lowest possible safety risk to employees



# SOCIAL DATA

Social Responsibility		2023	2024
Average number of full-time employees	Number	41	43
Annual employee turnover rate	%	4,88	9,41
Average employee tenure	Years	9	10
Average employee age	Years	46	47
Gender composition (M/F)	%	95,45 / 4,55	93,62 / 6,38
Sickness absence rate	%	4,59	4,36
Workplace accidents	Number	0	0

# PEOPLE AND SOCIETY EFFORTS

In 2024, Gromas continued its focus on employee well-being, workplace safety, and social responsibility. Key indicators show a generally stable workforce structure, with a few areas requiring attention.

### **Employee Well-being and Development**

The company increased its average number of full-time employees from 41 to 43, indicating modest growth and strengthened capacity. At the same time, the average employee tenure rose from 9 to 10 years, reflecting a stable and loyal workforce.

However, employee turnover increased from 4.88% to 9.41%, suggesting a higher level of staff changes that warrants further analysis.

The average age of employees increased from 46 to 47 years, aligning with the tenure trend and highlighting the company's ability to retain employees over time.

Sick leave decreased from 4.59% to 4.36%, indicating a general improvement in employee well-being and health.

The consistently low number of workplace accidents (0 in both 2023 and 2024) is a strong indicator of a safe and healthy work environment.

### **Diversity and Inclusion**

There has been a slight increase in the proportion of women in the company — from 4.55% to 6.38%.

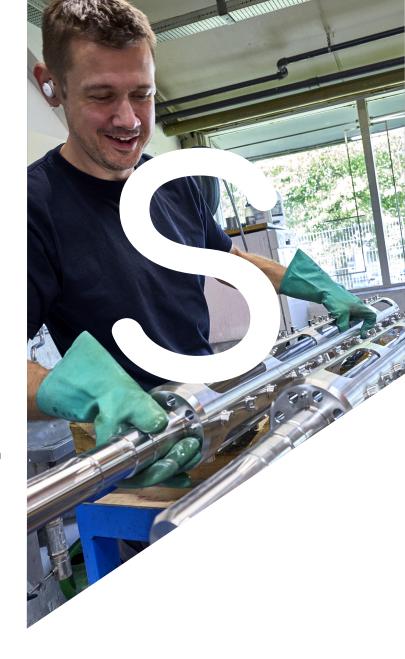
Although still at a low level, this reflects a positive trend toward greater gender diversity.

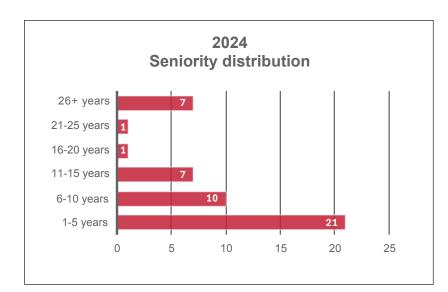
This development can usefully be incorporated into future efforts to further promote inclusion and diversity.

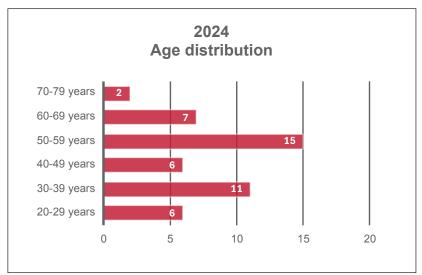
## **Quality Education**

The company actively contributes to quality education through a long-standing partnership with Aarhus Tech and by continuously employing apprentices. This is an important part of our social responsibility and an investment in the future skills of our industry.

We offer apprentices a structured and hands-on training program, with a strong focus on both professional development and well-being. Our employees serve as mentors and help provide young people with a solid foundation for their working life.







In addition, we prioritize the continued professional development of all our employees, with a clear ambition to increase participation in relevant courses and continuing education. This approach strengthens both the individual and the overall competence level of the company.

