

A blurred office scene with two people in the background. One person is wearing a green jacket and the other is wearing a dark jacket. They appear to be holding documents or folders. The foreground is dominated by large, dark green leaves of a plant.

ESG report 2023

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Letter from Rasmus

Our company strives to be a value-adding industrial partner, specialising in customer-specific solutions in polyurethane. Our vision is to deliver fully sustainable solutions to our customers. A great focus in 2023 was to invest in the development and well-being of our employees, state of the art manufacturing and development equipment, business and operating processes, and implementing an ambitious sustainability strategy.

In 2023, our business experienced the macropolitical uncertainty as the rest of the world. In these challenging and uncertain times, we demonstrated strong internal focus and leadership on Bramming Plast-Industri's ESG agenda. This focus led to progress on our Environmental, Social, and Governance improvement targets.

We consider our Environmental, Social, and Governance (ESG) targets to be just as vital as our financial metrics. The emphasis on our ESG agenda played a significant role in attracting Indutrade AB, our new owner in 2022. In 2023, BPI experienced its initial complete year under the ownership of Indutrade AB, whose backing of our ESG agenda has empowered us to advance at an even faster pace than previously.

Key initiatives and results

The ESG agenda was an important and highly integrated part of our business strategy in 2023, and it continues to be. Through our commitment to being part of the solution, we not only enhance our own KPIs but also facilitate our customers' access to bio-based and

recycled raw materials with lower carbon footprint. In 2022, we launched two new sustainable products, primarily suitable for comfort and noise reducing applications so far. We have already experienced a commercial advantage in our sales pipeline with both existing customers and potential clients showing interest in and requesting sustainable alternatives to fossil-based and virgin raw materials. Our ability to state product carbon footprint on quotes and orders makes a significant commercial difference.

Because of this positive reception of our initiatives, we managed to improve on our environmental goals. In fact, we have a positive progress on all of our key targets within Environmental, Social, and Governance. This includes a significant increase in the share of sustainable PU raw materials from 18 % to 29 %, high level results in employee measurement, and improvement of our gender split in the Board of Directors. This is just some of our key initiatives and results which will all be elaborated in this ESG report.

In 2023, we committed to the Science Based Targets initiative (SBTi) by setting a near-term emissions reduction target to reduce scope 1 and scope 2 by 42 % by 2030, based on year 2021. We have also committed to start measuring and reducing our scope 3 emissions.

Outlook 2024

We are committed to achieving the science-based targets by 2030 and therefore continue to invest in competences on supply chain and administrative functions with the clear goal to leave a lower carbon

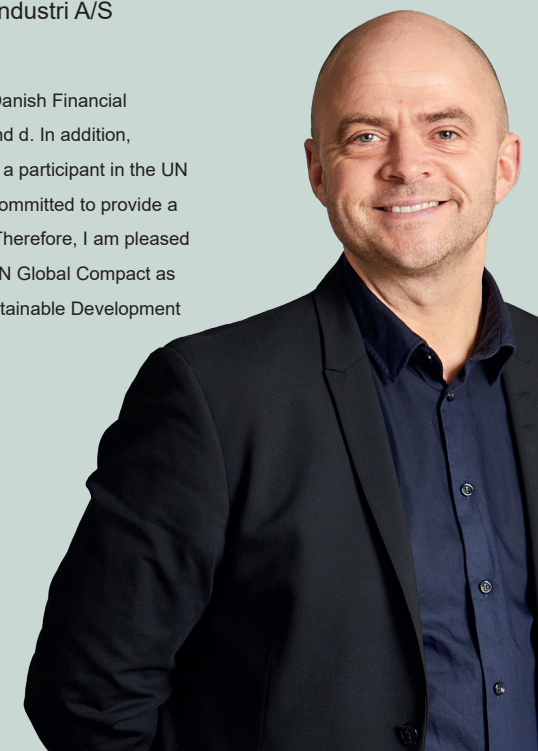
footprint, and improve social and governance at Bramming Plast-Industri A/S. To be able to do this, we continuously follow the development and adjust our goals to develop and improve. Specifically, we want to be able to offer more sustainable raw material solutions for our customers within the technical segments as well as the comfort segment.

I want to thank all stakeholders in supporting our progress in 2023 and continuous development: especially all of our dedicated employees, owners, external business partners, and customers that received our initiatives very well.

Rasmus Lisby

CEO, Bramming Plast-Industri A/S

This report complies with the Danish Financial Statements Act, section 99a and d. In addition, Bramming Plast-Industri A/S is a participant in the UN Global Compact and thereby committed to provide a Communication on Progress. Therefore, I am pleased to confirm our support to the UN Global Compact as well as we support the UN Sustainable Development Goals.



About Bramming Plast-Industri A/S

Since 1971, Bramming Plast-Industri A/S has been a leading pioneer of advanced and technology based solutions in polyurethane to a wide range of private and public sector entities including HVAC, wind, electronics, construction, bedding, and furniture. BPI is located in Denmark and Poland, and has more than 300 specialists to serve our customers in over 30 countries.

In 2023, Bramming Plast-Industri A/S (BPI) invested heavily in our ability to develop sustainable solutions for both existing and new customers. In the existing customer base, we focus on our ability to convert existing solutions into the newly developed sustainable alternatives. In our cooperation and co-development of new products and solutions, we focus on designing for disassembly and providing the right conditions for our customers to choose the sustainable alternative from BPI.

To assist this process, BPI built three new laboratories in 2022, helping customers develop their portfolio, and working as a team to solve the challenge with fossil fuel feedstock. The new services include firstly a chemical laboratory, where new sustainable raw materials are developed. Secondly, a sound lab, where sound dampening properties are tailored. Lastly, an additive manufacturing lab, where new ideas and solutions are built by the means of rapid prototyping and 3D print, ensuring a fast time to market.

Today, BPI services some of the largest industrial companies in Europe. This requires professional intercompany processes and top-end operational performance levels, along with the ability to develop an individual business setup suitable for company integration on a system level. BPI delivers this package in a very solid manner.

An industrial partner

BPI is an industrial partner, specialising in professional value-adding partnerships and the execution of high performance patterns. We build scalable manufacturing processes to ensure stability, and enable our customers to grow in a safe and controlled manner with a clear focus on a long-term partnership. Our core competence is knowledge, and our ability to deliver industrial products, processes and logistical services at the agreed time in the agreed quality.

262 mDKK
Revenue in 2023

30+
Export countries

4
Production units

2
Production countries

308
Employees

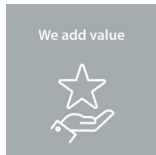


59%
Men

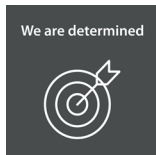
41%
Women



The backbone of BPI is constituted in well defined core values, embedded into the culture over the last 50 years: we add value, we are determined, we are trustworthy, we are action-minded, and we invest in people.



BPI aspires to deliver innovative and value-adding solutions to our customers – in a stronger and more qualified way than others. Therefore, we invest in the qualification of our team, state of the art equipment and the business processes to realise this ambition.



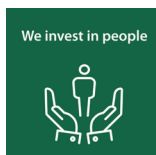
We display commitment, responsibility and respect for the needs and tasks we meet in our work and pursue all projects to the stakeholders' full satisfaction.



BPI is built on honesty, reliability and integrity, through more than 50 years of close business partnerships. We promote transparency and address issues quickly, ensuring the best possible conditions for long-term partnerships.



In BPI, we are agile, solution oriented and pro-active. We seek solutions with a hands-on approach and thrive in an environment where different areas of expertise and cultures come together. We are small enough to care, but big enough to cope.



In BPI we believe in great teamwork and a winning culture. We have an open and honest culture with a clear, straightforward and informal tone. Although our tasks and responsibilities differ, nobody feels above others or over-qualified to help where necessary.



We offer advanced, technology-based solutions. We specialise in establishing professional value-adding partnerships and we work at a high operational level.

A tradition of innovation

Since the founding in 1971, BPI has been at the forefront of innovation, focusing on the development of cutting-edge solutions in polyurethane. Our journey began with a deep commitment to pioneering technologies and sustainable practices, a philosophy that has guided our evolution.

1970s and 1980s: The foundation of innovation

In the 1970s and 1980s, our efforts were concentrated on enhancing converting capabilities and integrating advanced CNC machinery such as waterjet cutting, contour cutting, and milling.

