

2024

Sustainability &  
CSR Report



# Providing a Sustainable Future

IN ACCORDANCE WITH DANISH FINANCIAL STATEMENTS ACT (ARL) §99A & 99B



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## About this report

This report marks Damstahl's second ESG publication, building upon our longstanding commitment to sustainability and corporate social responsibility, which we have reported on since 2019. This publication further advances our structured efforts in environmental, social, and governance initiatives, all guided by our materiality assessment.

Although Damstahl is not required to report on ESG until 2027, we are confident that our early and consistent engagement with sustainability topics ensures we are well-prepared for future requirements.

Being more than a Corporate Sustainability Reporting Directive (CSRD) task, this report also illustrates an ongoing dialogue on sustainable progress.

The report has been prepared in accordance with Section 99a and 99b of the Danish Financial Statements Act and form a component of the management review for the financial year 2024.

Furthermore, the report is organized into three main sections, respectively focusing on Environmental, Social, and Governance aspects.

**Enjoy your reading!**



# Business Model

## – we are on your side

Damstahl is a family-owned stainless-steel distributor headquartered in Skanderborg, Denmark. With a presence in 12 European countries, we currently employ over 350 people.

Renowned as the market leader, Damstahl is a preferred partner for numerous customers, due to our extensive knowledge sharing, industry-standard commerce practices, efficient logistics solutions, and diverse product range. However, our most significant asset remains our highly skilled workforce, our people.

-  **1960**  
Founded
-  **351**  
employees
-  **12**  
countries

### Damstahl Group

- Denmark
- Germany
- Sweden
- Norway
- Finland
- Belgium
- The Netherlands
- Slovenia
- France
- Switzerland
- Latvia
- Estonia

- Damstahl sales office and warehouse
- Damstahl Sales office
- Delta Inox



# The Damstahl value chain

Steel can be recycled endlessly, and much of the stainless steel in use today is derived from recycled sources. Our value chain begins with the gathering of scrap materials and the extraction of raw materials, which are then melted in the steel mills. The product is then delivered in its final form to our Damstahl warehouse, where it is stored until sold. Stainless steel is utilized as a component in the manufacturing of goods for industries such as food & beverages, pharmaceuticals, clean water, wastewater treatment, and chemical manufacturing. With a typical product lifespan of up to 50 years, stainless steel retains its properties and, upon reaching end-of-life, is recycled into new material and goes through the circle once again.

#### Steels role in society

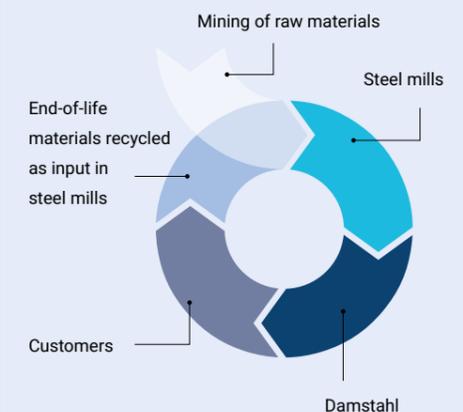
Steel is one of the most widely used materials in industry, playing a crucial role in sectors such as pharmaceuticals, wind turbines, food production, construction, and infrastructure. Known for its high strength, durability, and flexibility, steel is indispensable in modern manufacturing processes. Importantly, steel can in principle be recycled 100%, contributing significantly to the circular economy.

Specifically, stainless steel ensures high hygiene standards in industries like pharmaceuticals and food production, where sterility is critical. Moreover, stainless steel provides the resistance and durability needed in most industrial components, such as wind turbines in the renewables sector. In other words, stainless steel is fundamental to modern industry and society, ensuring efficiency, durability, and sustainability in some of the most critical sectors.

#### How we create value

Our clear ambition is to be the strongest partner for our customers, providing much more than steel and a variety of other metals; we aim to be seen as a business partner who actively contributes to our customers' success by creating innovative, efficient, and personalized business solutions. Among other initiatives, we achieve this by providing customers with profound industry knowledge, recognizing the vital role of knowledge sharing, and actively sharing our insights on both products and the market. Moreover, we support our customers within the field of sustainability, offering digital tools, seminars, and meetings to support their sustainability efforts.

### Illustration of our value chain



### Here you see a wide range of industries we serve

 Architecture, building & construction	 Automotive & Other transport	 Catering & Food Service	 Chemical Process Industry	 Consumer goods
 Energy	 Food & Beverage Production	 Industrial Components & Heavy Industry	 Infrastructure building	 Pharma

# Our philosophy

Damstahl has a valued-based philosophy sustained from our original founder, the German engineer, Henry J. Ehrenberg. His invention of stainless fittings improved hygiene in dairy production and contributed to reducing the high child mortality in the post-war years.

His philosophy remains as a guiding compass within our organisation and his engineering demonstrated that stainless steel holds the capacity to change the world.



We are a family-owned business, built on a purpose to make things better. We want to be a catalyst for progress within our industry and create change that goes beyond our own business.

# The Damstahl vision

We want to be in top 3 of Europe's stainless-steel distributors within our field. Our clear ambition is to be the strongest partner for our customers, providing profound industry knowledge supported by pioneering digital solutions. At the same time, we insist that we must succeed in our firm commitment to pushing both suppliers and customers towards decisions based on sustainability rather than solely on price.



“We are facing global challenges, and they won’t disappear just because the global agenda shifts. Science hasn’t changed. The Paris Agreement hasn’t changed just because the USA has withdrawn. In other words, the problems persist. Meaning the backlash will most likely also pass eventually”



# Letter from our Group CEO

Dear reader,

In the coming 5 to 10 years, Damstahl will either stand out as a foresighted first mover, dedicated to supporting our customers and driving industry sustainability, or we will have heavily invested in an area that nobody cares about!

Our main challenge is that – all the extensive administrative burdens aside – the green transition is a core part of our strategy and DNA. We want to push our industry in a better direction - because we think it's good business practice and the responsible choice. Shall we in Europe let strong misguidance and misinformation from outside influence our focus? I say no way!

