

An aerial photograph of a dense, lush green forest, likely a coniferous woodland, serves as the background for the central text area. The trees are tightly packed, creating a vibrant green canopy.

DANGARD

ESG – report 1/1-2023 – 31/12-2023

Our contributions to a joint effort

For more than a century, we have gained experience in the industrial surface treatment market and specialized in surface treatment of small and large steel constructions. As we find ourselves in a world that is undergoing constant change, we recognize our role and the critical need to assume greater responsibility for how we affect the environment and society in which we operate.

It has long been clear that a sustainable agenda is of high importance and must be taken seriously. As such, we have emphasized our focus on the areas where we can contribute to make a concrete difference.

Ultimately, it is our intention to provide genuine and positive efforts towards climate neutral operations. By implementing robust and responsible practices, we actively strive to reduce our emissions and launch initiatives that we can continue to build upon in the future.

In the end, we see ourselves as a force of capable business and competent people, which also entails being aware of our abilities and avoid to take on a role we cannot uphold.

Sustainable operations and our company's future are undeniably connected. We have taken upon the perspective to embrace the agenda as a tool to keep pace with the green transition and drive our development forward.

We work together across the group to assume the level of responsibility that aligns with our ambitions and capabilities.

Purpose statement

This report aims to document our work with the sustainable agenda and illustrates our chosen efforts and activities that favors the climate and the broader community.

We want to provide a transparent insight on how we work with concrete activities and future development plans to improve our CO₂ accounting. At the same time, we seek to foster a better understanding of our operations and increase transparency in what we do and strive towards improving.

Through our ESG efforts and reporting activities, we aim to strengthen our environmental initiatives, reduce our CO₂ emissions, and increase sustainable operations of our work.

By documenting our progress and challenges related to this agenda, we strive towards creating long-term value for both our companies and the environments in which we operate, not only focusing on financial metrics but furthered by embracing a holistic perspective.

We present our achievements compared to the report of 2022, reveal significant achievements, and outline our next steps of the future journey.

Thank you for your interest, we hope that you will enjoy your reading.

An aerial photograph of a large white wind turbine in a green field. The turbine is the central focus, with its three blades extending outwards. The background shows a vast landscape with more fields and distant structures under a clear sky.

DanGard is one of the world's largest suppliers of surface treatment for the wind turbine industry.

Although founded in 2020, we bring together over 100 years of industry experience and business excellence in our products and services.

HIGHLIGHTS OF 2023

- Scope 1, 2, and 3 reduction of 9%
- Scope 1 and 2 reduction of 28%
- Support to "Cykelnerven" – multiple sclerosis research
- 0 Reporting incidents from Whistle Blowers

DANGARD

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Introduction

It is our greatest pleasure to present our second ESG-report and continuance of our dedication to embrace sustainability as a crucial part embedded in our core values.

We have continued our journey and strive to dedicate our efforts to encompass responsible business operations and to take an active part in the journey towards enabling a brighter and more responsible future.

Our sustainable efforts are directed by ESG-reporting as a tool, that allows us to work continuously with both current and future efforts and is utilized as a mean to identify our current state, progress, and future efforts of our business journey.



Letter from Executive Management

Dear Valued Stakeholders,

We are proud to present DanGard's second ESG report and provide you the progress we have accomplished since our first ESG report was announced.

Over the past year, we have continued to integrate Environmental, Social, and Governance principles into our core operations, striving to reduce our environmental footprint, promote responsible business practices, and support the communities in which we operate. We have made great strides in integrating sustainability into our operations, strengthening partnerships, and continuously improving our environmental and social impact.

By building on the momentum from our first report, we have taken meaningful steps toward refining our strategies, strengthening our partnerships, and fostering a culture of continuous improvement.

Our commitment to transparent reporting and responsible innovation remains at the heart of everything we do. As we look to the future, we recognize the importance of setting ambitious goals, embracing new technologies, and collaborating with our stakeholders—employees, customers, suppliers, and community members—to drive progress. We aim to be a trusted partner in creating a more sustainable, equitable world, one where the well-being of both people and the planet is prioritized.

On behalf of DanGard, we would like to thank you for your ongoing support and engagement. We look forward to working together toward a more sustainable future, and we hope this report offers valuable insight into our journey. Should you have any questions, feedback, or ideas, please do not hesitate to reach out.

We wish you an enjoyable read.

Sincerely,

Morten Lindholt & Henrik Mathiesen

Chief Executive Officers

DanGard A/S



Vision & Mission



Vision

"We strive to be the leading provider of industrial surface treatment."

Mission



"We aim to add value to our customers by optimally protecting their steel structures in all environments."

Our core values guide our actions.

They are:



Professional excellence

Delivering high-quality solutions at competitive prices.



Integrity

Ensuring trust, respect, and ethical standards in all operations.