This period marked the beginning of our journey towards technological excellence, setting the stage for future advancements.

1990s: A focus on sustainability

The early 1990s witnessed a significant milestone with the launch of mechanical recycling of trim foam under our Setex® brand.

This initiative represented our first major step towards sustainability, recycling waste and cut-offs from the converting of foam blocks, and demonstrating our commitment to environmental stewardship.

1990s & 2000s: Expanding our product line

The late 1990s introduced the manufacturing of our own polyurethane foams, including:

- PurFlex®: Flexible moulded foam parts for high-end furniture
- PurCore®: Rigid polyurethane parts for furniture applications
- PurSoft®: Moulded supersoft head pillows



The 2000s marked a significant shift towards manufacturing unique polyurethane solutions for industrial applications, launching:

- VibraFlex®: For vibration damping
- InotanPUR®: For thermal insulation
- PureSound®: For acoustic solutions
- PureXilence 3D®: Moulded parts for sound damping

These innovations emphasised our dedication to enhancing product quality and performance, leveraging our technical expertise to meet the evolving needs of our customers and the industry.

2010s and 2020s: Leading with innovation and sustainability

The past decade has been characterised by further advancements and a stronger emphasis on sustainability. Highlights include:

- The establishment of an in-house sound lab, enabling root cause analyses for noise and vibration performance, thus strengthening our capability to develop performance-optimizing solutions.
- Launched a patent-pending mould concept based on 3D printing, named MAGNA, enabling rapid and cost-effective prototyping and mass production.
- Development of a Chemical lab for engineering our own customized PU compounds and an R&D lab to verify properties like strength, elasticity, thermal insulation (λ), and fire performance, underscoring our dedication to innovation and quality.
- The launch of Setex[®] Post-Consumer, a mechanical recycling initiative for post-consumer mattresses, building on our previous post-industrial recycling efforts.
- The introduction of the Biomass Balance approach for the PurFlex[®] brand, which is now decoupled from fossil feedstock and based 100 % on sustainable organic food waste. Similarly, PureBio100 represents our commitment to sustainability, offering mattress toppers made entirely from biomass balance.



Looking forward

As we move into 2024, BPI remains dedicated to pushing the boundaries of innovation and sustainability. Our journey reflects a commitment to environmental stewardship, technological advancement, and the pursuit of excellence in polyurethane solutions.

We are proud of our heritage and excited for the future, as we continue to develop innovative and sustainable products that meet the demands of our customers and contribute positively to our planet.

Sustainability strategy

When developing a sustainability strategy in the polyurethane industry, it involves addressing various environmental, social, and economical factors. These factors are associated with the production, use, and disposal of polyurethane products.

In the polyurethane industry, significant challenges lie ahead, particularly in achieving circularity. Addressing technical hurdles to create sustainable solutions is one aspect, while fostering societal shifts and establishing infrastructural capabilities for disposal and recycling present another set of challenges. At BPI, we recognise the imperative for enhanced collaboration among stakeholders to overcome these hurdles. Therefore, we are actively engaged with key partners and municipalities, striving to tackle circularity issues and innovate product creation by harnessing post-consumer waste materials.

Post-consumer waste refers to materials that have been used by consumers and are afterwards discarded or recycled. This type of waste is the key to starting with a circular economy. By recycling and reusing post-consumer waste, we can avoid a tremendous impact from incineration processes and return the material to the cycle.

Transitioning to a sustainable society also requires being a responsible company respecting human rights and conducting business in an ethical manner. Therefore, it is also a priority for BPI to be an attractive employer as well as ensuring high standards on business ethics.



At BPI, we have a clear and ambitious sustainability strategy. We want to change the way we work in terms of the production and recycling of polyurethane.

Nevertheless, our sustainability strategy consists of:

Life Cycle Assessment (LCA)

- Conducting a thorough LCA study of our products, including raw materials extraction, transport, and manufacturing (cradle-to-gate assessment).
- Identifying environmental hotspots and opportunities for improvement across the life cycle.

Raw material sourcing

- Prioritising the use of renewable and sustainable raw materials.
- Implementing responsible procedures to guarantee the ethical procurement of raw materials, including consideration for labour standards and community repercussions.

Waste reduction

- Developing a strategy to reduce waste generation during production processes.
- Investing in research and development of recycling technologies for polyurethane products such as mechanical recycling.
- Promoting the use of recycled polyurethane materials in new products.

Regulatory compliance and certification

- Staying informed about regulatory requirements related to environmental and health impacts of our production.
- Obtaining certification such as ISO 14001 and ISO 45001 and pursue compliance with relevant standards and regulations.

Product design

- Designing products for longevity, durability, and ease of repair to extend their lifespan.
- Taking into account the end-of-life ramification of product design, including the ease of disassembly and recyclability.

Energy efficiency

- Adopting energy-efficient manufacturing methods to reduce greenhouse gas emissions and energy consumption.
- Investing in renewable energy.

Collaboration and stakeholder engagement

- Engaging with our suppliers, customers, industry associations, and other stakeholders to collaborate on sustainability initiatives and share best practices.
- Engaging in industry-wide initiatives and partnerships to address common challenges and advancing collective progress.

Employee training and awareness

- Offering training programs for employees to raise awareness of sustainability issues and promote of environmental responsibility.
- Encouraging employee involvement in identifying and implementing sustainability improvement.

Transparency and reporting

- Maintaining transparent communication with stakeholders regarding sustainability efforts, challenges, and progress.
- Publishing reports detailing key performance indicators, achievements, and goals.

Continuous improvement

- Establishing mechanisms for monitoring and measuring sustainability performance, and regularly review and update sustainability goals and strategies.

Business strategy

The key to a successful track record on the ESG agenda is creating a strong integration between the business strategy and the ESG ambitions and plans, creating commercial opportunities for the entire value chain by seeing the long-term perspectives in sustainable solutions.

BPI operates a strong and efficient CBI system, where all business projects are implemented in a 90 days execution pattern. Every 90 days, roughly 50 projects are completed. BPI's ESG strategy is an integrated part of this process, which ensures the appropriate focus, prioritisation and clearly visualises the full business potential of each ESG project and its part in the overall company strategy.

Looking at our current pipeline for projects based on sustainable raw material, BPI has a very strong pipeline to realise the ambitions by 2026. We have made a clear roadmap to a future, where BPI is disconnected from the fossil fuel feedstock and solutions are found in circular alternatives.

As a company, it's imperative for us to effectively oversee our engagements within our ecosystem, encompassing both the natural environment and societal dynamics, as these interactions significantly influence the company and are reciprocally impacted by it.

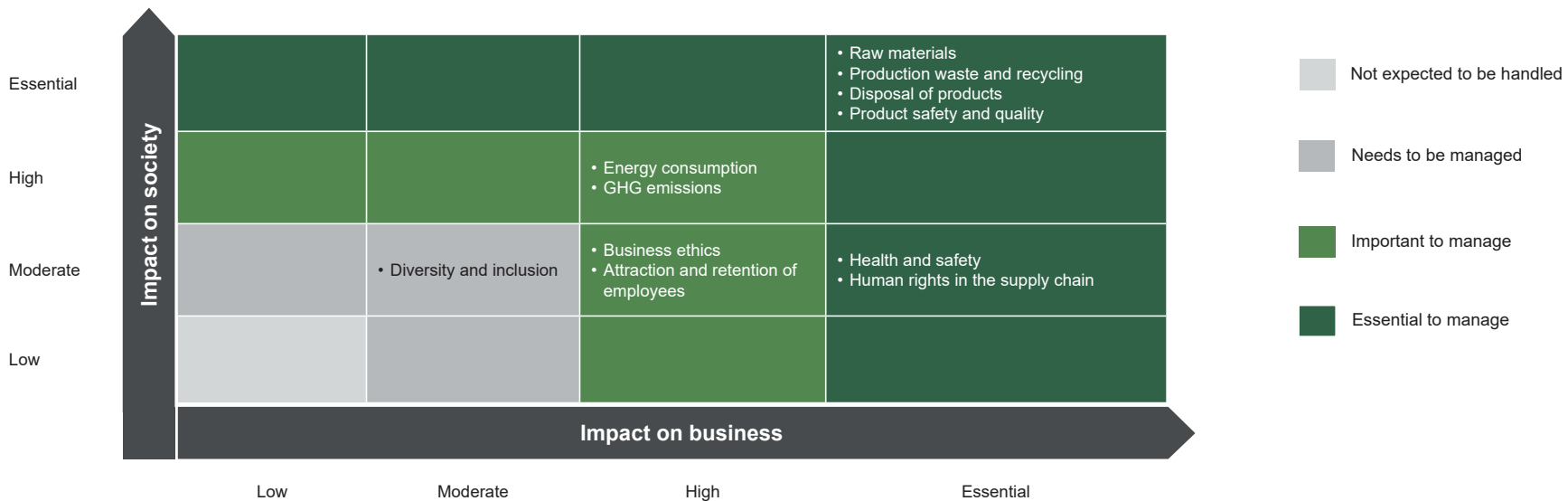
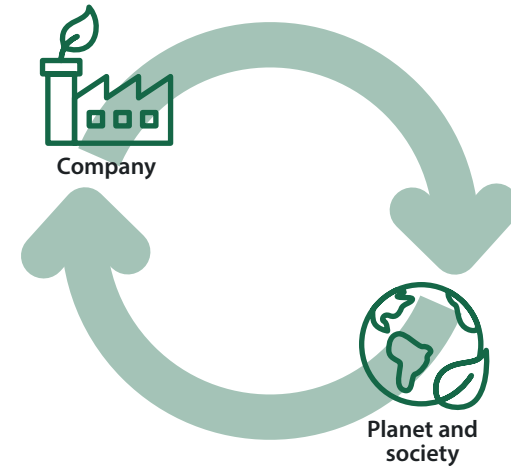