So, why this introduction? The term 'ESG backlash' is increasingly heard in sustainability discussions globally. It refers to the growing opposition to Environmental, Social, and Governance (ESG) principles and practices regarding EU's Corporate Sustainability Reporting Directive (CSRD). The directive has been criticized for, among other things, imposing significant reporting obligations on companies. The latest developments in the legislative environment has led to a so called 'backlash' where businesses push back against the directive, cut down on sustainability resources and in some cases, dismissing their ESG staff in favor of outsourcing ESG reporting to auditing firms. At the same time, the EU Parliament is discussing the so-called Omnibus proposal, which aims to significantly reduce the current CSRD requirements and thereby exempt many companies from sustainability reporting.

Despite these current global trends, we remain committed to our vision of creating value for our customers in Damstahl. We are facing global challenges, and they won't disappear just because the global agenda shifts. Science hasn't changed. The Paris Agreement hasn't changed just because the USA has withdrawn. In other words, the problems persist. Meaning the backlash will most likely also pass eventually.

For this reason, we continue to invest in supporting the green transition. We understand that ESG compliance can be resource-intensive, requiring businesses to invest in new systems and processes to track and report their ESG performance. For large companies, these investments are often seen as necessary for long-term financial sustainability. However, for smaller companies, we recognize the reporting burden can be overwhelming. That's why we're committed to providing our customers with the tools and knowledge needed to reduce the burden and simplify the complexities of ESG reporting.

ESG is unlikely to disappear anytime soon. The framework has already become deeply embedded in corporate governance and investment strategies worldwide and remains an essential tool for promoting long-term value creation and risk mitigation.

So, in Damstahl we are keeping the 'big picture' in mind and are confident that investors and companies will continue to prioritize firms with strong ESG performance. Therefore, ignoring ESG isn't just bad for the planet, it's bad for business.

So, here we are - with a full team of dedicated professionals informing you of our progress during 2024 and sharing the DNA of our organization. It is with great pleasure, and not least a profound sense of responsibility, that I welcome you to our 2024 Sustainability Report.

Best regards,

Michael Lund  
Damstahl Group CEO



# Our materiality approach

To prepare for the upcoming EU Corporate Sustainability Reporting Directive (CSRD), we conducted our first double materiality assessment in 2023, which enables us to identify and prioritize key topics that are critical to our operations and our stakeholders. For this report, we have focused on the most material topics from the assessment.

## Climate change mitigation and resource use

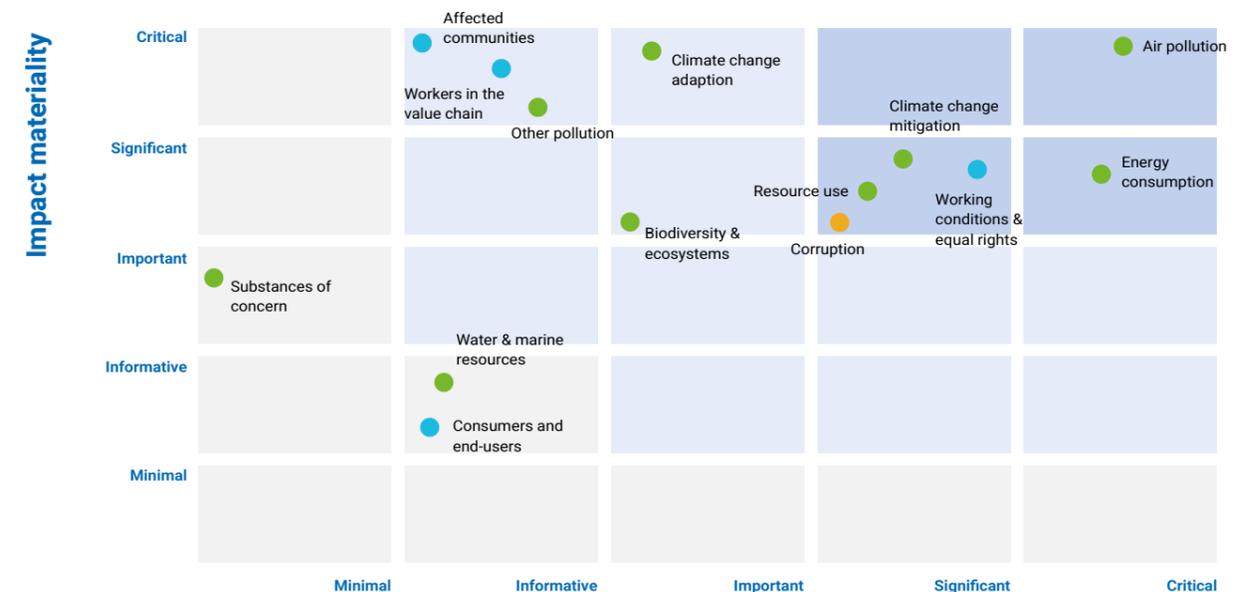
The production of stainless steel is heavily polluting; in fact, the steel industry accounts for 7% of the annual emissions of the world, and stainless steel is assumed to cover 1 percentage point of that.<sup>1</sup> As we are a distributor that stocks material from the mills and have no production ourselves, our most important task is to create full transparency on the emissions on our products so our customers can make well-grounded decisions on their carbon footprint. This has been our mission for a while, and in 2023 we introduced our climate calculator that shows our customers the carbon footprint of their order lines. To shed some light on the topic of footprint optimization we are using this report as well to bring forth the cohesion between CO<sub>2</sub>-

emissions and the use of scrap in the production from the mills. Our focus for the future will remain to create full transparency for our customers and be a sparring partner on sustainable optimization for both customers and suppliers.

## Working conditions and governance in the value chain

Our value chain is complex as the virgin material for the stainless steel can come from different types of mines where, according to the International Labour Organisation (ILO), the working conditions are a constant challenge due to the hazardous nature of mining. This is why we earlier renewed our supplier code of conduct and this year have had an increased focus on assuring that we are only doing business with trusted partners.

## Materiality Matrix



- Environmental
- Social
- Governmental

Financial materiality

<sup>1</sup> [https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/eu-climate-targets-how-decarbonise-steel-industry-2022-06-15\\_en](https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/eu-climate-targets-how-decarbonise-steel-industry-2022-06-15_en)

# The strengths and weaknesses in our industry

As part of our Double Materiality Assessment, we have mapped the most significant impacts, risks, and opportunities (IRO's) across our value chain. This work is essential to understanding where we can create the greatest value and address the most pressing concerns.

