

# CSR report 2024

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# Introduction



Being a responsible company has always been part of our DNA. For many years, we have focused on creating a good workplace that takes care of employees' physical and mental health, well-being and job satisfaction. It has been natural for us to take social responsibility for people on the fringes of the labor market, for the local community and for education and learning.

It is natural for us to focus on environmental issues, where measuring CO2 emissions is an area we continuously focus on. The report will show which areas we have chosen to focus on in the near future and in

the longer term. Initially, these will be areas that we can influence ourselves.

We are part of the global world, where we all must take responsibility for the climate and ensure a sustainable future.

Henry Hansen, CEO.



## Ownership and business model

We are part of the Italian Valbruna Group, which produces stainless bar in Vicenza, Bolzano (Italy), Fort Wayne (US) and Welland (Canada). The steel mills produces approx. 250.000 tonnes of stainless steel, nickel alloys and titanium in over 700 different grades per year. The Valbruna Group was founded in 1925, employs 2,700 employees and has 42 subsidiaries across most of the world. Including INOX.

INOX is a full wholesaler in stainless steel and we are located in Ry. In addition to Valbruna Group's stainless bars, we also sell sheets, tubes and fittings to Danish and foreign companies. In order to be able to offer customers the best service, we also offer special products, plasma and water jet cutting as well as sawing round bars and hollow bars. We currently employ 54 employees.



## UN Global Goals

Our work with climate is based on the UN's global goals, and we have chosen to work with global goals 7 Sustainable energy, 8 Decent work and economic growth and 12 Responsible consumption and production.

### SUSTAINABLE ENERGY

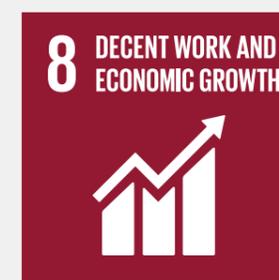
The UN's 7th World Goal deals with Sustainable energy, and we will especially contribute to meeting target 7.2, which deals with a significant increase in the share of renewable energy in the global energy mix by 2030.

We will do this by establishing a solar cell system that can supply the company with as large a proportion of electricity as possible. The remaining share of electricity will be purchased from utility companies that work with a green transition within wind, solar and water as sustainable energy sources.



### DECENT WORK AND ECONOMIC GROWTH

We aim to contribute to decent jobs and economic growth to achieve the goal of full and productive employment and decent jobs for all women and men. We particularly focus on target 8.6, where the proportion of youth not in employment or education should be reduced and target 8.8, which includes the protection of workers' rights and the promotion of a safe and stable working environment.



### RESPONSIBLE CONSUMPTION AND PRODUCTION

The UN's 12th global goal deals with responsible consumption and production. Here, we can particularly work with sub-goal 12.5, which deals with significant reduction of waste generation through prevention, reduction, recovery and reuse.



Initially, we will work with our packaging consumption and ensure that as large a proportion as possible is sustainably produced. Later we will work with our waste management to ensure a high degree of recycling and reuse.

With this report, we also follow up on sub-goal 12.6, where companies are encouraged to use sustainable practices and integrate sustainability information into their reporting cycle.

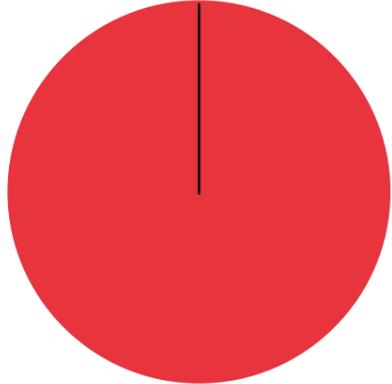


# ESG Key figures

We have chosen to report and follow the impact of our various efforts based on ESG main and key figures<sup>1</sup>, and we therefore focus on environmental data, social data and management data.

In addition, we work based on the GHG (Green House Gas) protocol's classification of the emissions in scope 1, 2 and 3.