Although, we have not yet collected specific data in this area, we aim to increase documentation and transparency in the coming years — for example, by reporting on the number of apprentices, collaborative projects, apprentice satisfaction, and employee skills development.

# **Forward-Looking Focus**

In the coming years, Gromas will maintain and strengthen its efforts to ensure a safe, healthy, and inclusive working environment.

We place particular focus on well-being, diversity, and human rights — both internally and throughout our supply chain.

In 2025, we will conduct an employee satisfaction survey, and a whistleblower scheme will be established to promote openness and trust.

We consider our apprenticeship program a key part of our social responsibility and will work more systematically to document its impact going forward.

With the introduction of a new Code of Conduct and updated procurement principles, accountability and respect for human rights will be further embedded in our value chain.

# **GOVERNANCE DATA**

Corporate Governance		2023	2024
Board gender composition (M/F)	%	75/25	75/25
Board Composition – Independent / Non-independent	%	50/50	50/50
Executive Management gender composition (M/F)	%	80/20	80/20



# CORPORATE GOVERNANCE EFFORTS

Gromas has strengthened its focus on responsible leadership, ethics, and the integration of ESG principles throughout the organization.

This work is rooted in the company's core values and the recognition that transparency and trustworthy conduct are essential for long-term relationships and sustainable business performance.

### **Management and Board Composition**

As of 2024, the Gromas Board of Directors consists of 75% men and 25% women, with half (50%) of the members classified as independent.

The executive management team has a gender distribution of 80% men and 20% women.

Gromas actively works toward a balanced and competence-based leadership structure, with a continuous focus on strengthening diversity and inclusion at all levels of management.

## **ESG Organization**

In 2024, Gromas appointed an ESG Specialist to support the company's strategic ESG efforts across the organization.

The role is responsible for integrating ESG into business processes and decision-making, and also includes ownership of the annual assessment on the EcoVadis platform.

#### Certifications

Gromas is certified in ISO 9001 and ISO 14001.

Both standards are fully integrated into the company's operational model and support a systematic and well-documented approach to quality management, environmental responsibility, and continuous improvement.

These certifications anchor accountability into both management decisions and daily operations, while also promoting transparency and traceability across our processes.

They also serve as key tools in the company's ESG efforts, particularly in relation to documentation, risk management, and preparation for assessments such as EcoVadis.

The maintenance and further development of our management systems is a high priority, as they contribute to both regulatory compliance and competitive strength.

# CODE OF CONDUCT

At Gromas, employees have jointly developed a set of guiding principles, which everyone has committed to follow going forward:

### Respect

- I show respect for the agreements that have been made
- · I know that all work functions are equally important
- I give and receive only constructive criticism (positive/negative feedback)
- · I listen to others' opinions
- I give others notice/time so they can complete their part of the process
- I support and help my colleagues

## **Keeping Agreements**

- I keep my promises
- If I cannot keep an agreement, I take responsibility for making a new one

## **Taking Responsibility**

 I am responsible for using my working hours, machines, and tools optimally

- I say what I mean, at the right time and to the right person
- I am responsible for ensuring agreements are understood and I follow up on them myself
- · I do more than what is required
- I take ownership of the final product and the customer
- I am personally responsible for ensuring the task moves forward in the process
- I am obligated to respond to someone who violates the code of conduct
- I take a positive approach to our code of conduct

#### Focus on the Task

- I think ahead and consider the entire task and process, rather than just, what is easiest for me
- I am open to new ideas regarding tasks and processes

### Collaboration

 A natural outcome when we follow the above code of conduct at Gromas.