This overview outlines the main impacts on the environment and society in our value chain, highlighting areas that shape our sustainability priorities and strategic direction.

## Mining of raw materials

### Environmental

#### Positive impacts

- Progressive mining companies implementing ICMM's mining principles and engaging in e.g. post-mining land restoration and water stewardship.

#### Negative impacts

- Mineral and metal extraction results in pollution of air, water, and soil.
- Energy-intensive processes lead to substantial carbon emissions (scope 1 & 2 for miners).
- Land clearance for new mines causes habitat destruction and loss of biodiversity.
- High water usage can lead to local water scarcity.
- Acid mine drainage poses a risk of contaminating nearby water sources.

### Social

#### Positive impacts

- Creates job opportunities and boosts local economic development.
- Enhances infrastructure in nearby areas, including roads, schools, and healthcare facilities.

#### Negative impacts

- Worker health risks from exposure to dust, chemicals, and unsafe working conditions.
- Child labor and forced labor concerns in certain regions.
- Corruption and governance issues, including bribery in mining contracts.
- Violations of indigenous rights and displacement of local communities.

Sources: International Council on Mining & Metals (ICMM), World Bank, ILO.

## The steel mills

### Environmental

#### Positive

- Innovations in Electric Arc Furnace (EAF) technology and scrap-based steel production are significantly lowering carbon emissions.

#### Negative

- Melting, refining, and other mill processes are highly energy-intensive, with Asia particularly reliant on fossil fuels for production.
- Energy use and refining contribute to air pollution, including greenhouse gases and smog, often regulated by law.
- Water pollution from chemicals and heavy metals discharged into rivers.
- Waste production, such as slag and dust, necessitates proper management.

### Social

#### Positive

- Significant job creation in manufacturing areas.

#### Negative

- Workplace safety hazards such as high temperatures, heavy machinery, and exposure to hazardous substances.
- Noise and air pollution impacting nearby communities.
- Economic reliance on steel production in certain regions, creating social vulnerability if demand declines.

(Steel mills cover Tier 1, 2 & 3 suppliers, which can be steel mills, service centers, wholesalers or intercompany business).

Source: World Steel Association, European Environment Agency (EEA)

## Damstahl Group

### Environmental

#### Positive

- Advocating for stainless steel, which is fully recyclable and durable, thereby reducing lifecycle emissions.

#### Negative

- Energy consumption in warehouses and cutting centers contributes to the carbon footprint and chemical usage.
- Packaging waste, such as plastics and wooden crates, can create unnecessary environmental burdens.
- Limited direct pollution, but significant indirect impact through sourcing decisions and supply chain emissions (scope 3).

### Social

#### Positive

- Job creation in sales, logistics, and distribution.
- Supplier due diligence can enhance environmental and labor standards across the value chain.
- Educating customers about sustainable materials can boost demand for circular economic solutions.
- Fostering a positive workplace environment with ethical labor practices and employee well-being programs improves the quality of life for employees.

#### Negative

- Safety concerns in warehouses, including risks from heavy lifting, equipment use, and repetitive tasks.
- Limited workforce diversity in technical positions, reflecting broader industry trends and limiting inclusive development.
- Psychosocial risks such as stress and burnout in high-demand periods.

## Customers

### Environmental

#### Positive

- Utilizing stainless steel in renewable energy industries, such as wind turbines and solar panels, enhances sustainability.

#### Negative

- Energy consumption in processing stainless steel, including cutting, welding, and polishing.
- Chemical use in surface treatments can result in hazardous waste.
- Material waste during manufacturing, although stainless steel is largely recycled.

### Social

#### Positive

- Innovative lightweight and energy-efficient designs using stainless steel contribute to sustainability solutions and enhance well-being, particularly in the pharmaceutical sector.
- Job creation in advanced manufacturing and engineering sectors.

#### Negative

- Labor conditions vary by region, with some factories having robust labor protections while others may lack them.

## End-of-life

### Environmental

#### Positive

- Stainless steel's high recyclability (95% from Environmental Product Declarations) reduces the need for virgin material extraction.
- Energy savings of approximately 60% compared to primary steel production through recycling.

#### Negative

- 5% landfill assumption based on the global life cycle of stainless steel, identical with the methodology rules from Environmental Product Declarations (EPDs).

### Social

#### Positive

- Job creation in recycling and remanufacturing industries.
- Expansion of circular economy jobs and material efficiency initiatives.

#### Negative

- Worker safety risks in scrap collection and processing, such as exposure to dust and sharp materials.
- Challenges in origin classification of scrap materials, complicating compliance with sanctions (e.g., Russian sanctions).

# Our roadmap for sustainability action

As mapped in the prior section, our value chain includes various impacts, risks, and opportunities. As a stockholder, we are strategically positioned in the heart of an ecosystem, where we can influence our entire value chain. Through the four target areas below, we can actively contribute to initiating a positive development for both our customers and suppliers, thereby benefiting the surrounding community:

4

## Generating quality jobs

Our employees are the heart of our organization; therefore, we endeavor to generate quality jobs as well as enriching job opportunities. Acknowledging that, we have a constant focus on topics such as preventing accidents, talent development and work life balance. With our more than 350 employees from 12 countries, we rely on people with different backgrounds and skills working together. This creates the most value – both for our employees, customers, and society. Therefore, we consider diversity to be a natural part of our company, understanding that we need people with different backgrounds for our Damstahl machine to function optimally. We also recognize that a strong culture is the key to achieving our ambitions. Therefore, we are proactively intensifying our focus on ensuring and reinforcing the strong culture that already characterizes our company.

3

## Collaboration with trusted partners

With the mining sector identified as among the world's most hazardous by the International Labour organization (ILO), our commitment lies in collaborating exclusively with trusted partners. That means we focus on the number of signed Code of Conducts (SCoC), supplier audits and close cooperation and communication with our suppliers. This collaboration with suppliers and our SCoC are essential tools in taking Climate Action. In Damstahl, we understand that 'policies' serve as one important approach to fortifying resilience against climate change. However, we believe that fostering a curious and innovative mindset is just as crucial. This mindset serves as a key tool for establishing new business models, enabling us to influence both suppliers and customers towards more sustainable practices.