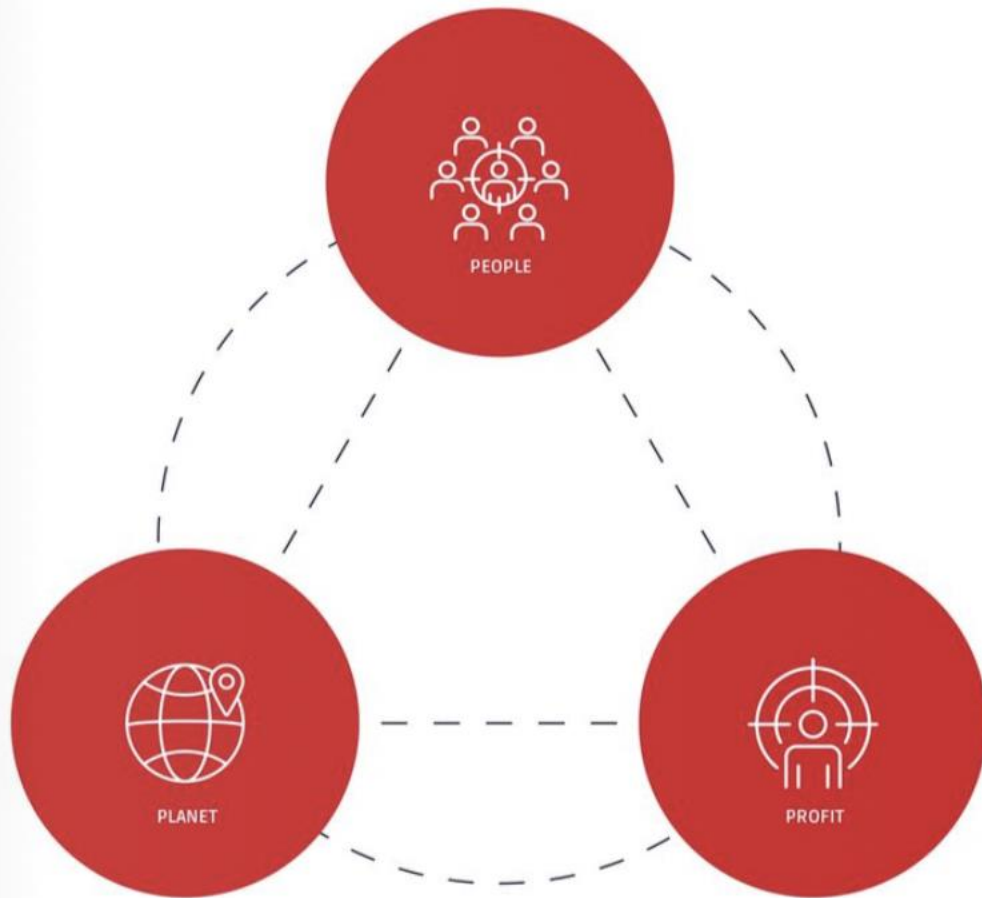


Entrepreneurship

Driving new opportunities and continuous improvement to create lasting value.

”

“Value creation to us demands examining our status quo from the perspective of the triple bottom line, recognizing that financial performance must be balanced with environmental and social considerations in order to achieve more sustainable growth and long-term success”



EMBRACING ESG AND A SUSTAINABLE AGENDA

Since our last report we have worked consistently to enhance our green transitioning, by actively taking steps to reduce our emissions, searching for industrial eco-innovations and utilizing our insights and learnings from our reporting efforts to minimize our footprint and pursue our future investments to be in favor of the environment.

This has guided an emphasized focus on:

- Sustainability as a part of our mindset
- Exploring Environmentally Responsible Coating Solutions
- Enhanced Commitment to Employee Safety and Health
- Strong Focus on Employee Engagement
- Transparent and Ethical Business Practices
- Enhancing Community Engagement and Sustainable Growth

In the following sections, we will provide you an outlook of our 2023 achievements and outline our future steps, to account for progress and development goals.

DanGard - strategically located in Denmark

We are excited to announce a strategic shift in our operations, designed to better serve our customers and strengthen our commitment to service all our customers with the best solutions. As part of this plan, we are consolidating our production facilities to align more closely with our clients' evolving needs.

This transition involves closing our production in Cuxhaven, enabling us to optimize resources and focus on delivering exceptional products and services in regions where we can have the greatest impact. We extend our gratitude to the dedicated team members and the community that have supported us at this location.

We remain proud to announce that DanGard has some of the worlds largest production facilities for surface treatment of steel constructions of all sizes.

By refining our footprint and investing in state-of-the-art facilities, we are poised to respond more effectively to market demands, accelerate innovation, and continue driving the high standards that our customers expect.