Materiality assessment

In the process, we conducted a double materiality assessment that is in line with our strategic decisions and reporting guidance. We have identified the most important ESG issues that have an impact on society and business.

This assessment helps us understand the issues with the greatest potential to impact BPI's ability to create value and achieve strategic goals. Through the identification and prioritisation of these critical matters, we can direct our resources toward effectively addressing and disclosing the issues most relevant to our stakeholders and business operations.

The assessment confirms our positive impact on society and business, bringing the transparency between us and our customers to a higher level and creating safe and healthy working conditions for our employees. At the same time, the assessment points out other impacts and opportunities as well as the areas where is a risk of negative impact on society and the environment.



Sustainability priorities

E Environmental impact



We have an ambition to lead the transition of polyurethane production to a circular economy by disconnecting from the fossil fuel feedstock.

Material topic

- Life cycle analysis
- Circularity
- Material sourcing
- Packaging

Targets

- Increase the share of sustainable PU materials
- Increase mechanical recycling and create circularity

S Social responsibility



We drive towards a positive change in our industry by committing to Science-Based Targets initiative (SBTi).

Material topic

- Track our GHG emissions
- Environmental pollution
- Energy efficiency and use
- ISO certifications

Targets

- 42 % reduction of scope 1 & 2 by 2030
- Get certified in ISO 14001 and ISO 45001

G Governance practices



We aim to be transparent and ethical in our business. Governance is essential to our daily interactions with our suppliers, customers, stakeholders, and business partners.

Material topic

- Anti-corruption & anti-bribery
- Ethical behaviour
- Responsible procurement

Targets

- Take a part in sustainable supply chain ratings
- Have all strategic suppliers sign and accept our Code of Conduct by the end of 2024

Group targets and performance

	Performance	Long-term targets
	2023	2026 - 2030
Environment		
Increase the share of sustainable PU materials used in BPI ¹⁾	29 %	50 % by 2026
Increase mechanical recycling and create circularity (post-consumer waste)	206 tonnes	1000 tonnes by 2026
Reduction in scope 1 and 2 emissions ²⁾	-19,6 %	-42 % by 2030
Eliminate non-recyclable waste from production	618 tonnes	0 tonnes by 2030
Health & Safety		
Lost time injury	10 ppm	0 ppm by 2030
Well-being	69	75 by 2026
Gender diversity ³⁾		
Gender diversity among all employees	41/59	45/55 by 2030
Gender diversity in Other management levels	22 %	30 % by 2026
Gender diversity in Top management	0 %	25 % by 2026
Gender diversity in the Board of Directors	20 %	25 % by 2026
Participation in Board meetings	100 %	100 % by 2026

1) Consists of recycled post-consumer and post-industrial PU foam.

2) Decrease emissions by 19,6 % compared to 2021 – scope 2 is location-based.

3) Focus on gender diversity with equal available opportunities that are not limited by gender, proportion of females (in percentage).

ESG performance



Climate and Environment

Environmental data

Data indicator	Unit	2023	2022	2021	2020	Comments	GRI guidance
GHG emissions							GRI 305: Emissions
Scope 1	tonnes CO ₂ -eq	707	759	838	734	Recalculation of historical data of scope 1 (2020, 2021, 2022) has been done and calculation for company vehicles has been added.	
Scope 2 location-based	tonnes CO ₂ -eq	1.800	2.047	2.282	2.714	Recalculation of historical data of scope 2 (2020, 2021, 2022) has been done with a correct emission factors.	
Scope 2 market-based	tonnes CO ₂ -eq	660	2.591	2.876	2.175	Recalculation of historical data of scope 2 (2020, 2021, 2022) has been done with a correct emission factors. BPI PL switched to certified green electricity in 2023.	
Total scope 1 and 2	tonnes CO ₂ -eq	2.507	2.805	3.120	3.448	Sum of scope 1 and scope 2 location-based.	
Scope 3	tonnes CO ₂ -eq	11.426	16.299	19.783	N/A		
Total scope 1, 2, and 3	tonnes CO ₂ -eq	13.933	19.105	22.904	N/A	Sum of scope 1, scope 2 location-based, and scope 3.	
Energy consumption							GRI 302: Energy
Total amount of energy	MWh	5.316	5.974	6.712	5.979		
Natural gas	MWh	2.346	2.564	2.939	2.443		
Electricity	MWh	2.970	3.409	3.774	3.536		
Renewable electricity Certificate	%	59	0,0	0,0	0,0		
Waste							GRI 306: Waste
Total waste generated	tonnes	734	903	978	1.370		
Total non-hazardous waste	tonnes	708	877	955	1.336		
Total hazardous waste	tonnes	26	26	23	35		
Total waste for recycling	tonnes	139	155	167	166		
Water							GRI 306: Water and Effluents
Water consumption	m ³	4.141	4.280	5.287	4.609		
ISO certifications							
ISO 9001-certified sites	number	2	2	2	2	Sales, developing and production of components of foam, metal, and wood. Cutting, sewing, and mounting of upholstery fabrics for customers.	

ESG performance



Social data

	Data indicator	Unit	2023	2022	2021	2020	Comments	GRI guidance
	Number of employees (FTEs)	number	308	372	418	404		
Workplace	Employee turnover (based on headcount)	%	27	27	29	26		GRI 401: Employment
	Engagement survey participation rate	score	82	64	53	-		
	Employee engagement score	rate	69	60	64	-	Figures are shown as satisfaction scores of weighted results from both production sites.	
	Lost time injury (LTI) frequency rate	%	10	16	34	31		GRI 403: Occupational Health and Safety
	Sick leave	%	7	9	8	7		
	Gender diversity in the company (% women, based on headcount)	%	41	42	39	38		GRI 405: Diversity and Equal Opportunity
	Gender diversity in Other management levels (% women, based on headcount)	%	22	16	25	22		
	Gender diversity in Top management (% women, based on headcount)	%	0	0	0	0		
	Gender diversity in the Board of Directors (% women, based on headcount)	%	20	0	0	0		



Society

Governance data

	Data indicator	Unit	2023	2022	2021	2020	Comments	GRI guidance
	Number of whistleblower cases admissible	number	0	0	0	0		
	Number of whistleblower cases resolved	number	0	0	0	0		
	Participation in Board meetings	%	100	100	100	100		



We want to lead the way towards a circular solution. Our vision is to create sustainable solutions for our customers through industrial and scalable processes. Through cooperation with local and global partners, it is our ambition to lead the way towards a circular economy.

Environment



4 CAROUSEL MOULDING

The carousel moulding technology is a revolutionary process for producing high-quality, high-strength components. It is a highly efficient and scalable process that allows for the production of complex, high-strength components. The carousel moulding process is a highly efficient and scalable process that allows for the production of complex, high-strength components.

Why choose carousel moulding with BPP?

- High-strength components
- High-quality surface finish
- High production capacity
- High precision
- High repeatability

Climate actions

At BPI, we have a clear and ambitious sustainability strategy, whereby we want to reduce our carbon footprint in line with a science-based approach in doing so.