1

## Sustainable steel production – pushing for more scrap

Sustainable development requires that we at Damstahl contribute to reducing our footprint on nature by optimizing the way we produce and consume resources. We insist on taking a leading role in this task. Stainless steel production carries notable environmental consequences. The proportion of scrap used in stainless steel is one of the most effective ways to bring down pollution to air and water as it has the collateral effect that less virgin raw materials are needed for the steel production. Our approach is to prioritize suppliers with higher scrap rates and to secure optimization in resource in- and outflows.

2

## Offering transparency in a non-transparent world

In our firm commitment to support a future with a minimized carbon footprint, we emphasize mitigation by offering transparent information regarding the emissions linked to our products. Through tools like our Climate Calculator, we empower our customers with comprehensive insights, enabling them to make informed decisions that resonate with their environmental goals. We also organize seminars where we share knowledge with both our customers and employees on relevant environmental topics. We aspire our customers to view us as a trusted partner in advancing sustainability efforts.



# The Omnibus delay: a pause in obligation, not in sustainability

Having worked with sustainability for several years, we at Damstahl view transparency as a non-negotiable, even as regulatory timelines shift. The recent Omnibus proposal may delay the mandatory ESG-reporting for many small and medium-sized enterprises (SMEs), but it does not pause the growing demand from stakeholders for credible sustainability data.

**The VSME: a practical gateway to ESG**  
Developed by EFRAG, the VSME standard shares the core structure of the ESRS but is more accessible. It uses simplified language and follows an "if applicable" principle where companies report only on topics relevant to their business, which makes for a low-barrier entry point to build trust and demonstrate commitment.

A key feature of the current Omnibus proposal is treating VSME as a "Value Chain Cap" function, meaning companies covered by CSRD must not require more from their suppliers than what VSME prescribes. If adopted, VSME will become a shield for non-CSRD-reporting suppliers, setting a clear and fair expectation for ESG transparency across the supply chain.

The VSME comes in two modules, and you are able to choose depending on your needs and resources:

- A basic module with 11 core disclosures to meet standard ESG requests from business partners.
- A comprehensive module with 9 additional disclosures for SMEs that wish to go further.

## Our approach

At Damstahl, we have included references to the VSME Basic module in this report to enhance clarity and help our business partners identify where relevant ESG-data can be found. This is part of our effort to provide transparent and accessible sustainability information. Our reporting continues to be guided by the outcomes of our double materiality assessment, originally conducted for CSRD-compliance, ensuring that we address the ESG topics most pertinent to our industry.

Disclosures under the E, S, and G categories are available at the end of each section.



Under the new proposal, companies with 250-1,000 employees might be excluded from the Corporate Sustainability Reporting Directive (CSRD) requirements. Reporting for companies in CSRD-wave 2 and 3 has already been postponed covering the 2027 fiscal year instead of 2025, and a potential change in the employee threshold is expected later this year.

However, this "stop-the-clock" moment should not mean stop-the-work. It simply offers time to focus, prepare, and choose the most appropriate reporting standard.

## Transparency is still expected

Despite the potential less stringent obligations, business partners, insurers and banks will continue to request ESG-data from SMEs – especially those operating in high-risk value chains like ours. That is why we encourage our business partners to get familiarized with the Voluntary Sustainability Reporting Standard for SMEs (VSME). It provides a practical and more manageable approach to sustainability reporting, designed specifically to reflect SME capacities while maintaining alignment with broader environmental legislation from EU.





# ENVIRONMENT

We want to actively contribute to CO<sub>2</sub> reduction through targeted efforts within optimizing scrap utilization, promoting greater transparency within our industry, and nurturing strong partnerships with trusted partners. In this section of the report, you will discover how we work with the following UN Development Goals 12 & 13.

## The Climate Calculator: Still supporting transparency

Damstahl's Climate Calculator continues to empower our customers with transparent, reliable emissions data - making it easier to understand, report, and reduce their climate footprint. Offered free of charge, the tool remains a key part of our digital services and is designed to simplify sustainability work for companies of all sizes.

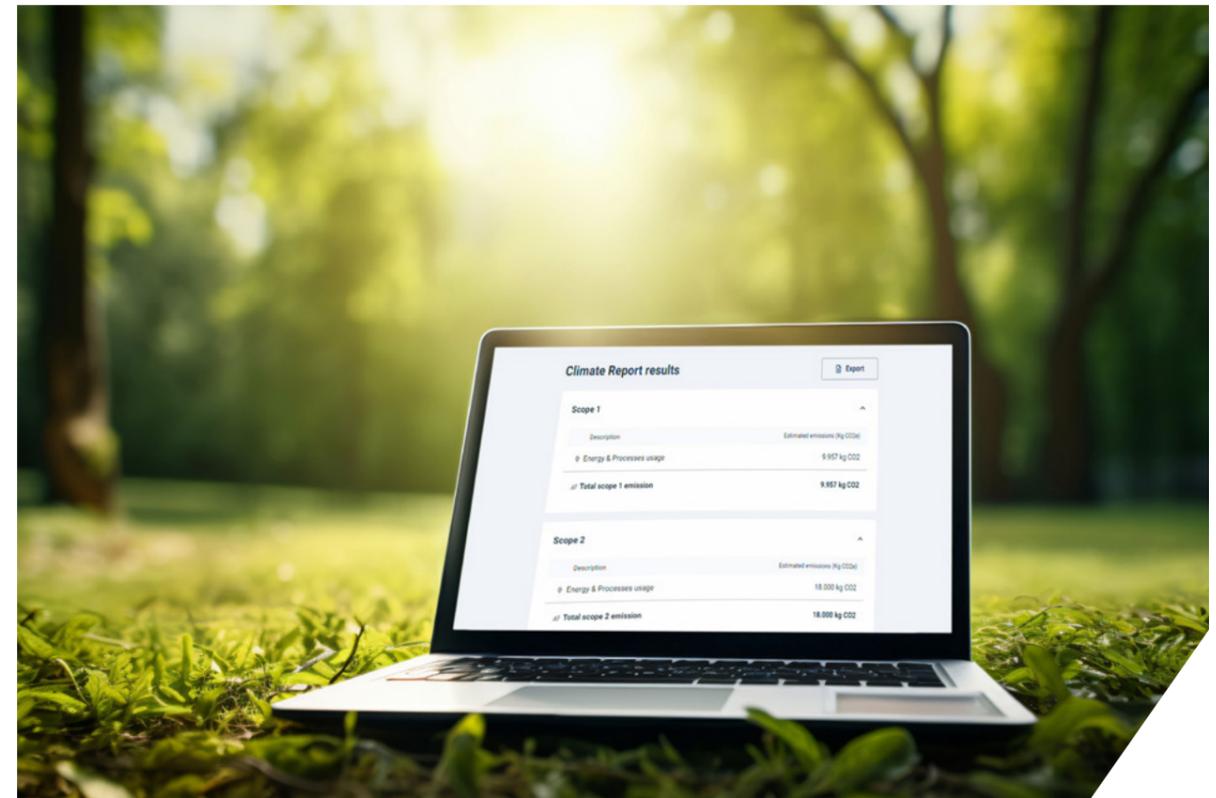
In 2024, we've expanded the calculator's capabilities significantly. Internally, the tool now allows us to deliver project-specific CO<sub>2</sub>e data based on both available stock and lowest-emission sourcing options. This enables us to give our customers, on request, a clear overview of their choices and enables more climate-conscious decisions right from the start of a project with a trade-off between emissions, availability, and prices.