+45.000

Square meters

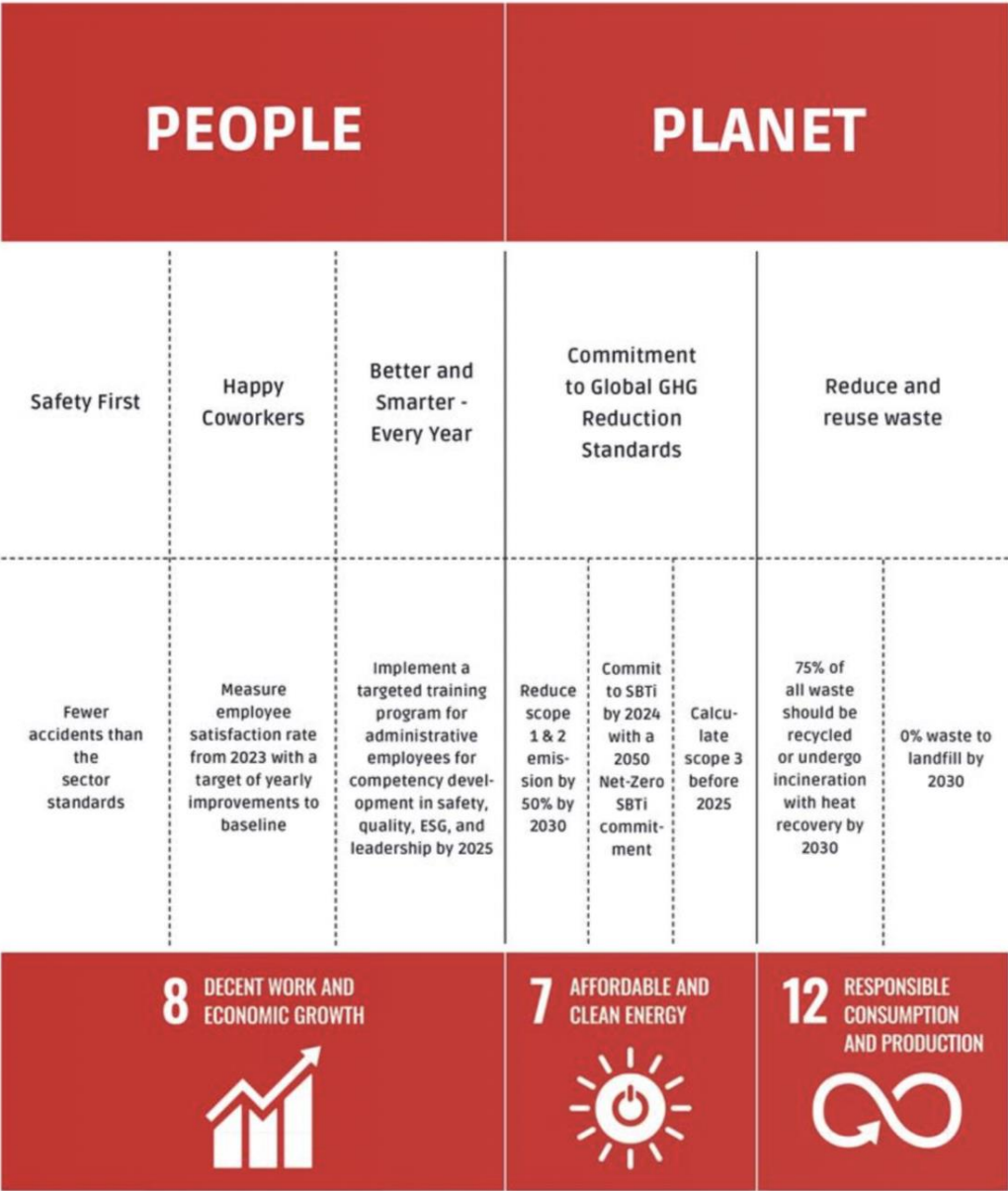
Floor space,
climate-conditioned and
well-equipped.

Strategic Framework – Progress Report

In our first ESG-report we presented our development of a new strategic framework, which rely on the 4P’s, product, people, planet and profit. This report accounted for a specific focus on two main aspects, people and planet. We have outlined the alignment with our SDG’s, and included descriptions of our target points, as seen in this figure.

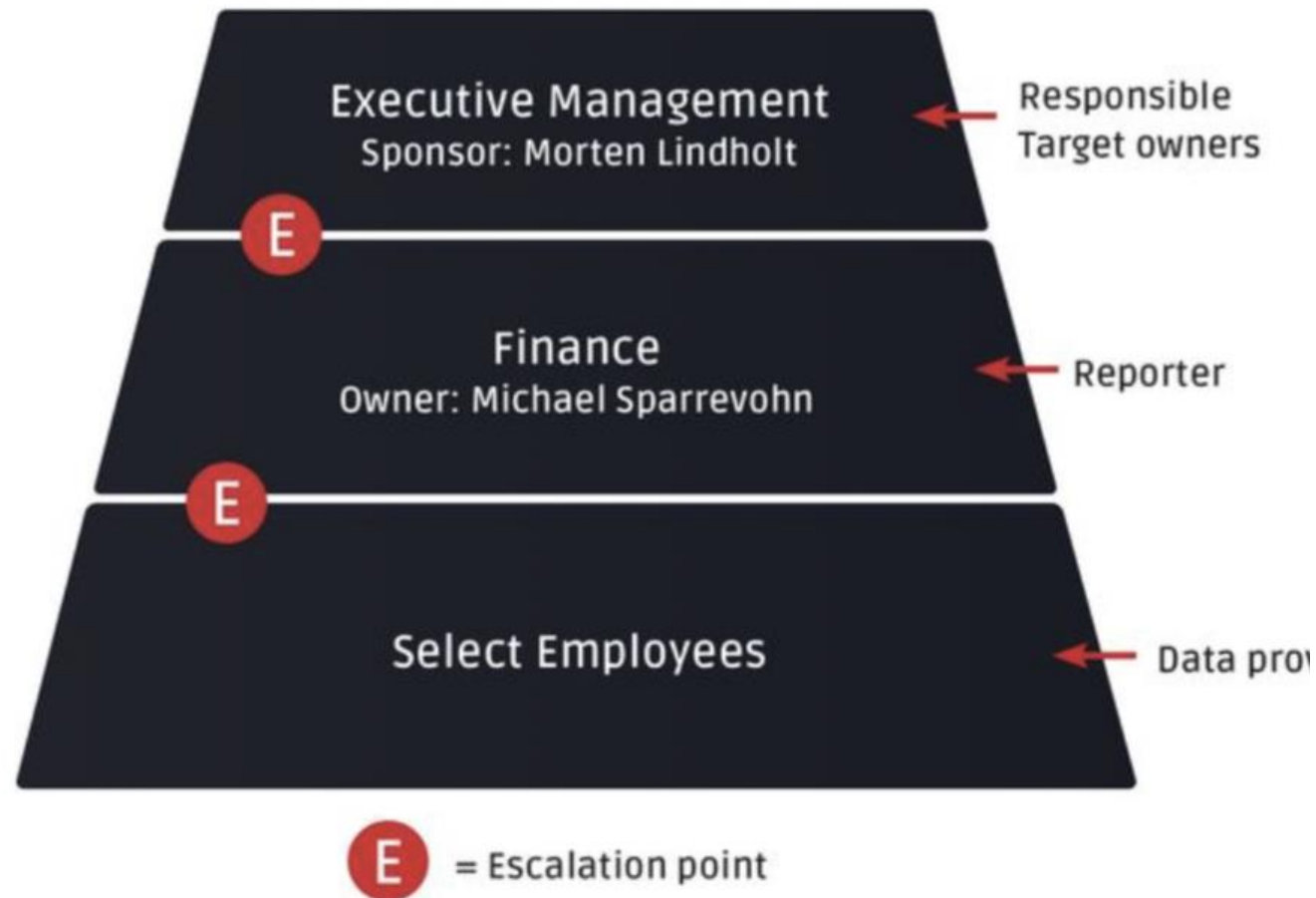
The following will introduce you to our progress areas from the past year, based on our refined framework.