In 2023, we committed to the Science Based Targets initiative (SBTi) by setting a near-term emissions reduction target to reduce scope 1 and scope 2 by 42 % by 2030, based on year 2021. We have also committed to start measuring and reducing our scope 3 emissions. Our near-term target has been approved by the Science Based Target initiative (SBTi) including Business Ambition for 1,5°C. This commitment aligns with a campaign to mainstream 1,5°C target to respond to the climate crisis.



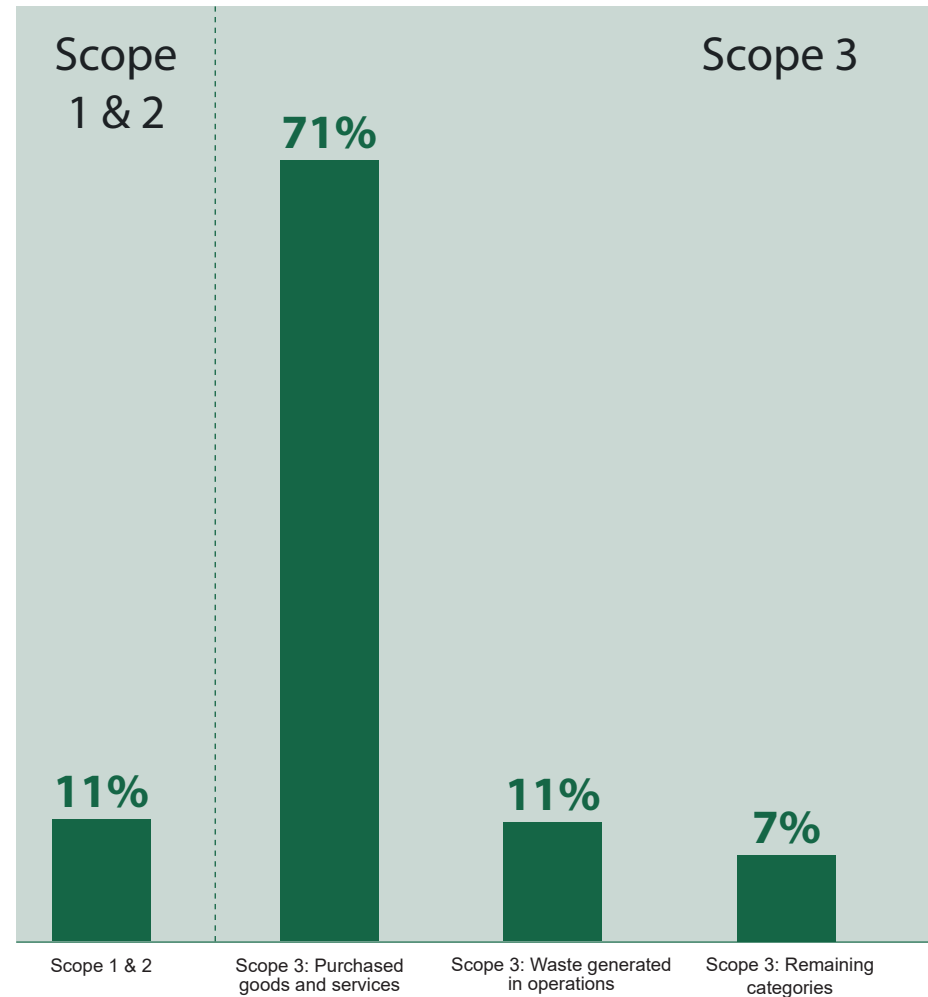
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Since 2021, scope 1 and 2 emissions have been reduced by 63,2 % market-based and 19,6 % location-based point of view. This positive development has been achieved by a series of investments, such as a better energy control system. A smart control system provides help with managing our energy usage and environmental conditions, e.g., automatically switching lights, AC, and heat on and off during weekends, holidays, and evenings.

Nevertheless, another big factor in the reduction is a switch to electricity generated from biomass in our Polish production in 2023. This change helped us reduce our scope 1 and 2 emissions and focus on the ongoing implementation of renewable energy across our organisation.

GHG emissions 2023 by scope and category [t CO₂-eq]



Emissions

We want to track our own emissions and identify the highest hotspots. By doing this, we can easily implement a suitable solution and reduce its impact.

Through cooperation with local and global partners, we are able to create more sustainable solutions for our customers through industrial and scalable processes. One of our big priority is to increase the amount of post-consumer polyurethane and put higher focus on bio-based materials rather than fossil-based materials.

Similar to other manufacturing firms, we possess an extensive pool of data within scope 3. Accordingly, we have diligently selected the optimal solution for data collection and analysis to effectively map out our scope 3 emissions.

In 2023, our scope 3 emissions constituted 90 % of our total emissions, underscoring the critical importance of identifying and mitigating hotspots to minimise their impact.

80 % of our scope 3 emissions come from purchased goods and services.

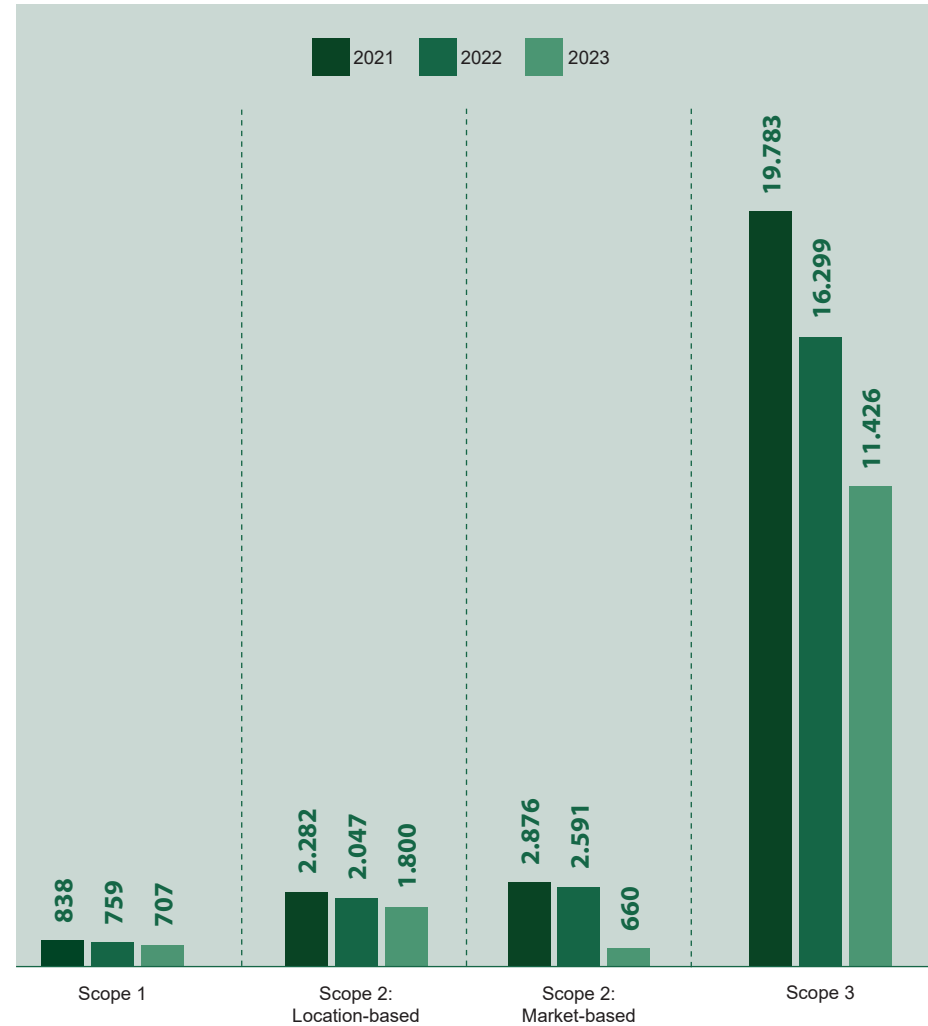
Since 2021, we have been able to reduce our scope 3 emissions by identifying the highest hotspots in the procurement of raw materials. By gradually switching from fossil-based materials to bio-based materials, we have partly reduced our scope 3 emissions by 42 % since 2021.

In pursuit of this goal, we have augmented the inclusion of post-consumer polyurethane in our production processes and initiated measures to enhance circularity within our operations.