We've also enriched our product program by introducing Outokumpu, known for offering the lowest EPD values in the market on sheets. As the market and our product program develops, we continue to add new EPDs and PCFs, ensuring that

customers always have access to up-to-date and third-party validated emissions data.

Importantly, the technology behind the calculator also powers our own Scope 3, Category 1 emissions reporting on page 20, reinforcing our commitment to transparency throughout the value chain.

A popular feature introduced in 2023, downloadable purchase histories with emissions, material origins, and verification sources, remains a cornerstone, helping customers meet documentation requirements and reduce administrative burdens.



Through our EPD library, customers can conveniently access available EPDs and PCFs provided by steel mills.

# The role of strategic alliances in CO<sub>2</sub> reduction



In an era where sustainability and CO<sub>2</sub> reduction are high on the agenda, the collaboration between Outokumpu, Jensen Metal, and Damstahl serves as a concrete example of how partnerships are crucial for driving the green transition in our industry. The cooperation between Finland, Denmark, and Latvia illustrates how strategic alliances can optimize logistics, minimize environmental impact, and enhance competitiveness in the food and pharmaceutical sectors in Europe.

## Outokumpu's commitment to sustainability

The Finnish steel producer, Outokumpu, is accelerating the green transition as the global leader in sustainable stainless steel. The company is committed to reduce emission intensity by 42% by 2030 – resulting in 32% reduction by the end of 2024, compared to baseline 2016. Outokumpu's stainless steel has up to 75% lower carbon footprint than the global industry average<sup>1</sup>, due to their own ferrochrome production, high recycled material rate, and the use of low carbon electricity. This makes them an

attractive choice for companies looking to reduce their climate impact.

## Damstahl as a strategic distributor

As the new wholesale distributor of Outokumpu's products, Damstahl has played a central role in bringing these sustainable solutions to the market. By offering stainless steel with an exceptionally low CO<sub>2</sub> footprint, Damstahl has enabled its customers to strengthen their market position and meet the growing demands for sustainability from end customers. Jensen

Metal Latvia is a concrete example of such a customer.

Damstahl has been collaborating closely with Jensen Metal on sustainability initiatives, including mapping out CSRD compliance and exploring options to offer their customers' products with a reduced CO<sub>2</sub> footprint. Jensen Metal has shown great initiative by reaching out to Damstahl to learn more about these possibilities.

Through the partnership with Damstahl and Outokumpu, our customer in Latvia has gained access to materials that not only meet high-quality standards but also contribute to a significant reduction in the company's CO<sub>2</sub> footprint. This has given Jensen Metal a competitive advantage with their own customers within the food and pharmaceutical industries in Europe, where sustainability is a crucial factor in supplier selection.



## Optimization of logistics and CO<sub>2</sub> reduction

The geographical location of the three companies enables an efficient and low-emission supply chain. Damstahl serves as the central distributor in Denmark and maintains warehouse facilities in Liepaja, Latvia. This setup allows for the transportation of stainless steel from Outokumpu's facilities in Finland to our customer's production plant in Latvia. This optimized logistics structure not only supports environmental goals but also improves delivery times and cost efficiency.

a new benchmark for responsible production and distribution within the industry.

As the demand for sustainable products rises among customers and end-users, this collaboration emphasizes the significance of partnering with suppliers who are dedicated to a low-emission future. These alliances are beneficial not only for the companies involved but also for society as a whole.

In this process, documentation for both our customers and our customers' end customers is created by using Damstahl's Climate Calculator. This digital tool automatically generates detailed CO<sub>2</sub> statistics at the line level, which are required by the basic concepts of sustainability for documentation purposes. This ensures full transparency in the supply chain and supports our customers in their efforts to become preferred suppliers to companies with high sustainability requirements.

## A model for future partnerships

This collaboration highlights how companies can come together to achieve common sustainability goals and help establish



## Outokumpu Circle Green<sup>®</sup>

In addition to Outokumpu's standard materials, Outokumpu has developed the groundbreaking Circle Green products.

Outokumpu's Circle Green products lead the industry as the world's first 'towards zero-emission' stainless steel offerings, setting the standard with the lowest carbon footprint in the industry - a reduction of up to 93%<sup>2</sup> when compared to the industry average. The Circle Green products have a carbon footprint of down to 0.5 tCO<sub>2</sub>-eq/t of stainless steel. Additionally, Outokumpu is the first stainless steel producer in the world to provide Product Carbon Footprint (PCF) certificates using a third party-verified methodology.



<sup>1</sup>Outokumpu's average product carbon footprint (2024): 1.6 kg CO<sub>2</sub>e per kg of stainless steel based on lifecycle assessment. Global average carbon footprint of stainless steel (2024): 7 kg CO<sub>2</sub>e per kg of stainless steel. (Outokumpu's calculation based on data provided by CRU, worldstainless, and Kobilde & Partners AB)

<sup>2</sup> <https://www.outokumpu.com/en/expertise/2023/your-questions-about-circle-green-answered>

# Strengthening our environmental commitment in 2024

Following up on our materiality assessment, Damstahl continues to prioritize climate mitigation and data integrity in our environmental work. Our 2024 emissions performance, calculated using the Greenhouse Gas Protocol, reflects a year of both consolidation and strategic improvement.