- We remain proud about our Safety First efforts, and find ourselves below sector standards for accidents in our industry
- Despite the delay in our GAIS survey, we are excited to perform and carry out this measure by 2024
- It is our pleasure to inform you about reaching our Scope 3 milestone, and including this data a year in advance
- Regardless of our current accomplishments in better waste management, we are eager to increase our efforts of this aspect of our responsible consumption and production practices both now and for the future



Governance Structure

The KPI structure is a key priority for 2024/25, ensuring full integration into daily operations.



Exercising Responsible Leadership

01

Ongoing commitments to ISO Standards and certifications

02

Health and Safety

03

Donations for Social Causes – “Cykelnerven” in continuum

04

Supplier Code of Conduct to be fully implemented in 2024.

05

Whistleblower Program

Our ongoing efforts to exercise responsible leadership accordingly with prior stated targets, defined and elaborated in our ESG-report of 2022/2023



Environment

Environmental Efforts and Scope Developments

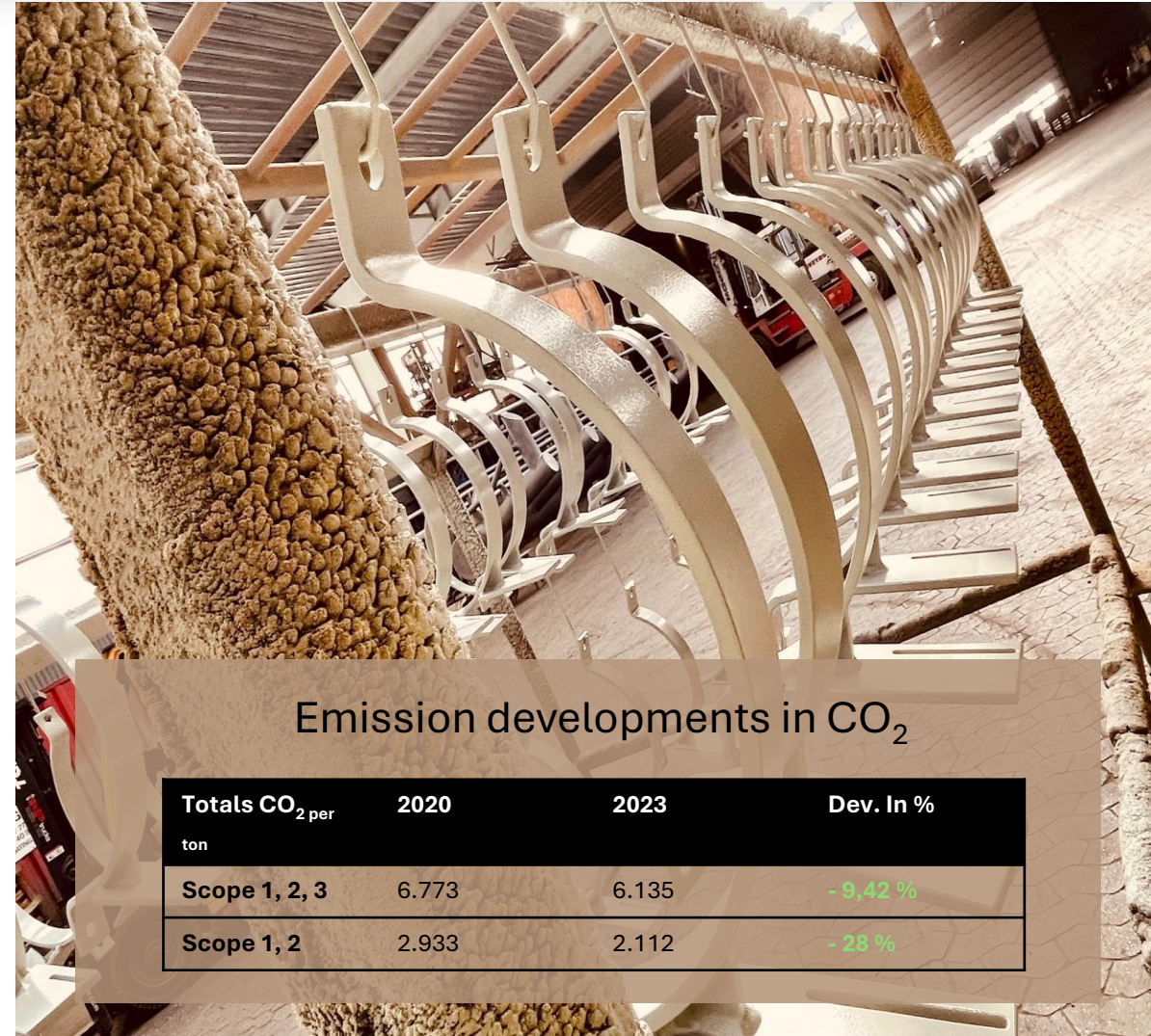
In recent years, there has been increasing focus on the climate and data, the CO₂ emissions of businesses and society as a whole. We, too, have become more aware of the embedded issues and increased both focus and contributions to address these. Denmark has set ambitious targets to reduce greenhouse gas emissions by 70% from 1990 to 2030.