There also are some limitations in data collection that we can do. As an example, category 6 “Business Travel” focuses only on air transportation.

The waste produced in our operations comes from scope 3 emissions, including wastewater and solid waste, such as packaging waste from raw materials and PU trims from operations. This has significant environmental ramifications. Consequently, we aim to diminish both its impact and the volume generated on an annual basis.

GHG emissions 2021-2023 [t CO₂-eq]



Although the impact of non-recyclable waste being incinerated or sent to landfills remains significant, we are persistently endeavoring to diminish the volume of non-recyclable waste. This effort is aimed at lowering our scope 3 emissions and, most importantly, mitigating its adverse effects on the surrounding environment.

Since 2021, scope 2 market-based emissions have been reduced by 77 % and location-based by 21 %. Another very crucial factor for this transition is the conversion to electricity generated from biomass on one of our production sites. We have purchased a Guarantee of Origin certificate for the entire year and intend to extend this transition to our other production site.

Since 2021, scope 1 and 2 emissions have been reduced by 19,6 %. This positive development has been achieved by a series of investments including new processing machinery, compressed air optimisation, LED lighting, ventilation, optimisation, intelligent heat control systems, building insulation initiatives, heat pumps, and several other areas of focus.

The introduction of the BPI energy saving programme also played a vital role in this result, creating a stronger awareness for the importance of energy savings and a higher visibility of the impact that can be achieved by the individual employee.

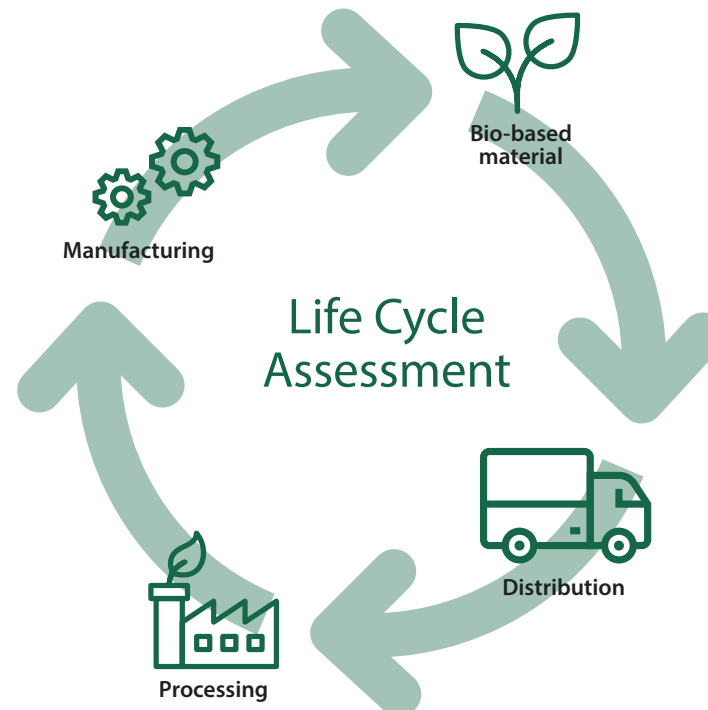
Part of the solution

In 2023, BPI has decided to build an internal LCA tool for a better understanding of our products and their impact. Furthermore, BPI has chosen to follow the ISO 14067 standard, focusing on greenhouse gas (GHG) emissions produced during the life cycle of products. The Product Carbon Footprint (PCF) tool is based on cradle-to-gate assessment.

“Cradle-to-gate” refers to the assessment of product’s environmental impact from the extraction of raw materials (cradle) to the point it leaves the manufacturing facility (gate). This assessment excludes the impact of product use and disposal.

The PCF tool serves as an integral part of our commitment to sustainability. This tool enables us to measure the carbon footprint of our products, helping us to make informed decisions to reduce emissions and promote sustainability among us.

In 2024, we are gearing up to unveil the fully integrated PCF tool within our system. This tool will enable us to monitor product emissions and highlight key areas of focus in the manufacturing processes. It is crucial for us to discern the varying contributions of different impact categories and to guide improvements in product design accordingly.



Environmental management

Waste generated in operations

Waste generated in operations involves the collection, processing, recycling, and disposal of waste materials in an environmental responsible manner. The primary contributor to our waste stream consists of foam trims, which unfortunately cannot be recycled, leading to their disposal through incineration.

Our waste consist of materials from production, primarily foam trims, along with the disposal of chemical and packaging materials.

One of our KPIs involves monitoring and reducing the total of non-recyclable waste in our operations. The substantial progress made has resulted in a notable 49 % reduction since 2020.

Efficient waste management is pivotal in maintaining public health, preserving the environment, and wisely conserving resources. Thus, we are consistently striving to enhance the quantity of waste diverted to recycling.

There has been a decline in recycled waste in 2023 compared to previous years. Nevertheless, the overall volume of waste is gradually decreasing. We have established a goal to eliminate all non-recyclable waste from our operations, and we are actively pursuing strategies to accomplish this objective.

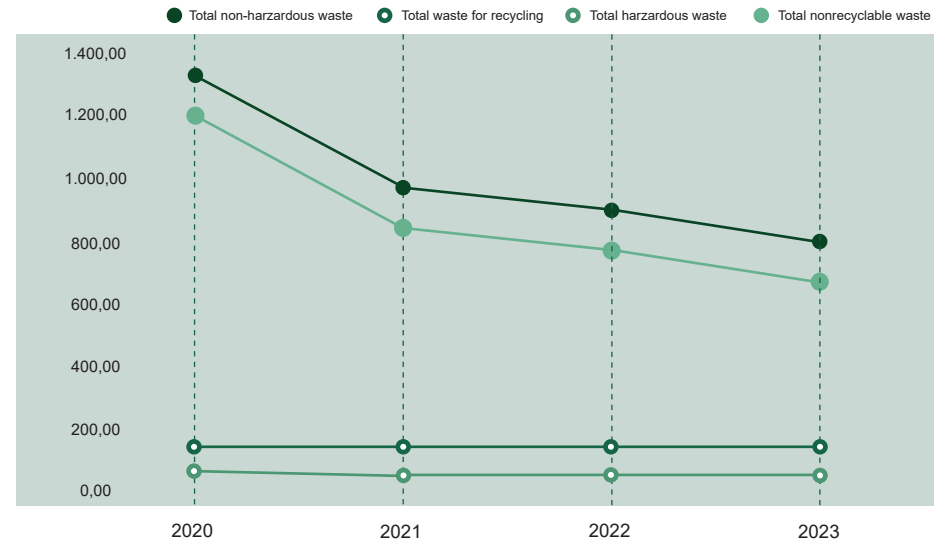
We are encouraged to reuse our own foam trims from our operations to reduce the impact from disposal through incineration. This process helps to extend lifespan of the materials and reduce the need for new resources.

Water consumption

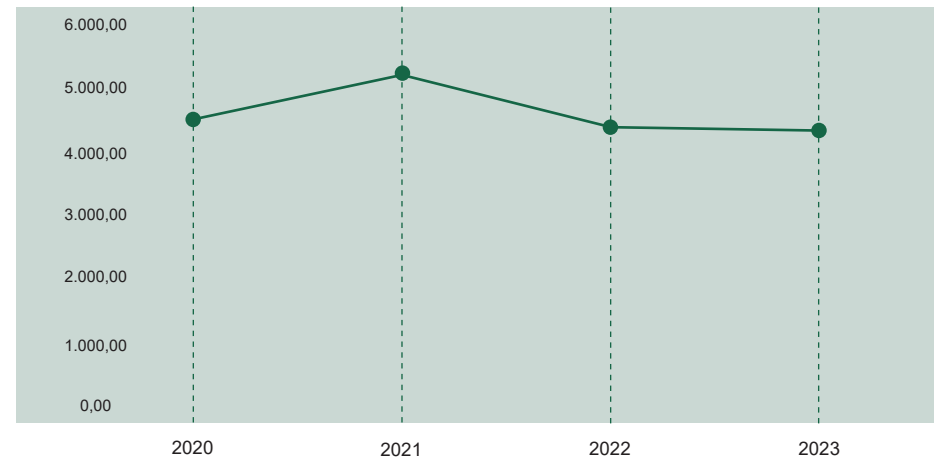
Effectively managing water usage is crucial to uphold sustainable water reserves and reduce environmental impact.