Despite intense competition and market pressures, we maintained our sourcing strategy with 71% of our purchased stainless-steel tonnage originating from European suppliers – an important signal of our commitment to regional supply chains with lower emissions profiles. In terms of data transparency, 48% of the group's purchased tonnage and 65% for our parent company was accompanied by verified third-party data such as Environmental Product Declarations (EPDs) or ISO 14067-compliant Product Carbon Footprints (PCFs). The main driver of our higher emission this year is increased purchased volume.

A major milestone this year was the completion of our high bay warehouses in Denmark and Germany. While these state-of-the-art facilities have led to a notable increase in electricity usage, they mark a strategic

investment in our sustainable growth. By consolidating operations and increasing storage capacity vertically, the new warehouses enable us to improve inventory management, handle larger volumes more efficiently and reduce the need for external warehousing and less cross-site shuttling between warehouses, translating into fewer transport emissions over time.

In Denmark, our 135 kWp solar cell installation atop the warehouse generated approximately 105 MWh in 2024, significantly offsetting the facility's power demand. We are actively exploring a similar solar solution in Germany to replicate this success.

We chose a Fehr high-bay warehouse system, where regenerative braking technology ensures the installation is approximately 30% self-sufficient in energy. Throughout

the project, we prioritized solutions with the lowest possible carbon footprint. This included reusing the existing building rather than demolishing and rebuilding, even though the latter would have made equal economic sense, instead opting to extend and upgrade the existing structure to minimize environmental impact.

Zooming in on transportation, our second-largest emissions source, we've advanced efforts to reduce climate impact. Route-level optimizations, new customer agreements on consolidated shipments (e.g., pooled weekly deliveries) and consignment warehouses contribute to smarter and more sustainable logistics.

Lastly, in preparation for the EU's Packaging and Packaging Waste Regulation, we've significantly improved the granularity and quality of our emissions and recyclability data. As a result, emissions from packaging appear higher in our records - driven not by increased impact, but using more activity-based, accurate data instead of generalized spend-based estimates.



Illustration of new high-bay with solar panels in Skanderborg, Denmark.



Illustration of new high-bay with solar panels in Langenfeld, Germany.

## GHG emission statement

Emission classification	Unit	Damstahl Group	Damstahl Denmark	Damstahl Sweden	Damstahl Norway	Damstahl Finland	Damstahl Latvia	Damstahl Germany	Damstahl Switzerland	Delta	Inox
<b>Scope 1 GHG emissions</b>											
Scope 1: Direct emissions from owned/controlled operations	Ton CO <sub>2</sub> e	214	32	83	5	16	4	74	-	-	-
<b>Scope 2 GHG emissions</b>											
Scope 2: Location-based Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Ton CO <sub>2</sub> e	431	61	27	2	30	1	310	-	-	-
Scope 2: Market-based Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Ton CO <sub>2</sub> e	99	5	27	2	30	1	34	-	-	-
<b>Scope 3 Upstream GHG emissions</b>											
Category 1: Purchased goods and services	Ton CO <sub>2</sub> e	191.744	66.731	26.233	6.733	4.910	1.941	84.568	248	380	-
Category 2: Capital goods	Ton CO <sub>2</sub> e	1.919	28	-	-	-	-	1.889	-	2	-
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	Ton CO <sub>2</sub> e	134	35	0	1	20	0	78	-	-	-
Category 4: Upstream transportation and distribution	Ton CO <sub>2</sub> e	9.303	3.742	942	610	486	244	3.229	42	7	-
Category 5: Waste generated in operations	Ton CO <sub>2</sub> e	32	17	1	4	1	0	9	-	-	-
Category 6: Business travel	Ton CO <sub>2</sub> e	207	84	48	33	4	0	27	8	3	-
Category 7: Employee commuting	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 8: Upstream leased assets	Ton CO <sub>2</sub> e	40	5	3	1	1	1	30	-	0	-
<b>Total Scope 3 Upstream GHG emissions</b>	<b>Ton CO<sub>2</sub>e</b>	<b>203.380</b>	<b>70.642</b>	<b>27.229</b>	<b>7.382</b>	<b>5.420</b>	<b>2.187</b>	<b>89.829</b>	<b>298</b>	<b>393</b>	-
<b>Scope 3 Downstream GHG emissions</b>											
Category 9: Downstream transportation and distribution	Ton CO <sub>2</sub> e	3.161	676	929	166	205	100	999	29	58	-
Category 10: Processing of sold products	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 11: Use of sold products	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 12: End-of-life treatment of sold products	Ton CO <sub>2</sub> e	64	22	11	2	1	0	26	-	1	-
Category 13: Downstream leased assets	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 14: Franchises	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 15: Investments	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
<b>Total Scope 3 Downstream GHG emissions</b>	<b>Ton CO<sub>2</sub>e</b>	<b>3.225</b>	<b>698</b>	<b>940</b>	<b>168</b>	<b>206</b>	<b>100</b>	<b>1.025</b>	<b>29</b>	<b>59</b>	-
<b>Total GHG emissions (location-based)</b>	<b>Ton CO<sub>2</sub>e</b>	<b>207.250</b>	<b>71.434</b>	<b>28.278</b>	<b>7.557</b>	<b>5.672</b>	<b>2.292</b>	<b>91.238</b>	<b>327</b>	<b>452</b>	-
<b>Total GHG emissions (market-based)</b>	<b>Ton CO<sub>2</sub>e</b>	<b>206.918</b>	<b>71.378</b>	<b>28.278</b>	<b>7.557</b>	<b>5.672</b>	<b>2.292</b>	<b>90.962</b>	<b>327</b>	<b>452</b>	-
<b>Out of scope (from upstream operations)</b>	<b>Ton CO<sub>2</sub>e</b>	<b>-2.174</b>	<b>-443</b>	<b>-2</b>	<b>-</b>	<b>-106</b>	<b>-18</b>	<b>-1.605</b>	<b>-</b>	<b>-</b>	-
<b>Out of scope (from downstream operations)</b>	<b>Ton CO<sub>2</sub>e</b>	<b>-88</b>	<b>-49</b>	<b>-10</b>	<b>-2</b>	<b>-1</b>	<b>-0</b>	<b>-24</b>	<b>-</b>	<b>-1</b>	-

\*Damstahl Switzerland & Delta Inox scope 1 & 2 included in Damstahl Germany figures.  
\*\*Category 7, 10, 11, 14 & 15 is not reported but estimated to have very low impact.