By the end of 2022, Denmark had already reduced greenhouse gas emissions by 41% since 1990 according to Klimaraadet.dk, reflecting an impressive effort and collective commitment to achieving these shared goals.

As a large group in the surface treatment industry, we are aware of the environmental challenges associated with our sector. Surface treatment is an energy-intensive process that inevitably has some environmental impact. Our environmental initiatives aim to address the specific challenges and opportunities within our operations. By focusing on the use of electrically powered machinery and vehicles, as well as transitioning from gas to heat pumps and district heating, we see an opportunity to significantly reduce our CO₂ footprint.

From our baseline year in 2020, when our total CO₂ emissions of scope 1, 2, and 3 were 6.773 tons, we have experienced a slight decrease this year to 5,834.82 tons. However, at this time we did not have our scope 3 data, and these were therefor not accounted for at that time. Focusing our development specifically on CO₂ emissions from scope 1 and 2, we find a more significant progress of 2.963 in year 2020 compared to 2.112 indicating a more significant decrease of -28%.

This shows that our environmental initiatives have had a positive impact, and we are firmly committed to continuing these efforts to sustain and build on this positive progress.



Emission developments in CO₂

Totals CO ₂ per ton	2020	2023	Dev. In %
Scope 1, 2, 3	6.773	6.135	- 9,42 %
Scope 1, 2	2.933	2.112	- 28 %



Our sustainability efforts focus on reducing our environmental footprint. In 2023, we made significant progress including a transition to energy-efficient technologies and the optimization of our production processes.

A major progress point since our 2022 report is related to our environmental efforts and emission calculations. We present this by including our scope 3 data, which has been calculated accordingly within our framework standards and updated for all years from our baseline to the present.

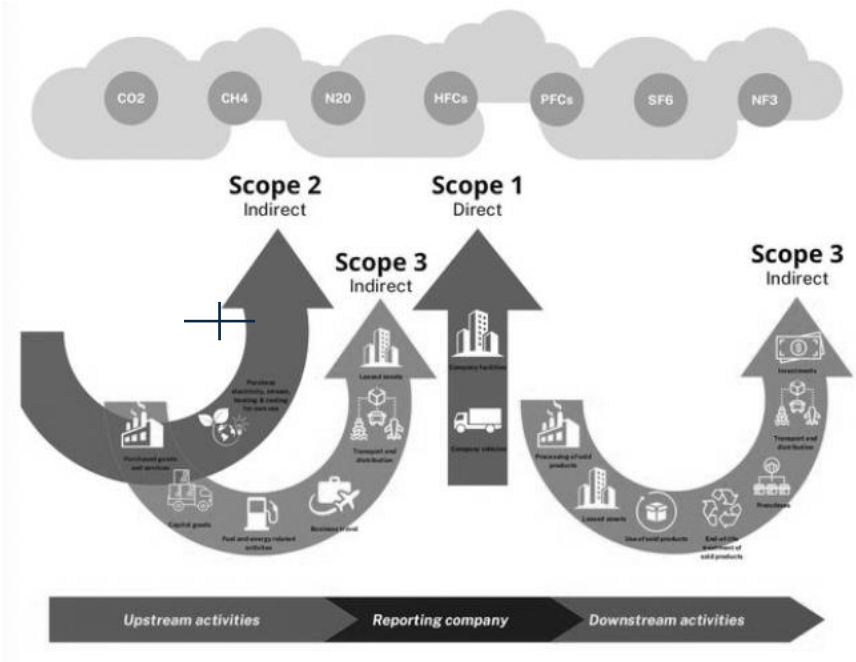
When we initiated our first report, we were merely gaining insights in our scope 1 and 2 emissions, and as such our primary reduction focus was placed in these sections. Consequently, our data transparency has been limited to these scopes as well, but as we have implemented richer data data prior to our expectations we are pleased to provide you our scope developments in full.

In sum we present you our total reduction accomplishments and scope developments, from the past four years. It has been a pleasant insight to see our total emissions reduced, though these can partially be ascribed to the strategic decision of ending our endeavor in Cuxhaven. But our journey does not end here, it has merely just begun.

Going forward, we appropriate our achievements as we have enhanced our motivation, richened our insights and will continue our progress to improve our reductions in our mission towards minimizing our climate footprint in future operations.