Water consumption at BPI has decreased since 2021, a testament to our concerted efforts to implement water-efficient technologies and practices to reduce consumption.

Waste generated in operations 2020-2023 [tonnes]



Water consumption 2020-2023 [m³]



Certification

BPI is continuously working on the development of its environmental protection system and environmental outcomes, aspiring to ensure further development through specific projects included in the game plans. One such project is obtaining certifications for two new standards, ISO 14001 and ISO 45001.

In 2023, as part of the organisation's continuous adjustment to meet ISO 14001 and ISO 45001 standards, a crucial Register of Needs and Expectations of Interested Parties was established to facilitate this endeavor. This register includes: the level of compliance with environmental and safety requirements, records of compliance, automatic notifications for the responsible person in case further evaluation is needed depending on the requirements, and an action plan in case of non-compliance.

Additionally, a Matrix of Environmental Aspects has been made which analyses the impact of BPI on the environment within the aspects specified in the ISO 14001 standard and triggers appropriate action when needed.

A series of existing documents, including the Quality, Environmental, Health and Safety Policy, were updated in line with ISO 14001 and ISO 45001. In 2024, we plan further adaptation of the system to meet the requirements of the new standards, including finalizing the Procedure of Environmental Protection.

Additionally, BPI underwent a recertification audit for ISO 9001 in 2023. The recertification audit yielded a positive outcome with no non-conformities, serving as the foundation for extending the certification until 2026.



Optimising value creation with circular economy

As we reflect on our journey throughout 2023, BPI has reached remarkable milestones that emphasise our unwavering commitment to innovation and sustainability. This year has been pivotal in amplifying our efforts towards environmental stewardship and technological excellence.

Doubling down on recycling: A standout achievement has been the increase in our post-consumer production capabilities. We successfully doubled our output from 108 to 206 tones, a testament to our technological advancements and operational efficiencies. This significant leap forward not only showcases our dedication to recycling and sustainability but also aligns with our strategic goal of reaching a 1.000-tonne milestone by 2026. The market's enthusiastic response to this initiative reaffirms our belief in the growing demand for sustainable solutions.

Elevating sustainable content

In our continuous pursuit of sustainability, we have made substantial strides by enhancing the sustainable content of our products. In 2023, we increased our sustainable content from 18 % to 29 %, largely due to our strategic shift towards incorporating Biomass

Balance and Setex® Post-Consumer into our production processes. This transition not only marks a significant step in our green journey but also demonstrates our ability to innovate and adapt in response to environmental challenges.

Advancements in carbon footprint calculation

Another area where we have excelled this year is in our capability to calculate the carbon footprint of our products in-house. This advancement enables us to quantify the environmental benefits of our green solutions in a fact-based manner. By doing so, we offer our customers transparent and reliable data that supports their decision to choose our products over conventional alternatives. This capability has proven to be a key factor in attracting customers and fostering a shift towards more sustainable solutions. In summary, 2023 has been a year

of ambitious progress for BPI, marked by significant achievements in recycling, sustainability, and technological innovation. Our advancements in post-consumer production, sustainable content, and carbon footprint calculation not only reflect our dedication to environmental stewardship but also strengthen our market position as a leader in sustainable polyurethane foam solutions. As we move forward, we remain committed to our mission of delivering innovative and sustainable products that meet the demands of our customers and contribute positively to our planet.





We contribute to society by treating our employees fairly and equally. We strive to create a healthy and safe environment for all our employees. That means a commitment to respecting human rights throughout our value chain.

Social

Health and safety

As a manufacturing company, providing a healthy and safe work environment for employees is a core value to BPI.

Operational work at BPI is relatively low risk compared to other industries, BPI has never had a fatal workplace injury. The most common workplace injury is smaller incidents involving hand tools, and employees are trained in safety and first aid. This year, BPI have made significant progress on safety through an intensive effort on both “Accidents”, “Nearby accidents” and the newly established “Potential accident” programme where employees are highly involved in improving both processes and the working environment in the workspaces. In 2023, BPI had four workplace related accidents which is the lowest since BPI has recorded safety data. The accidents were related to falls and minor cuts.

BPI has continued the approach of risk-based thinking and preventive safety actions in 2023. In total, more than 150 safety improvement potentials have been identified by our employees and subsequently implemented. The actions are all recorded in our Quality Management System and implemented according to PDCA methodology. We are regularly performing Safety & 5s audits with rating of each area and identification of risks and improvement potentials.

Investments have been made in both safety equipment, process conditions, and intensive training has taken place on both processes and chemical handling.

In 2023, BPI has strengthened our safety organization with a Group QHSE Manager and a new H&S inspector in our Polish Plant. In both Denmark and Poland, we have well-functioning H&S committees with employee representatives.

In 2023, all our employees in contact with chemicals have been through an extensive ISOPA training program connected with risks and preventive measures when handling isocyanate. All employees in Poland have been through periodic safety training in 2023. We have also conducted first aid training and training in active firefighting.

Examples of specific actions connected with employee safety taken in 2023:

- A new crane installed on the hotmelt line in Denmark.
- New slip-protective floors in several areas.
- Improved procedure for availability of safety data sheets.
- Improved lightening protection system installed in Poland, including light buildings.
- New chemical storage area in Denmark.
- Improved protective measures for water cutters in Poland.
- New asphalt in container area and parking lot in Denmark.
- Separation of all operations involving chemistry from other operations in Poland.
- New register of needs and expectations of interested parties and frequent compliance level evaluation.



- Improved storage racks control with regular inspection.

Going forward, BPI will continue to strengthen the efforts on employee safety by further promoting risk-based thinking and engaging all our employees. Continuously working on safety efforts by implementing PDCA systems and engaging blue collar workers in local safety groups to create better learnings and routines. BPI is targeting to acquire the safety standard ISO 45001 in 2025.

Work-life balance

A good work-life balance is essential for us and our employees overall well-being and productivity. We want to offer our employees a good work conditions which involves effective managing the demands of work and personal life to reduce stress, encourage satisfaction, and maintain health. That is why we have introduced various flexible working models, such as flexible shifts, full-time and part-time employment, and remote working hours to employees where it creates value.

The solutions are tailored to the individual's work and personal requirements. Remote work facilitates our employees in effectively balancing their professional and personal obligations, such as childcare or attending to the needs of their loved ones.

Through our extended overtime system, employees can enhance their work-life balance without compromising operational needs. Our efficient time management fosters a harmonious alignment of company and employee interests, resulting in increased employee satisfaction.

Service excellence

A customer's level of satisfaction can be measured in a lot of different ways.

Some companies are very focused on-time delivery, having no complaints or even being able to always be able to provide at the lowest price.

None of these measurements were enough for us, so we are taking a lot of figures which we as a supplier and our customers feel are important and together they become the service excellence measurement we strive to have as close to 100 % as possible.

Our journey

Over the past years, BPI has been on a great journey which also includes elevating our service standard. Through dedicated effort from our two production facilities, we aimed to streamline processes, enhance communication, and foster a culture of continuous improvements across the whole organization.

Our progress

We are pleased to announce that our service excellence level for 2023 achieved an average of 97 %, surpassing our target of 94 %.

In 2023, our delivery performance level reached 99 %, and while our goal is to achieve 100 % in the future, the 99 % result is still a significant accomplishment. In addition to this, it is important to point out that no week has been under the target level.

How do we measure

To ensure accountability and track our progress we use a series of Key Performance Indicators (KPIs).

These KPIs include delivery performance, complete deliveries and error-free deliveries.

By multiplying these KPIs, which we believe are some of the most important ones for our customers, we get Service Excellence. How many orders are delivered on time, in full and without any claims.

Development

Continuous development is very important to keep the level of service excellence high.

By monitoring included KPIs, we gain valuable insights into the areas of strength and opportunities for improvement.



Employee rights and engagement

In general, human and labour rights risks are considered low as BPI operates in countries with a mature regulatory environment. Ensuring good and inclusive work environment is also crucial to retain and attract talent to BPI. BPI supports and respects the Universal Declaration of Human Rights. Promoting human rights standards internally and throughout all our business is in line with our leadership style and values.

It is important to uphold employee rights to create a foundation of trust and fairness, which in turn can contribute to higher levels of employee engagement. When employees experience respect, appreciation, and empowerment, they tend to become more engaged in their roles and make valuable contributions to the organization's achievements. Likewise, involving employees in decision-making, offering chances for feedback, and facilitating growth opportunities can deepen their sense of belonging and dedication to the organisation.