## Environmental data

Standard	Description	Unit	Consolidated	Parent
<b>Energy consumption</b>				
VSME, B3	Electricity use	MWh	2.222	867
VSME, B3	- Hereof renewables	MWh	1.510	762
VSME, B3	Fuel use	MWh	2.940	2.268
VSME, B3	- Hereof renewables	MWh	-	-
	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	1.510	762
	Consumption of self-generated non-fuel renewable energy	MWh	105	105
	Percentage of renewable sources in total energy consumption	%	22%	19%
<b>GHG Emissions</b>				
VSME, B3	Scope 1 emissions	tonCO <sub>2</sub> e	214	32
VSME, B3	Scope 2 emissions, location based	tonCO <sub>2</sub> e	431	61
VSME, B3	Scope 2 emissions, market based	tonCO <sub>2</sub> e	99	5
VSME, B3C	Scope 3 emissions	tonCO <sub>2</sub> e	206.605	71.341
	Achieved GHG emission reduction (scope 1 & scope 2 location-based) relative to previous year	%	8%	-4%
	Achieved GHG emission reduction (scope 1 & scope 2 market-based) relative to previous year	%	7%	-51%
	Absolute GHG emission, location-based (scope 1, 2 & 3)	tonCO <sub>2</sub> e	207.250	71.434
VSME, B3C	GHG emissions intensity, location-based (total GHG emissions per net revenue)	tonCO <sub>2</sub> e/€M	591	547
	Absolute GHG emission, market-based (scope 1, 2 & 3)	tonCO <sub>2</sub> e	206.918	71.378
VSME, B3C	GHG emissions intensity, market-based (total GHG emissions per net revenue)	tonCO <sub>2</sub> e/€M	590	546
<b>Substances of concern</b>				
VSME, B4	Total amount of substances of very high concern that are generated or used during production or that are procured by main hazard classes of substances of concern	ton	0	0
VSME, B4	Total amount of substances of very high concern that leave facilities as emissions, as products, or as part of products or services by main hazard classes of substances of concern	ton	0	0
<b>Biodiversity</b>				
VSME, B5	Number of sites owned, leased or managed in or near biodiversity sensitive areas	Number	0	0
VSME, B5	Hectares of sites owned, leased or managed in or near biodiversity sensitive areas	Ha	0	0
<b>Water</b>				
VSME, B6	Total water withdrawal	m <sup>3</sup>	2.167	840
<b>Resource use</b>				
	The rates of recyclable content in products	%	81%	85%
	The rates of recyclable content in products packaging (Plastic, paper, carton)	%	N/A	31%
	The rates of recyclable content in products packaging (Wood)	%	N/A	N/A
VSME, B7	Total Waste generated	ton	1.018	344
VSME, B7	Recycled waste	ton	926	268
	- Hereof stainless or aluminum scrap	ton	793	152
VSME, B7	Non-recycled waste	ton	92	76
VSME, B7	- Hereof hazardous	ton	92	75
VSME, B7	- Hereof non-hazardous	ton	-	1
	Percentage of non-recycled waste	%	9%	22%



“A real change only arrives when we insist that we can make a difference.”





# SOCIAL

At Damstahl, people always come first. No Damstahl without our employees. We understand the value of caring for our employees, fully aware that they, in return, will go the extra mile for our customers. We are extremely aware of upholding high standards of work ethics and social responsibility. This means we have a focus on human rights and creating a work-life balance with tailored opportunities for everyone.

In this section of the report, you will discover how we work with the following UN development Goal 8 & 12.

## Working with Human Rights

At Damstahl, we are committed to upholding human rights principles and fostering safe, respectful work environments. We value applicable work environments, which protect the employees of our suppliers from work environments which are not suitable under UN's Global Compact initiative.

As an international company, our operations influence various employee groups throughout our value chain in multiple ways. Our double materiality assessment has helped us identify the impacts, risks, and opportunities that affect these employees.

At Damstahl, we are committed to pursue equal rights for all genders, sexual orientation, race, nationalities, ethnicity, language, and religion. Keeping a high standard of work environment and ethics contributes to our goal of eliminating any discrimination within our own and our partners' organization.

### Employee relations & social conditions

We have a zero-tolerance policy regarding harassment, to protect all our employees from unfair and harmful working conditions, which is the main risk concerning the work environment and employee relations. Though we always prefer direct dialogue also in such matters, we acknowledge the sensitivity. Therefore, our Whistleblower portal is also put available as a reporting option.

### Whistleblower Portal

Our whistleblowing portal has been open since December 2021 for both internal and external reporting with access from all Damstahl Group websites. The portal is placed on the front page of our website to enhance accessibility for both internal and external stakeholders. Furthermore, our Whistleblower policy is available on our intranet as well as via the front page of our website.

### Safety measures

Through constant focus on reducing the risk of injuries, we do our utmost to prevent any damage to our employees. For our warehouse staff in particular, safety procedures and thorough training play a crucial role

during the first two months of employment. Regardless of that, we had 21 job related employee injuries registered in 2024, 10 in Denmark and 11 in Germany. As zero is always the target, we increase our focus on constantly sharing knowledge and improving safety measures and working positions.

A number of the work-related injuries are related to handling in our two new high-bay warehouses. Here, we are dealing with new processes, and as a result, we have ensured an increased focus on training and education regarding the respective machines.

Damstahl has for many years had a zero policy towards alcohol and drugs on our premises also after work hours to ensure a 100% safe environment.

### Focus on talent- & people development

At Damstahl, we are committed to continuously focusing on talent and people development. We believe that nurturing our employees' development enhances job satisfaction and motivation, ultimately creating greater value for the company. It's not a requirement to have ambitions of becoming a leader; rather, we seek individuals who are eager to develop and grow.