Notable Achievements

	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL
2020	799	2.134	3.840	6.773
2021	1.108	1.318	4.202	6.628
2022	964	1.284	4.820	7.068
2023	718	1.394	4.023	6.135





Pursuing Future Green Investments

In recent years, we have worked systematically to increase our use of renewable energy and to focus on energy optimization in our daily operations and work. A significant step in our green journey has been the heightened attention on the balance between machines and vehicles running on fossil fuels versus electricity. By reducing new purchases of fuel-powered vehicles and increasing the use of electric ones, we have observed a positive trend in our climate metrics.

Part of our next steps is to establish an aligned framework for a richer embracement of our sustainable agenda in the pursuit of our future green investments. In 2022 we refined our strategic framework and integrated the 4P's, placing our strategic focus on product, people, planet, and profit. Guided by our CSA and MA and the alignment with our chosen SDG's, DanGard emphasized focus on people and planet.

The latest emission insights brought our focus towards scope 3, our heavy-weight account in our calculations, a crucial next step is to explore future investments with reduction potential for this metric. As we operate with high integrity, our goal is a balanced decision-making process in alignment with our planetary targets, presented to you in the previous section.



Social

Social achievements and current state

It is no secret that the employees of the group form the backbone and driving force behind our operations. If we want our current trajectory of development to continue, we must take an active interest in how our employees are doing at every level.

To ensure progress and fulfillment of our social targets, we have dedicated our next efforts to commit to yearly reporting and measurements of our employee's wellbeing and initiate this for 2024. As such we are thrilled to reveal our planned effort to execute this step, by conducting GAIS employee wellbeing survey and fully commit to our target regarding employee engagement.

At DanGard Happy Coworkers is a core focus, and part of our quest to conform our efforts to this statement is found in our contributions to ensure this both at work and by stepping up and offering a supporting hand in private when needed. We want to take presence and responsibility for all employees and show our gratitude towards their engagement wherever needed.

A final announcement is dedicated to our Safety First Target, though we have not reached our intended zero-accidents goal yet, our culture around it remains strong. Our results compliment this efforts, by documenting fewer accidents than industry standards supporting our quest for "zero".



Social Donations and Next Steps

DanGard shares a strong commitment to our community and it both a sincere and ongoing interest to support charitable causes. As revealed in the previous report, we have chosen to support Cykelnerven as a project, which works to raise funds for multiple sclerosis research in Denmark. We have continued our support and donation in 2023.

Our support for Cykelnerven ultimately reflects our desire to actively contribute and commit efforts towards building a better future. We hope to support multiple sclerosis research through project Cykelnerven and help participants overcoming physical challenges for a good cause through our humble support in a joint effort to make a difference in the fight to against this disease.

As we are dedicated to commit our efforts in the local community, we wish to extend our stewardship and environmental integrity towards embracing another social cause. We believe that responsible leadership does not only concern own employees but further entails an active role in facilitating tomorrows aspiring talents. Therefore, we have taken it upon us to engage in a project with Lead The Talent, planned to unfold in 2024. A sustainable agenda must have awareness in all aspects of society, thus our next quest concerns reaching our future milestone achievements in cooperation with local talent and support their journey towards a dedicated career.





Governance

Governance

- **Whistleblower Scheme**

- As part of our ongoing efforts to ensure good governance and leadership, we have a whistleblower scheme in place for our various departments. This initiative was established to create a secure environment where our employees and partners can confidentially report any concerns regarding our business practices. In 2023, we received no notifications through our whistleblower scheme.

- **Code of Conduct**

- Within our group, we are committed to conducting our business in an ethical and responsible manner, in line with international standards for corporate responsibility and respect for human rights. We continuously update our code of conduct and integrate it into our collaborations with subcontractors.
- It is important to us to make it clear to potential partners that we expect them to understand and comply with the guidelines and principles set forth in our code of conduct.

- **ISO Certifications**

- We maintain internationally recognized ISO certifications that demonstrate our commitment to best practices and continuous improvement. These certifications confirm our adherence to rigorous standards, underscoring our focus on quality, safety, environmental management, and responsible operations.
- We have provided you an outlook of our ISO certifications on the next page.

In 2023, we received no inquiries through our whistleblower scheme. We view this as a positive indication of the internal trust within our company, where any issues that arise are handled openly and without the need for anonymity. Of course, any submissions to the scheme will be treated with the utmost seriousness and in accordance with applicable legislation.

7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION





ISO Certifications

With over 100 years of industry expertise, DanGard upholds the highest quality and environmental standards. Our ISO certifications validate our commitment to excellence and sustainability.

LIBEROASSURANCE 

Certificate

This is to certify that the
Management System of:

DanGard A/S
Storstrømsvej 49, 6715, Esbjerg N

Has been assessed and registered under the certification and inspection scheme of
LiberoAssurance for the following international standards:

ISO 9001:2015

The management system is applicable to:

Consulting, sales, surface treatment, cleaning and corrosion protection of steel
structures in all corrosion classes.
EA CODE: 17, 29, 35

Initial 11/11/2020
(Initial Certification)

Issued 05/09/2024 at WILMINGTON, DE, USA
(Date of issue) (Place of issue of certificate)

Expiry 15/09/2027
(Expiration date)

For the Issuing Organisation
This certificate is valid subject to satisfactory
completion of annual audits.
This document is signed electronically.
Validation and authentication can be
obtained at:
<https://liberoassurance.org/verification/>
Using the unique Certificate number:
DN141434072312
Efsthios LiberoAssurance

IAF **IAS**
ACCREDITED
Management System
Certificate No. 1502-01

LiberoAssurance Contact Details
3524 SILVERSIDE ROAD, SUITE 350 WILMINGTON, DE 19810 USA
Email: info@liberoassurance.org | Website: www.liberoassurance.org

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ISO 9001:2015

ISO 14001 is an international standard for environmental management systems, developed by ISO. It helps organizations establish the framework for effective management of environmental aspects and impacts, including requirements for environmental policy, planning, implementation, and continuous improvement.