INOX CO2e in scope 1, 2 and 3 in 2024



Scope 1 ● Scope 2 ● Scope 3 ●

### Scope 1



The company



Fuel oil

### Scope 2



Electricity



Heat

### Scope 3



Production of steel



Transport to and from the company



Waste



Packaging



Business trips



Employee transport

# Environmental conditions

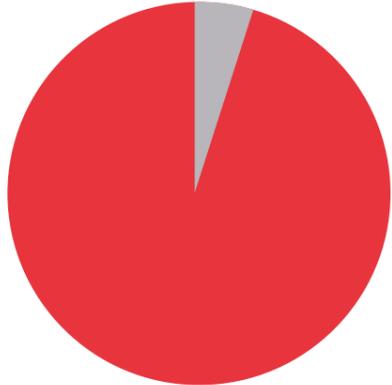
## PRODUCTION OF STAINLESS STEEL

The European steel mills' production of stainless steel is primarily based on the remelting of stainless scrap. This means that between 50-90% of the steel is made from recycled material.<sup>2</sup> The steel mills' CO2e emission in connection with the remelting of scrap is significantly lower than the mills that produce steel from raw materials

We therefore mainly want to import steel from European steel mills, which primarily have a scrap-based production of stainless steel.

Estimates from the International Stainless Steel Forum show that stainless steel produced from 90% scrap has a total emission of 1.95 tonnes of CO2 per tonnes of steel produced. In comparison, steel with a 20% scrap share has a total emission of 7.71 tonnes of Co2 per tonnes produced.<sup>3</sup>

Purchased European and non-European steel in 2024

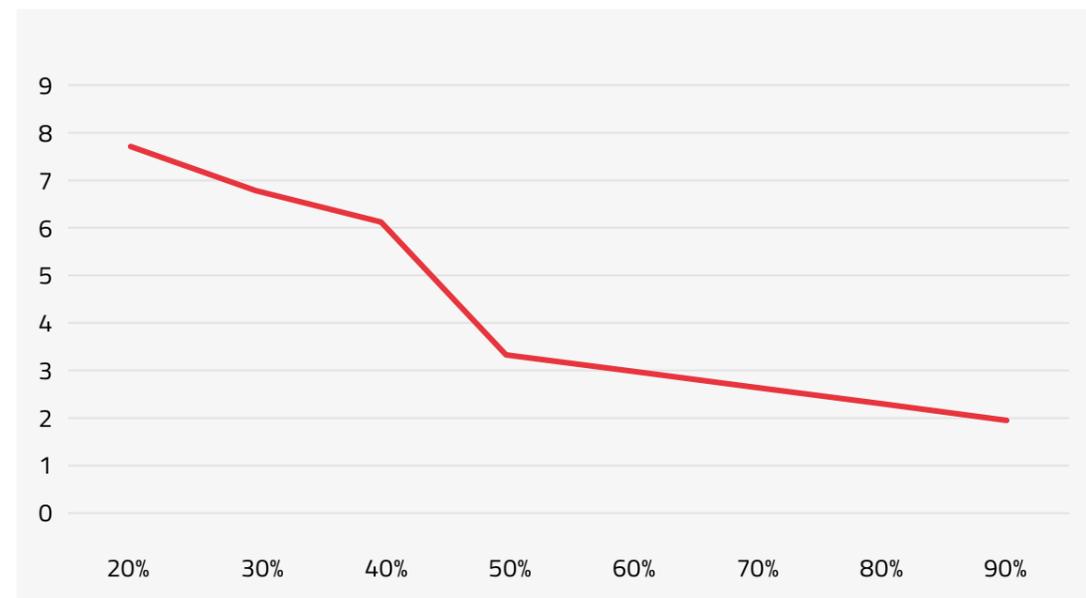


European steel ● Non-european ●

1 ESG Key figures – FSR, the Danish Finance Society, and Nasdaq's ESG main and key figures.  
 2 Data regarding the steel mills' share of scrap in their production has been obtained from our suppliers.  
 3 World Stainless Co2 emissions report; Industry Emissions and Related Data, August 2023.