That is why, at BPI, we are straightforward and have an informal tone, and we treat each other with the same level of respect independent of position or role. We seek to foster an open and honest culture with a clear and straightforward way of communicating.

Furthermore, it is important to BPI to have an inclusive company culture, in which tasks and responsibilities may differ in size across the organisation, but where no one is over-qualified to help where necessary.



Engagement survey

An engagement survey is used as a tool for measuring level of engagement and satisfaction among all employees at BPI.

Overall, participation in the internal survey is increasing by year to year. This indicates that our employees feel at ease expressing their viewpoints and are open to providing feedback.

Satisfaction score is assessed on a scale of 0 to 100, with being 0 very dissatisfied and 100 being very satisfied. The score is determined through our internal feedback survey and expressed as a percentage. We measure this survey by assessing both job satisfaction and loyalty, enabling us to establish the satisfaction score.

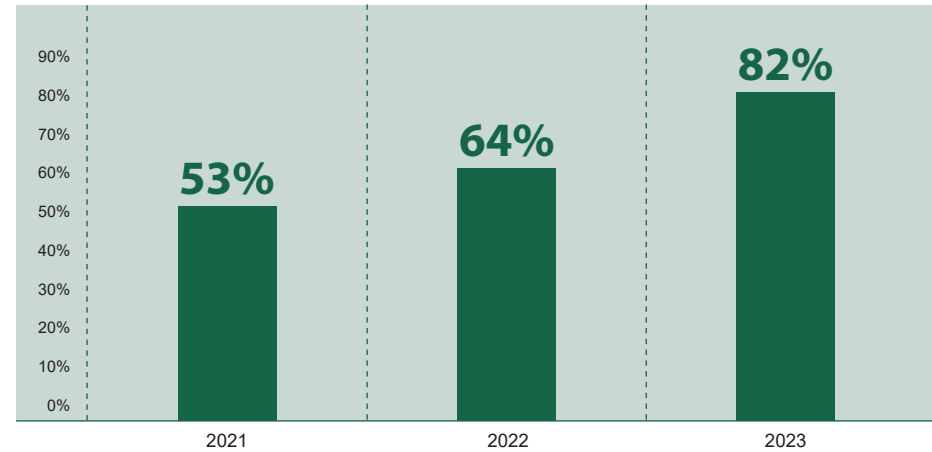
The satisfaction score is taken from both Danish and Polish production sites. The results are shown in the graph, where weighted average satisfaction score for both our productions is 69 in 2023. Both Danish and Polish job satisfaction scores have been increasing over the time, and we are placing a greater focus on the well-being of our employees.

In 2022, our employees' satisfaction decreased due to the COVID-19 pandemic, the war in Ukraine, and the effect on the world's economy. Looking on 2023 score, the average satisfaction score is increasing due to the effort from well-being group. The well-being groups have worked diligently to enhance communication, social activities, and other benefits.

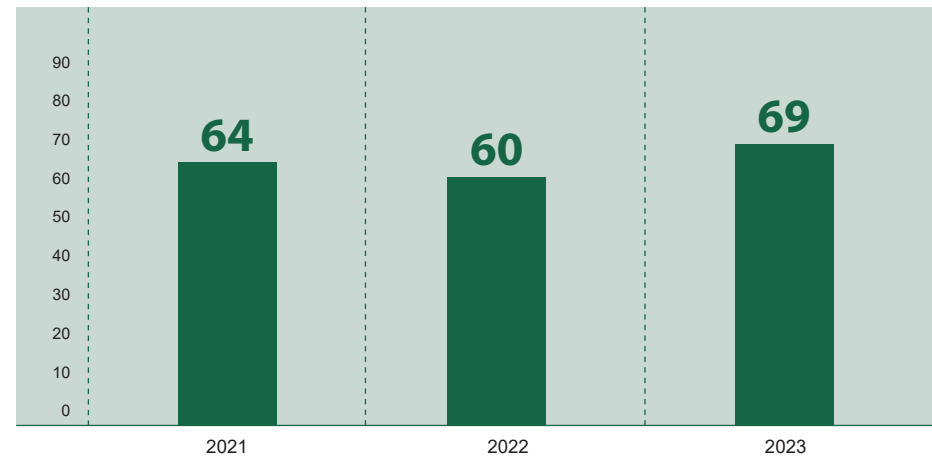
The survey serves as a platform for employees to voice their opinions and facilitates actionable steps based on their feedback. Additionally, the survey results stimulate crucial discussions between managers and teams.

The internal survey consists of couple of questions regarding BPI's reputation, general management, nearest leader, cooperation, working conditions, salary & terms, personal development, satisfaction, motivation, job satisfaction, loyalty/fidelity, engagement, and loyalty.

Participated in survey



Satisfaction score



Diversity and inclusion

We believe that diversity brings together individuals with different experience, perspective, and background, which can lead to increased creativity, decisions, innovation, and performance.

When people from diverse backgrounds collaborate, they bring unique ideas and insights to problem-solving and decision-making processes. Diverse teams are often more effective and successful at solving complex projects and problems. A diverse team can offer a wider range of approaches and solutions to challenges, which leads to more robust problem-solving processes. Employees feel valued and included in a diverse and inclusive workplace, that can lead to higher levels of job satisfaction, engagement, and retention.

That is why we prohibit any kind of discrimination or harassment of employees due to e.g., their gender, age, ethnic origin, religious belief, marital status, sexual orientation, disability, or physical characteristics. In 2022, there was a decrease in the share of female managers due to a restructuring process between the plants in

Denmark and Poland which regrettably triggered this short term development. In 2023, BPI therefore also chose to intensify its efforts in this area to increase the number of female managers, as BPI aims to have at least one of each gender among candidates in the final interview stage.

BPI aims for its Board of Directors to consist of the best qualified individuals. In addition to this, BPI has set the goal that board members elected by the general meeting are at least to account for 20 % of the underrepresented gender before 2026. With 1 out of 5 members being female, BPI has met the target in 2023 and a new target of 25 % before 2026 has been set.

One member is accounted both in the Board of Directors and in the Top management.

Other management levels

Age distribution

Age 20-39: 1 persons
Age 40-49: 5 persons
Age 50+: 3 persons

Gender distribution

Women: 2
Men: 7

Nationality distribution

Denmark: 3
Poland: 6

Top management

Age distribution

Age 20-39: 0 persons
Age 40-49: 3 persons
Age 50+: 1 persons

Gender distribution

Women: 0
Men: 4

Nationality distribution

Denmark: 4

Board of Directors

Age distribution

Age 20-39: 0 persons
Age 40-49: 2 persons
Age 50+: 3 persons

Gender distribution

Women: 1
Men: 4

Nationality distribution

Denmark: 2
Finland: 1
Sweden: 2





3 CELL MANUFACTURING

The industrial cell manufacturing is a concept where we provide you with a full custom made production setup based on your requirements. This will optimize your processes and productivity, providing you with a high return on investment.

Outsource your complexity
This concept is especially suitable for you, if you wish to reduce the complexity in your production, enabling you to focus on your core business.

We aim to be transparent and ethical in our business. A good governance is an essential to our daily interactions with our suppliers, customers, stakeholders, and business partners.



Governance

Business ethics

Acting respectfully towards people and local customs is fundamental to BPI. In line with our values, BPI supports human and labour rights and works against corruption in all its forms. BPI has good control of own operations and maintains high standards on human and labour rights. Mismanaging business ethics may pose risks to BPI's reputation.

For example, suppliers may not have the same high standards on human and labour rights and BPI is aware that it may be different when it comes to suppliers. That is why, all our suppliers are required to comply with our supplier Code of Conduct covering human and labour rights.

Anti-corruption

BPI is determined to meet all our customers, suppliers, and shareholders as representatives of a responsible company with high ethical standards and integrity.

BPI's position on corruption is clear: We prohibit bribery or any other form of corrupt behaviour, whether conducted by a BPI employee or any business partner acting on behalf of BPI.

As such, the BPI consider risks of anti-corruption relatively low since BPI's sales activities are within the EU and BPI has limited sales activities through third parties. In 2023, there has not been identified any cases of corruption or bribery. It is also BPI's clear expectation that the initiatives and business directives governing the company will prevent any potential future incidents from taking place.