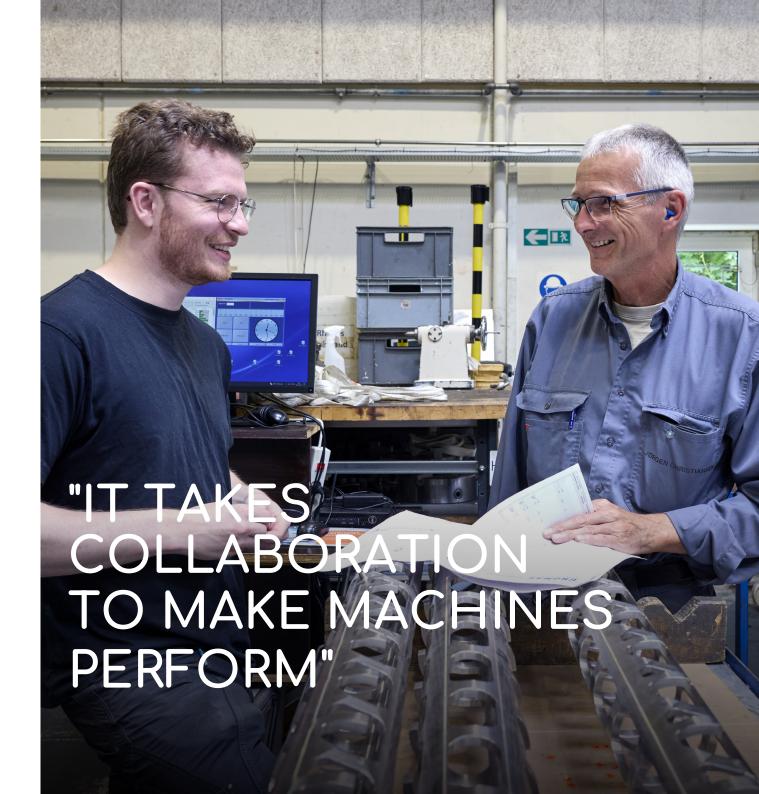


Our behavior is rooted in the company's values and shared guiding principles, but moving forward, these principles will be formalized in an updated Code of Conduct, which will serve as a common foundation for responsible behavior.

It will be based on the existing guiding principles and define expectations regarding behavior, responsibility, collaboration, and integrity in our daily work. Among other things, it will include:

- · Respect, trust, and equality
- Responsible use of time, tools, and resources
- · Adherence to agreements and ownership of tasks
- · Duty to respond to unethical behavior
- Openness to learning, innovation, and collective development

The Code will serve as a shared compass for all employees and will be supported through onboarding, dialogue, and strong leadership engagement.



# CODE OF CONDUCT EXTERNAL

This section outlines the requirements for the company's suppliers and business partners and forms part of the efforts around responsible sourcing and business ethics. It includes, among other things:

- · Compliance with applicable laws and human rights
- Prohibition of forced labor, child labor, and discrimination
- · Occupational health and safety
- Environmental considerations and resource efficiency
- Anti-corruption and transparency

The Supplier Code of Conduct will be incorporated into the upcoming procurement policy and supplier evaluations. Gromas will expect all business partners to actively adhere to these principles.

The shared Code of Conduct thus encompasses both internal behavior and relationships with customers, partners, and suppliers. The upcoming Code of Conduct will include:

- Ethical principles for daily operations and decision-making
- Expectations for the behavior of employees and management

- Clear positions on anti-corruption, discrimination, and human rights
- Introduction to the whistleblower scheme and a culture of accountability
- Requirements and expectations for suppliers and business partners

The purpose is to ensure a common standard of integrity and responsibility across all parts of the organization, and to make sure the entire value chain understands the framework for proper business conduct. The Code will serve as a governance tool that supports transparency, compliance, and the practical implementation of the company's values.



### Policies, etc.

At Gromas, policies and management principles form a central foundation for good corporate governance and responsible operations. They are rooted in the company's values and serve as management tools to ensure transparency, compliance, and continuous improvement.