LIBEROASSURANCE 

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ISO 14001:2015

ISO 9001 is an international standard for quality management systems, developed by ISO. It helps organizations establish the framework for quality management, including requirements for process control, documentation, customer focus, and continuous improvement.



Emissions

Scope 1: Greenhouse gas emissions that directly originate from a company’s own activities and operations are considered *direct* impacts. These often include sources such as fossil fuel combustion in the company’s own vehicles and equipment, heating, and greenhouse gas emissions from burning biomass. Which of these sources carries the most weight typically varies by industry.



Scope 2: This refers to the organization’s indirect greenhouse gas emissions resulting from the production of electricity, heat, or steam purchased from external sources. These emissions are often referred to as “indirect emissions” or “energy-related emissions.”



Scope 3: This category can encompass a range of activities, including suppliers’ production, distribution, and transportation of goods; consumers’ use of these goods; employees’ travel to and from the workplace; and other indirect activities within the organization’s value chain.

Emission Account

tCO ₂ e	2023	2022	2021	2020	%-change
Scope 1	718	964	1.108	799	-10.14%
Scope 2	1,394	1,284	1.318	2,134	-34.68%
Scope 3	4,023	4,820	4.202	3,840	+4.77%
Totals	6,135	7,068	6.628	6,773	-9.42%

DanGard continues to refine its CO₂ accounting to enhance accuracy and transparency. Our emissions are tracked in accordance with international reporting standards, and we are actively pursuing further reductions.

We are following the Danish Business Authority’s Climate Compass (*Klimakompasset*) in our environmental accounting. The underlying data model is based on the GHG Protocol’s emission factors and calculation principles. This approach gives us a clear overview, allowing us to identify the specific scopes where our activities have an impact. We continuously strive to refine our accounting as new opportunities emerge, and we have high expectations that new knowledge and collaboration with suppliers and partners will bring even greater nuance to our environmental accounts.

Roadmap Achievements

We proudly announce a significant progress report on our roadmap achievements since 2022.

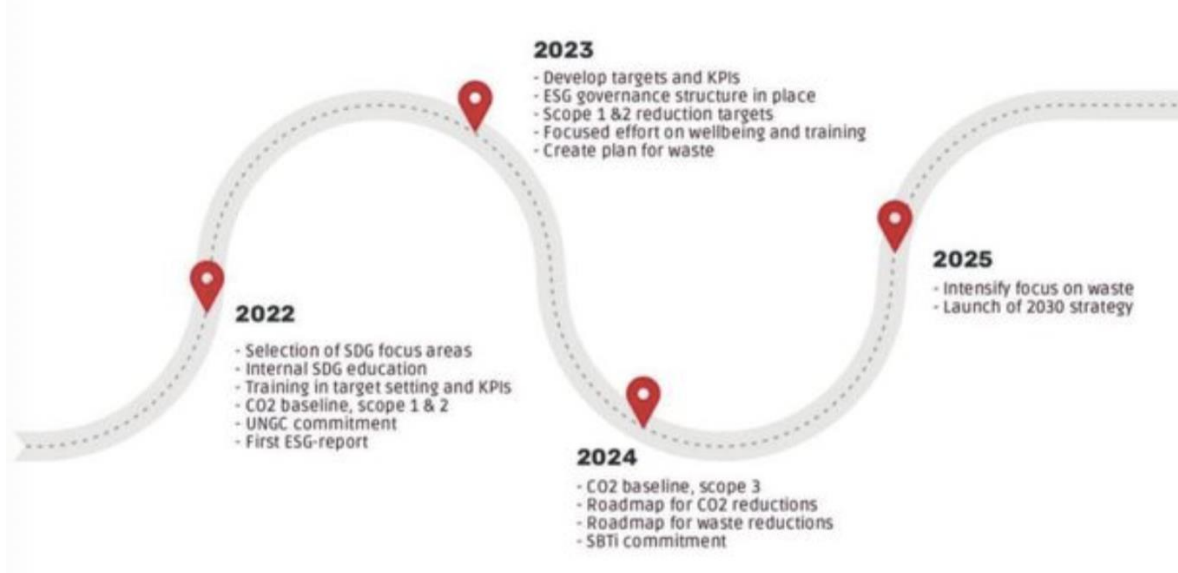
First and foremost, we have managed to define a CO₂ baseline for scope 3, one year ahead of time. This has resulted in a richer emission account in this report, as we are able to provide you our scope 3 emission for the years 2020 to 2023 and reveal our progress on all emission levels.

We have defined our development targets and established a solid foundation for our KPI structure. The next step for our future developments aims to achieve a solid implementation plan, which can be fully implemented and reported by 2025.

Our ESG governance structure has been set in place, and we have accomplished a full implementation of our whistleblower scheme. Our results are flawless, as we have not received any inquiries since its establishment, and we continue this aim in our future journey.