Stainless steel is 100% recyclable and therefore has one of the highest recycling rates compared to other materials. ISSF estimates that 85% of stainless steel is recycled when it ceases to be used for the purpose it was produced.<sup>4</sup>

### Emission of CO2 (scope 3) in relation to % scrap in the production of stainless steel



Ton CO2 (scope 3) ●

Acciaierie Valbruna uses 95% scrap in their production of stainless bars.<sup>5</sup>



### FOCUS ON ENERGY CONSUMPTION AND SHARE OF RENEWABLE ENERGY – SUSTAINABLE ENERGY

In 2024, we have continued to focus on our electricity consumption in order to reduce our CO2 emissions in scope 2

In connection with the construction of new warehouses, we changed all lighting in both the new and old warehouses to LED lights in 2019 and 2020. We have also done this in our administration building in 2023.

Since 2022, we have implemented various behavior-changing initiatives to reduce our power

<sup>4</sup> World Stainless Co2 emissions report, Industry emissions and related data, August 2023

<sup>5</sup> Acciaierie Valbruna, Recycled material (Scrap) and CO2 per tonne declaration, Sep. 2022.



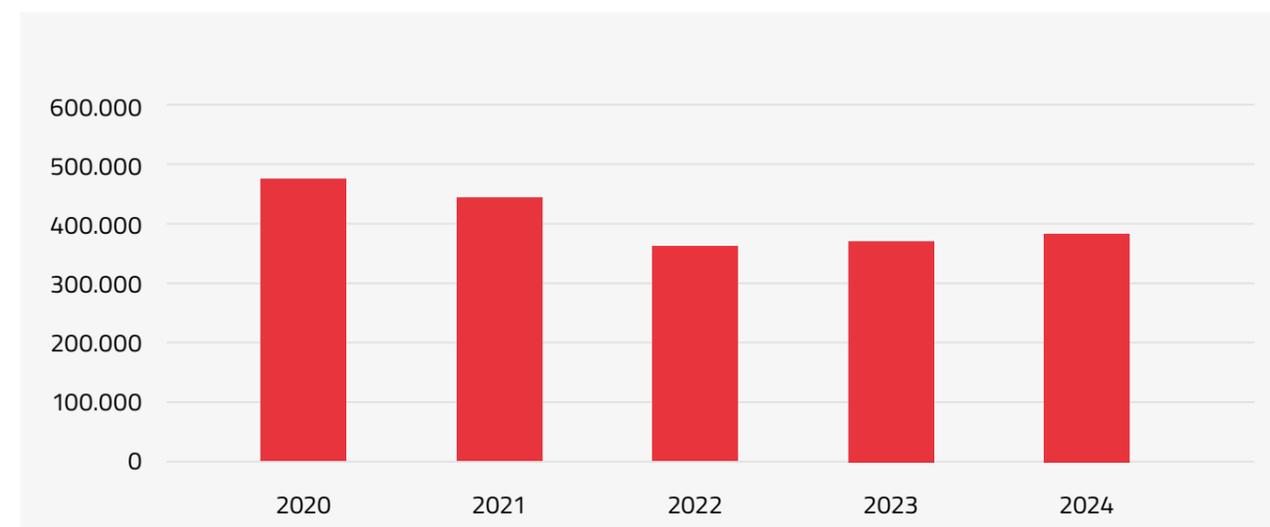
consumption, and we have had an environmental consultant from ScanEnergi to review power consumption in the warehouse and in the office building with a focus on power savings.

We aim to be self-sufficient with as large a share of electricity as possible by the end of 2025. We have installed solar panels on the flat roof of our warehouse buildings, thereby becoming 25-40% self-sufficient with electricity depending on the season and

weather. With such a large in-house production, we can save the environment 33.8 tonnes of CO2 annually.<sup>6</sup>

The remaining share of electricity we buy from our utility company to support the green transition within wind, solar and water as sustainable energy sources.

### Kilowatt hours annually



<sup>6</sup> The calculation was made by ScanEnergi, Jan. 2023.