We have developed and implemented a number of core policies, all of which are integrated into our overall management system (Management Handbook). This handbook brings together the company's policies, procedures, and areas of responsibility to provide clarity and ensure systematic governance:

- · Environmental Policy
- Quality Policy
- Occupational Health and Safety Policy
- · ESG and Sustainability Policy
- IT Policy
- · Alcohol Policy
- Smoking Policy

The Management Handbook functions as an active tool in daily operations and is used to ensure compliance, documentation, and improvements across our processes.

## **Forward-Looking Focus**

As part of the development of our ESG strategy and governance efforts, in 2025 we are working on the preparation and implementation of the following policies:

- Anti-Corruption and Ethics Policy
- Human Rights Policy
- Procurement Policy with requirements for responsible supplier conduct

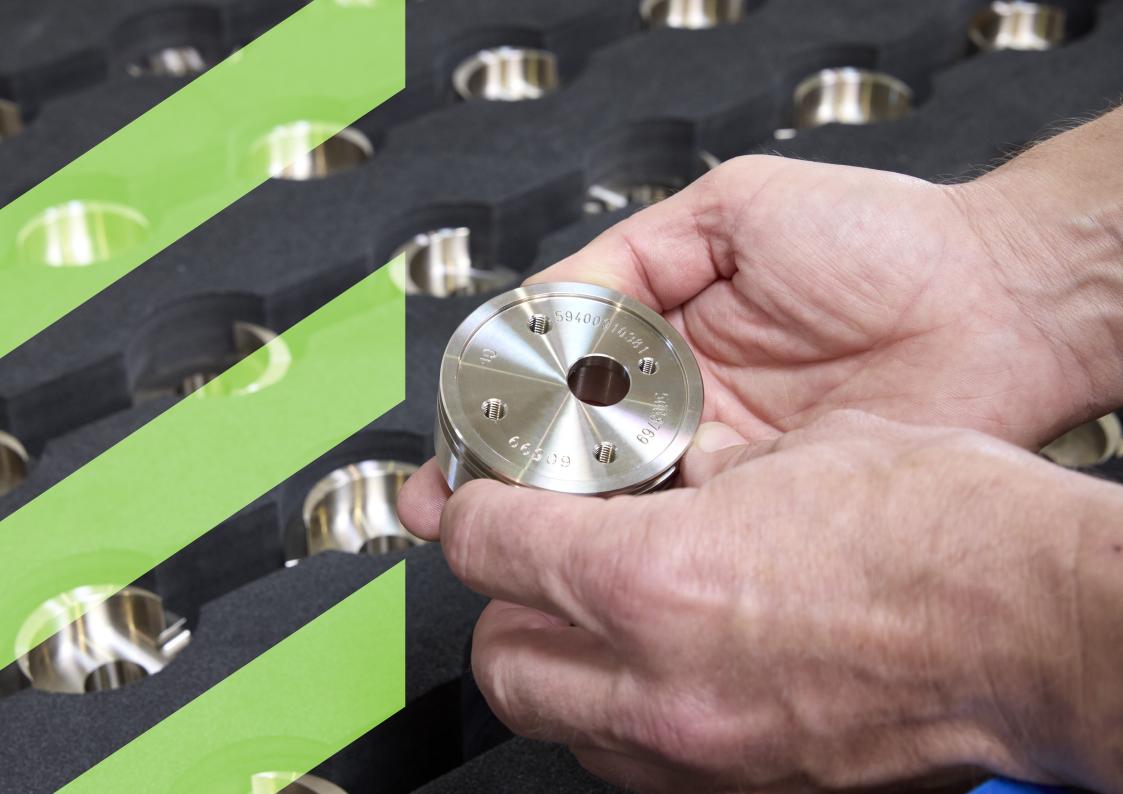
In addition, a whistleblower scheme will be introduced to support a culture of openness, integrity, and the ability to report concerns in a safe and structured way.

Management will carry out a systematic review of the company's governance principles, including:

- Strengthening transparency in decision-making processes
- Implementing the shared Code of Conduct
- Anchoring ethics and accountability throughout the organization

The goal is to ensure that all levels of management and employees have clear behavioral guidelines, and that Gromas' governance structure supports the company's sustainability and business objectives.