We defined reduction targets for scope 1 and 2 to be reduced by 50% before 2030. Comparing our 2023 calculations to our baseline reveals a total reduction on -10.18% on Scope 1, -34.67% on Scope 2. These figures indicate that our roadmap targets and strategic attempts has had decent payoff so far.

Despite significant reductions in our total from 2022 to 2023, we find the majority of our emissions to be place under scope 3, indicating a shift in our previous focus towards greater efforts for minimizing our footprints related to this section.



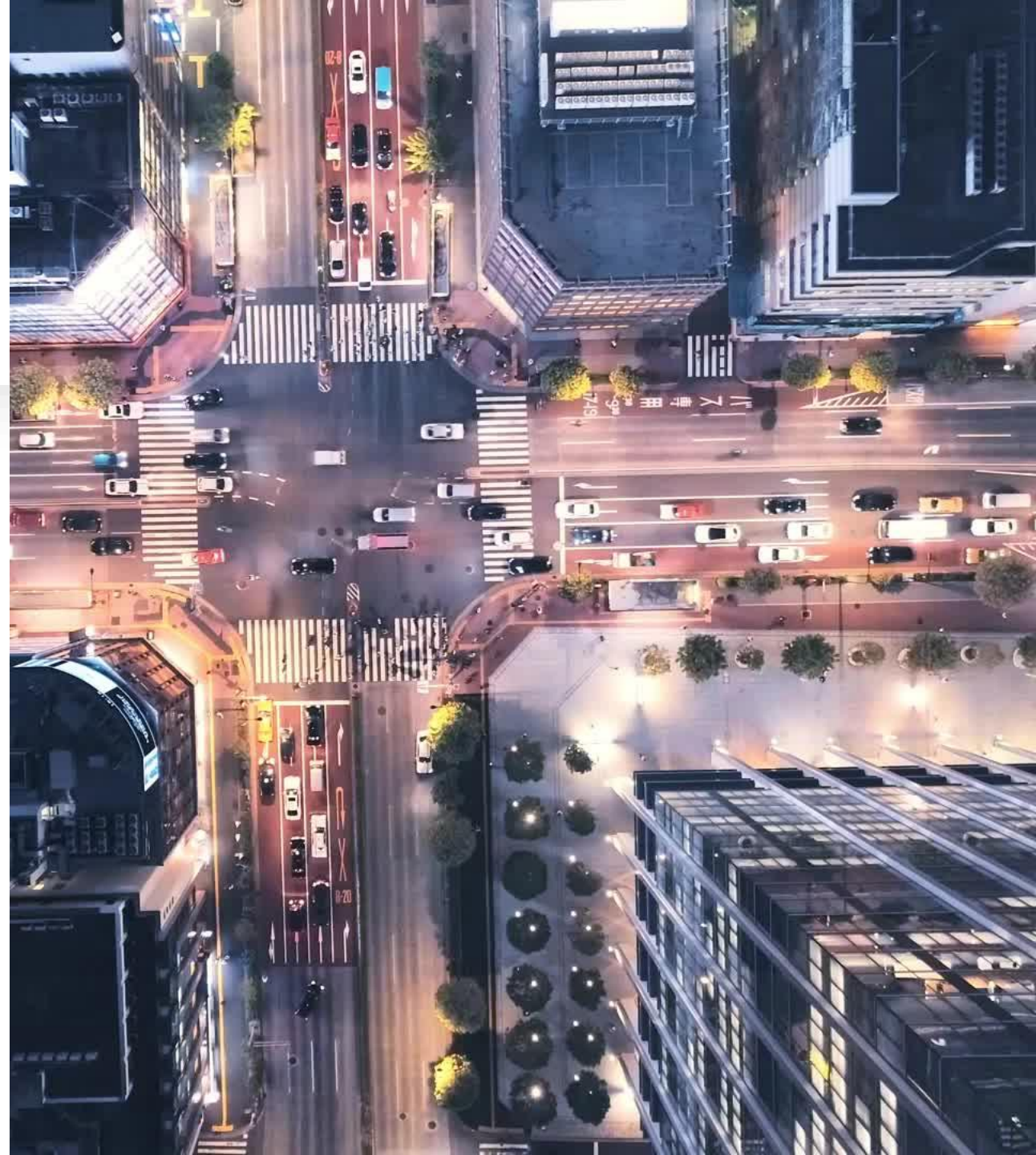
DANGARD

What's next

- Committing to SBTi's by 2024
- Roadmap for CO2 reductions
- Roadmap for waste reductions
- Visualization of value chain

As part of our commitment to continuous improvement, we will implement ISO 45001 as a management system.

Additionally, we will further integrate the KPI structure into daily operations, ensuring measurable progress in our ESG initiatives.



ESG going forward

DANGARD – Continuing Our Progress For The Future

- **Enhance Environmental Stewardship:** We will intensify our efforts to reduce our environmental impact, embracing renewable energy, optimizing resource usage, and minimizing waste generation. Our aim is to leave a smaller footprint on the planet while fostering a healthier ecosystem for all.
- **Economic Sustainability:** We will continue to work diligently to maintain our financial stability, ensuring the long-term viability of our sustainability initiatives.
- **Innovation and Technology:** We will stay at the forefront of sustainable technologies and practices, exploring new avenues to reduce our environmental impact and improve our products and services.
- **Transparency and Accountability:** We will remain transparent in our actions, holding ourselves accountable for our sustainability objectives, and sharing our progress with our stakeholders.

We are committed to work purposefully to manage our impact on the world around us.

Enjoy more
info at
DanGard.dk

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