In 2023, we have established charging stations, and in 2025, we will double the capacity so that our employees have the opportunity to charge electric cars at the workplace.. We have employees who come by car from many surrounding towns. Having the option of being able to charge electricity at the workplace will probably encourage more people to choose an electric car as a means of transport to and from the workplace.

We expect that our solar cell system can supply the charging stations with electricity during periods of high sun.



#### ELECTRIC FORKLIFTS AND ESTABLISHMENT OF ELECTRIC CHARGING STATIONS

All our warehouse forklifts run on electricity, and there are thus no direct emissions associated with using electric forklifts.

In the long term, we also want our company cars to switch from diesel and hybrid to pure electricity. At present, our 5 external salespeople and members of the management team have company cars. A lot is happening in this area right now, and we are therefore awaiting developments. Our goal is for all our company cars to be electric cars by 2030.

#### PURIFICATION AND RECYCLING PLANT - RESPONSIBLE CONSUMPTION AND PRODUCTION

Stainless steel is a product with a long life and high recyclability.<sup>7</sup> Our scraps and damaged goods are sent for remelting, and we therefore do not discard stainless products.

We work with an authorized environmental advisor in relation to the storage and documentation of the use of chemicals and cleaning agents.

#### FOCUS ON SUSTAINABLE PACKAGING – RESPONSIBLE CONSUMPTION AND PRODUCTION

We want to use sustainable packaging as far as possible. This means packaging that is produced with consideration for the environment and from recycled materials, so that it contributes to the circular economy.

The replacement of current packaging with more sustainable packaging is an area we have worked on in 2024.

The goal for 2024 was to have a greater proportion of recycled wooden packaging, which burdens the environment to a lesser extent than new wooden packaging. The same applies to plastic and cardboard packaging.

In addition, we will work to recycle as large a proportion of incoming packaging as possible, e.g. nylon straps and any form of wooden packaging.

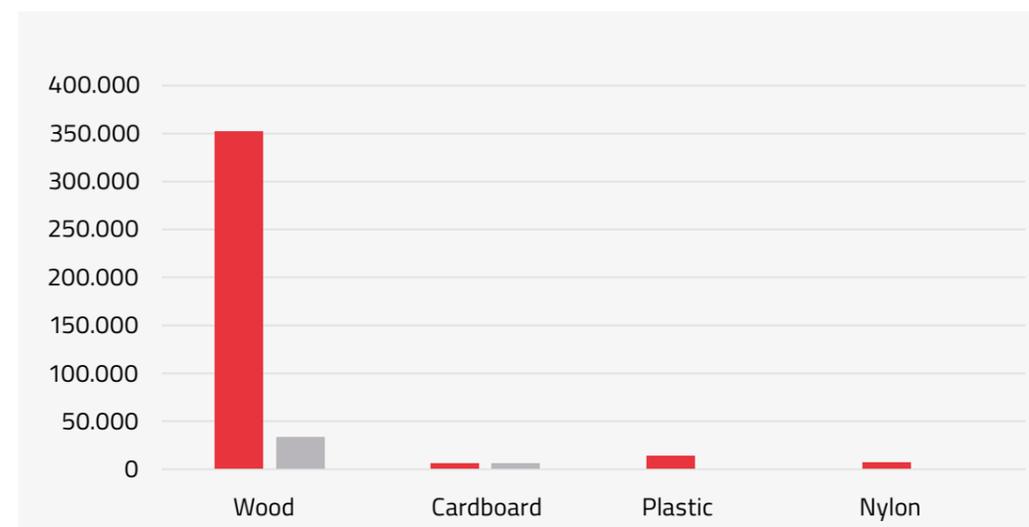


In connection with our plasma and water jet cutting, sand is sent for purification at a recycling company, where metal residues are sorted out and reused. Regular samples of waste water are taken, which are sent to the laboratory for evaluation.

We run the water through several overflow vessels, which ensure that metal waste is separated from the water and that the quality of the water is in order when it is discharged.