Nonetheless, BPI emphasises on briefing new employees on our position on corruption as well as our general standards on business ethics including human and labour rights.

Code of Conduct

We are committed to high standards when it comes to integrity, sustainability, and ethical business conduct.

We address corporate responsibility throughout our supply chain and we expect our suppliers and business partners to do the same. We care about our supplier's and business partner's sustainability performance and we want to develop close relationships with partners that share our approach to doing business.

Throughout 2023, the Code of Conduct was fundamental to the way BPI conducted business activities and interactions with stakeholders. The Supplier Code of Conduct reflects our ambition to work together with our suppliers and business partners to promote respect for human rights, care for the environment and ethical business conduct. We expect our suppliers and business partners to adhere to the essential and overarching principles and guidelines outlined in the Code of Conduct.

We realise that achieving a business climate where sustainability is integral to the way we do business requires a team effort. We therefore encourage our suppliers and business partners to implement these principles and guidelines in relation to their partners, suppliers and sub-suppliers.

Responsible procurement

In line with BPI's values, BPI expects supplier to adhere to the ten principles contained in the UN Global Compact, including the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

This year, BPI has developed a Code of Conduct for supplier detailing our expectations and requirements. The purpose of this Code of Conduct is to ensure that our suppliers operate in accordance with internationally recognized minimum standards on human rights, labour rights, the environment and anti-corruption. This Code of Conduct sets forth BPI's fundamental minimum requirements to suppliers and is available on bpi.dk.

In 2023, there has not been identified any cases of violation of human and labour rights. Further, we have focused on communicating our Code of Conduct to our suppliers and going forward we will work to increase our follow-up on our suppliers' compliance.

Expectations for the future is a strengthening of BPI's governance structure in general, and a continuation of the good track record we see today.

Data ethics

Our policy for data ethics behaviour is to have a responsible use of data at all times, as well as to create transparency in the company's data collection, data management and data development. Our data ethics behaviour must contribute positively to the customer's security based on the fact that the data the customer surrenders to the company is the customer's own and processed within the applicable legal framework.

We ensure that employees contribute to an ethical and responsible data processing of personal data and other data. Therefore, the company continuously works with the training of all employees, ensuring that employees are well informed about data ethics, data security and proper handling of personal data and other data, just as employees who access customers' personal data have signed a declaration of confidentiality and confidentiality clause. In 2023, there will continue to be a strong focus on continuous training of employees and control of data processing.

Our work with data ethics is anchored in the department responsible for information security. The responsibility for integrating data ethics into day-to-day operations lies with the managers of the relevant business units, which is done by establishing relevant business processes and processes for its implementation in the responsible departments.

Stakeholders rights and responsibility

We are committed to provide appropriate resources to every individuals or groups who have an interest, concern, or claims in our activities and outcomes of our organisation.

Stakeholders have right to:

- Participate in decision making processes that affect them.
- Access relevant information about the organisation or project.
- Express their concerns, opinion, or grievances regarding the actions or decisions of the organisation or project.
- Expect transparency in the decision-making and operations processes of the organisation.
- Be treated fairly and without discrimination or bias.
- Seek redress or recourse through appropriate channels, if stakeholders are adversely affected by the actions or decision of the organisation.
- Share in the benefits or results created by the organisation.
- Express their personal information which will be handled confidentially and their privacy will be respected.

Stakeholder responsibility encompasses the duties, obligations, or commitments held by individuals or groups concerning an organisation or project in which they possess an interest, influence, or investment.

Much like stakeholders have rights, they also bear responsibilities commensurate with their roles in the endeavor.

By meeting the obligations, stakeholders can aid in establishing trust, nurturing cooperation, and advancing the success and longevity of the undertaking.

Stakeholders are responsible to:

- Participate in discussions, initiatives, and decision-making related to the organisation or project in a constructive and collaborative manner.
- Provide input, feedback, or expertise that can inform the strategies, direction, or actions of the organisation or project.
- Respect the perspectives, rights, and interests of other stakeholders.
- Conduct themselves ethically and with integrity in their interactions with the organisation and other stakeholders.
- Support shared goals and objectives.
- Play a role in promoting transparency and accountability within the organisation or project.
- Help manage risks that could impact the success of the organisation.
- Promote sustainable practices and outcome.
- Support equity and inclusion.

Whistleblower system

We want everyone to feel secure in expressing themselves freely and in raising any concerns, including if they experience unlawful or unethical behaviour. The whistleblower scheme provides a safe and anonymous platform to report concerns of unlawful or unethical business conduct related to BPI.

The whistleblower scheme is solely intended for reporting serious circumstances or suspicion thereof. This includes violations of laws, regulations, internal policies and guidelines or ethical standards.

All employees at BPI, as well as external persons, may submit a report regarding a concern related to BPI as part of their engagement or work-related activities. BPI strictly prohibits any form of retaliation or discrimination against employees or external stakeholders who utilize the Compliance online platform in good faith or cooperate in an investigation. Any employee found violating this policy will face disciplinary measures. BPI Investigators collaborate with regional compliance and HR

departments to conduct thorough investigations while safeguarding whistleblowers. Continuous efforts are made to raise awareness of the Compliance online platform through internal campaigns and external promotion on localized BPI websites.

The whistleblower system is essential for fostering transparency, accountability, and ethical conduct within organizations.

It serves to identify and prevent potential wrongdoing, thereby safeguarding the organization's reputation and integrity. Moreover, it underscores the organization's dedication to maintaining ethical standards and ensuring the welfare of its employees and stakeholders.



PROTECTION



FAIRNESS



TRUST

Accounting policies

Data indicator	Accounting policies
Data source and method	Background data are based on Sphera GaBi v10.6.1 & EcoInvent v3.9.1 datasets (updated 2023). Method is based on all greenhouse gases, which are measured by mass and converted into CO ₂ equivalents using the coefficients of the 100-year global warming potential (GWP) 2023 IPCC 6th Assessment Report (AR6).
Accounting policies for environmental data	
Scope 1	Total amount of emissions from natural gas and fuel used for company owned or leased cars.
Scope 2 location-based	Total amount of emissions from purchased electricity. Reporting emissions from residual grid mix. BPI follows the location-based GHG accounting approach.
Scope 2 market-based	Total amount of emissions from purchased electricity. Reporting emissions from grid mix and Guarantee of Origin (GO).
Scope 3	Total amount of emissions from upstream activities such as purchased goods and services, capital goods, transportation and distribution, waste generated in operations, business travel, and employee commuting.
Total GHG emissions	Sum of scope 1, scope 2, and scope 3
Energy	The total energy consumed in the sum of the energy consumed at both BPI's sites included in scope 1 and scope 2 calculation. Data are continuously collected by month from both sites.
Sustainable energy share	Total amount of sustainable energy share divided by total amount of energy consumption (in percentage).
Waste	Total amount of generated waste from production, offices, and canteens for both sites.
Water	Total amount of consumed water for both sites.
Accounting policies for social data	
Number of employees	Total amount of full-time equivalents (FTE) end of period including contingent workers. FTE data is taken from the BPI Annual Report 2023.
Engagement survey participation rate	Aggregated participation rate in percentage across surveyed employees.
Employee engagement score	Average score given by survey respondents to multiple engagement questions, using the responses from the most recent survey of the reporting year.
Lost time injury (LTI) frequency rate	The number of injuries with lost time (LTI) in a specific timeframe (12 months from the rolling LTIFR) multiplied by 1 million and divided by total worked hours in this timeframe.
Sick leave	The number of sick hours divided by number of working hours (including overtime) in percentage.

Accounting policies

Data indicator	Accounting policies
Gender diversity in the organisation	The number of women based on headcount including temporary women workers divided by the total of full-time workforce of the reporting year (in percentage).
Gender diversity in Other management levels	Proportion of females in other management levels of the total number of other managers (in percentage).
Gender diversity in Top management	Proportion of females in top management of the total number of top managers (in percentage).
Gender diversity in the Board of Directors	Proportion of female executive board members of the total number of executive board members (in percentage).
Accounting policies for governance data	
Number of whistleblower cases admissible	The number of cases recorded through BPI's whistleblower system.
Number of whistleblower cases resolved	The number of cases recorded through BPI's whistleblower system that have been treated BPI's team.
Participation in Board meetings	The number of attendance at all meetings as a percentage of the total number of all meetings of the reporting year.



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BPI's ESG Report 2023
Published in March 2024
The report is available at www.bpi.dk