# FINAL REMARKS ON THE REPORT

With this first ESG report, Gromas Maskinfabrik A/S has established a solid foundation for future sustainable and responsible operations. The report documents an ambitious and focused effort, where environmental, social, and governance factors are fully integrated into the business.

We recognize that ESG work is a continuous journey. The data and initiatives presented represent a step along the way, and we will continuously evaluate, improve, and evolve our approach. In the coming years, we will intensify our focus on Scope 3 emissions, responsible supplier management, and documentation of our social efforts.

Our ambition is not merely to meet requirements

– but to create real value through responsibility, transparency, and collaboration. Gromas views ESG as a strategic opportunity, and we are committed to driving change – for the benefit of the environment, people, and the business.



# APPENDIX AND METHODOLOGY

### Methods, Definitions, and Data Overview

This report has been prepared based on recognized standards for sustainability reporting and is built on both qualitative and quantitative methods. The purpose is to provide a true and fair view of Gromas Maskinfabrik A/S's environmental, social, and governance responsibilities for the fiscal year 2024.

## The reporting is based on:

- GHG Protocol (Greenhouse Gas Protocol): The international standard for calculating greenhouse gas emissions has been used to structure data in Scope 1, 2, and parts of Scope 3.
- ESRS (European Sustainability Reporting Standards): Used as a framework for materiality assessment and structural alignment with upcoming EU requirements.
- VSME model (Value, Social, Environmental, Economy): Applied as a structuring principle for ESG efforts, ensuring a holistic approach where value creation is linked to social, environmental, and economic factors.

In addition, the ESG analysis in this report is based on:

 Double materiality assessment, evaluating both impact materiality and financial materiality

- Internal mapping of processes, energy consumption, waste, water use, supplier data, and employee conditions
- Stakeholder input, primarily from management and internal subject matter experts

#### **Data Sources**

- The quantitative data in this report has been collected from the following sources:
- Energy consumption and emissions: Operational data, electricity bills, and data from NRGi Scanenergi
- Material consumption: Production systems, procurement data, and data from subcontractors
- Waste: Waste statistics from external waste management operators
- Water consumption: Operational data and data from water suppliers
- HR and social indicators: HR systems, employee registers, and occupational health and safety reports
- Financial data: Accounting systems and management reports

 Policies and certifications: Management Handbook as well as documentation for ISO 9001 and ISO 14001

Where possible, the data used has been validated internally and cross-checked with external sources

## **Emission Factors (CO<sub>2</sub> Calculations)**

- Electricity and district heating: Emission factors from NRGi Scanenergi, based on the Danish electricity and heat mix
- Oil-fired heating systems and propane gas: National emission factors from the Danish Energy Agency (latest available)
- Metals and raw materials (Scope 3): Supplier data and industry averages from the Ecoinvent and Climatiq databases
- Transport: Estimates based on kilometers traveled and factors from the GHG Protocol Transport Tool
- Waste: Emission factors from the Danish Environmental Protection Agency and Klimakompasset (by waste category)

## **Limitations and Assumptions**

- The report covers the fiscal year (2023) and 2024 and includes both locations: Brabrand and Torrild.
- Scope 3 includes only the most material indirect emissions (metal procurement and related transport) and does NOT include downstream emissions.
- Other Scope 3 categories (e.g., business travel, employee commuting, equipment, and subcontractor-related emissions) have not yet been quantified but are under ongoing assessment for potential future inclusion.
- Social aspects such as diversity and apprenticeship initiatives contain partially qualitative evaluations and are under further development.
- The materiality assessment was carried out as an internal process, based on ESRS principles and management's evaluation of the company's most significant impacts and risks.
- The volume of metal chips sent for recycling has not yet been quantified, but all chips from production are collected and recycled through external partners.



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