In connection with the sawing of bar steel, we have a recycling plant where water and cooling agents are recycled in the work process.

Tons of CO2e on packaging types in 2024



New ● Recycled ●

<sup>7</sup> World Stainless Co2 emissions report, Industry emissions and related data, August 2023.



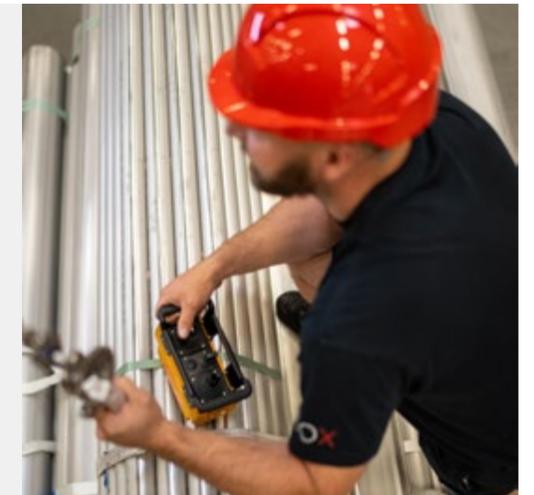
## Social Conditions – Decent Work and Economic Growth

### SAFETY AND WORK ENVIRONMENT

In collaboration with the occupational health and safety advisor Avidenz, we continuously work on improving the work environment, safety, and prevention of workplace accidents in the warehouse. During the Danish Working Environment Authority's inspection in 2021, we were awarded a Green Smiley.

We have:

- a safety guide and a workplace environment handbook.
- a Workplace Environment Committee and prepares workplace assessments (APV).
- an emergency plan for fire.
- a defibrillator and conducts first aid courses.



### OVERVIEW OF INOX TOTAL CO2E EMISSIONS<sup>8</sup>

Scope	Ton of Co2e	Share of emission
Scope 1	39,75	0,1%
Scope 2	0	0%
Scope 3	49.977	99,9%
Total	50.016	100%

### ESG ENVIRONMENTAL KEY FIGURES<sup>9</sup>

Environmental data	Unit	Targets for 2025	2024	2023
Co2e, Scope 1	Ton	50	39,75	50,76
Co2e, Scope 2	Ton	23	0	23,37
Energiforbrug	GJ	1.597	1.877	1.731
Vedvarende energiandel	%	95	92	56
Vandforbrug	M3	786	741	805

<sup>8</sup> The calculations have been made with the help of the Ministry of Business and Industry's Climate Compass, interview with producers and ISSF stainless and CO<sub>2</sub>; Industry Emissions and Related Data, August 2023. There is a certain margin of uncertainty in scope 3.

<sup>9</sup> The calculations have been made with the help of the Ministry of Business and Industry's Climate Compass, interview with producers and ISSF stainless and CO<sub>2</sub>; Industry Emissions and Related Data, August 2023. There is a certain margin of uncertainty in scope 3.

### HEALTH AND WELL-BEING

We want our employees to be healthy, thrive in their work life, and avoid illness. Therefore, we aim to detect any signs of dissatisfaction early so we can address them before they escalate.



We have:

- An annual well-being survey
- Sick leave interviews
- A fitness center
- A healthy canteen
- Health insurance with options for treatment at private hospitals, physiotherapy, chiropractic care, and psychological services
- Access to online medical consultation

## EMPLOYEE TURNOVER

We aim to retain our skilled employees and believe that a long and successful employment relationship starts with a good introduction and welcome.

- Introduction plan, buddy system and follow-up interviews for new hires
- Focus on leadership, well-being, motivation, and collaboration

- Performance reviews (MUS interviews)
- Exit interviews

It is natural and healthy for a company to have a certain level of employee turnover. This ensures a balance between renewal and continuity in the workforce. The optimal employee turnover rate for small and medium-sized enterprises is around 10-12%. This is also our goal for 2025.

## VOCATIONAL EDUCATION

Every year, we receive visits from 7th-grade classes from Mølleskolen, who, as part of their education, gain knowledge about business operations and job functions.

We consider it part of our social responsibility to hire apprentices. At the same time, it helps ensure the transfer of knowledge to a new generation of employees in the industry.

In 2021, we became part of a collaboration between Skanderborg Business, Skanderborg Municipality, and Campus Skanderborg to promote vocational education opportunities to graduating students in secondary education. Two fairs, "Meet an Opportunity," have now been held at Campus Skanderborg, where graduating students have the chance to get acquainted with various local companies and a wide range of vocational education programs. We will participate in the fair again in 2025.



## LOCAL SUPPORT FOR CHILDREN AND YOUTH

We support local initiatives for children and youth, and we are therefore the main sponsor of Ry Football. Playing football gives children and young people a sense of being part of a team, instills good values, promotes social interaction, and encourages physical activity.

aims to stimulate children's knowledge and learning in science, particularly in areas such as sustainability and renewable energy.

Among national charitable organizations, we support the Danish Cancer Society and the Children's Helpline run by Børns Vilkår.

Additionally, in 2021, we became a sponsor for Mølleskolen's "Alma's Intelligent Garden," which



## HUMAN RIGHTS AND ANTI-CORRUPTION

We respect human rights and do not tolerate corruption or bribery.

In 2023, we established a whistleblower scheme, allowing employees to anonymously report any suspicions or experiences of illegal activities within the company, such as financial or criminal misconduct.

Currently, we do not have the means to investigate and document that our suppliers comply with all European standards on human rights and the UN's 17 Sustainable Development Goals. However, we maintain ongoing dialogue with our suppliers and verify conditions during supplier visits.

As a wholesaler, we rely on our suppliers' adherence to human rights and anti-corruption standards.

There were no reported cases related to human rights or corruption in 2024.



### ESG SOCIAL KEY FIGURES AND GOALS

	Unit	Goal 2025	2024	2023
Full-time workforce	FTE	52	50,4	50,5
Gender diversity	%	17	17	12
Gender diversity in other management levels	%	15	0	0
Employee turnover rate	%	<12	8	10
Sick leave <sup>10</sup>	%	< 3	3,3	3,2
Customer retention	%	90	95	91

<sup>10</sup> Sick leave includes all sick leave reported in VISMA Time, including long-term sick leave and partial recoveries.

## Governance – Management Data

### GENDER COMPOSITION OF MANAGEMENT AND THE BOARD

In 2022, INOX's management team consisted of 5 men and 1 woman. By the end of 2024, the composition was 5 men and 0 women. Our ambition is to change this to 5 men and 1 woman in 2025.

The board currently consists of 3 men and 0 women. Over a period of 4 years, the target figures for

gender composition are as follows: 1 person of one gender and 2 persons of the other gender. There have been no changes in the board during the past financial period, and consequently, there has been no reason to alter the gender composition.

### ESG MANAGEMENT KEY FIGURES

Governance - Management Data	Unit	Goal	2024
Gender diversity of the board	%	33,3	0

## Accounting Policies Regarding ESG

### DIRECT GHG (CO2E SCOPE 1)

Scope 1 includes emissions from the combustion of fossil fuels in INOX A/S's production and from owned and leased company vehicles. Scope 1 emissions are calculated based on the methods from the GHG Protocol and are based on emission factors from Klimakompasset

### INDIRECT GHG (CO2E SCOPE 2)

Scope 2 includes emissions from the electricity purchased from the grid and district heating. Scope 2 emissions are provided by INOX A/S's suppliers and are based on the suppliers' calculations and certificates.

### INDIRECT GHG (CO2E SCOPE 3)

Scope 3 inkluderer udledninger, der stammer fra:

- Category 01: Purchased goods and services
- Category 04: Upstream transportation and distribution
- Category 05: Waste generated in operations
- Category 06: Business travel
- Category 07: Employee commuting
- Category 09: Downstream transportation and distribution

Scope 3 is calculated based on the methods from the GHG Protocol and is based on emission factors from Klimakompasset.