Our Mentor Program, launched in Germany in 2023, successfully continued throughout 2024. The program is structured into four modules, providing knowledge across various levels. In 2024, a dedicated team of 8 mentees and 3 mentors from Damstahl focused on topics such as packaging materials, employer branding, and freight setups. Throughout the year, the team held four meetings with an external coach and maintained ongoing one-on-one sessions between each mentee and their mentor.

In Damstahl we see mentoring as a concept that benefits both mentor and mentee. As a mentor, you gain fulfillment, leadership skills, and personal growth while helping the mentee to develop and thrive in their careers.

### Employee surveys

In March 2024, we conducted both an Employee Satisfaction Survey and a Company Culture Survey. In 2024, 210 employees participated in our Employee Satisfaction survey. These surveys are essential tools for gathering valuable feedback from our employees and ensuring that Damstahl remains a good place to work. Some of our findings from the 2024 survey revealed that we can do even more to help employees see themselves as part of a unified company (we call it ONE DAMSTAHL) across all countries and departments. Therefore, we are in the process of strengthening our communication, particularly regarding strategic initiatives, and not least ensuring that we celebrate small wins along the way. On a very positive note, the relationship with our direct managers scored high, indicating that employees find their managers easily accessible and feel that their efforts are appreciated.

Our next Employee Satisfaction Survey is scheduled for fall 2025.

# 'Brainpower Friday' – knowledge sharing as part of employee development

Employee development is essential for both employees and Damstahl. Studies show that continuous learning and skill development increase well-being, motivation, and engagement<sup>3</sup>.

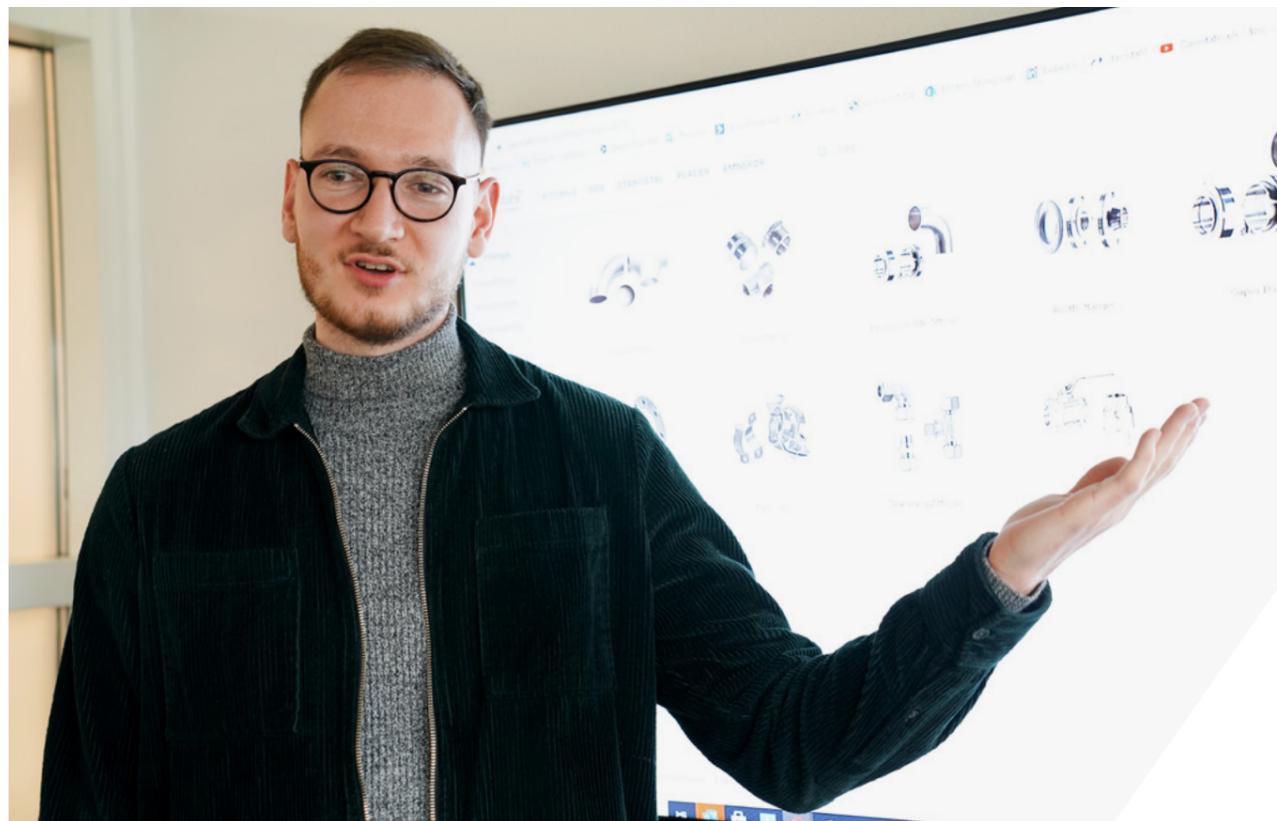
Throughout 2024, we have placed an extra focus on knowledge sharing across the entire Damstahl Group. We call the concept 'Brainpower Friday'. The purpose is employee development and ensuring that all the knowledge we have across departments does not only exist in isolated departments or with individual specialists. In other words, we aim to avoid the risk of employees working in silos. Additionally, it is important to note that no matter your seniority, you are given the

opportunity to address the whole organization if you have something beneficial to share on a group level.

Practically speaking, we hold a learning webinar approx. every month, where different employees spotlight a specific area within their field and share their knowledge. For example, a topic could be an AI Knowledge Sharing event by one of our AI enthusiasts or a learning webinar on Tips & Tricks regarding

the tools in our webshop hosted by one of our IT experts.

The concept not only makes sense to the audience but also benefits the employee conducting the webinar, as it contributes to their development in teaching and systematizing their knowledge. Brainpower Friday is just one concrete example of how we are working with creating an environment for growth and learning.



<sup>3</sup> <https://www.gov.uk/government/publications/learning-and-development-employee-engagement-and-wellbeing/a-rapid-review-of-reviews-on-the-nature-of-the-relationship-between-learning-and-development-and-employee-engagement-wellbeing-attraction-and-retent>

# Workers in our value chain

Significant risks involve suppliers not supporting the Universal Declaration of Human Rights (UDHR) and we therefore have a strong focus on our Supplier Code of Conduct, building up relations and having open dialogue.

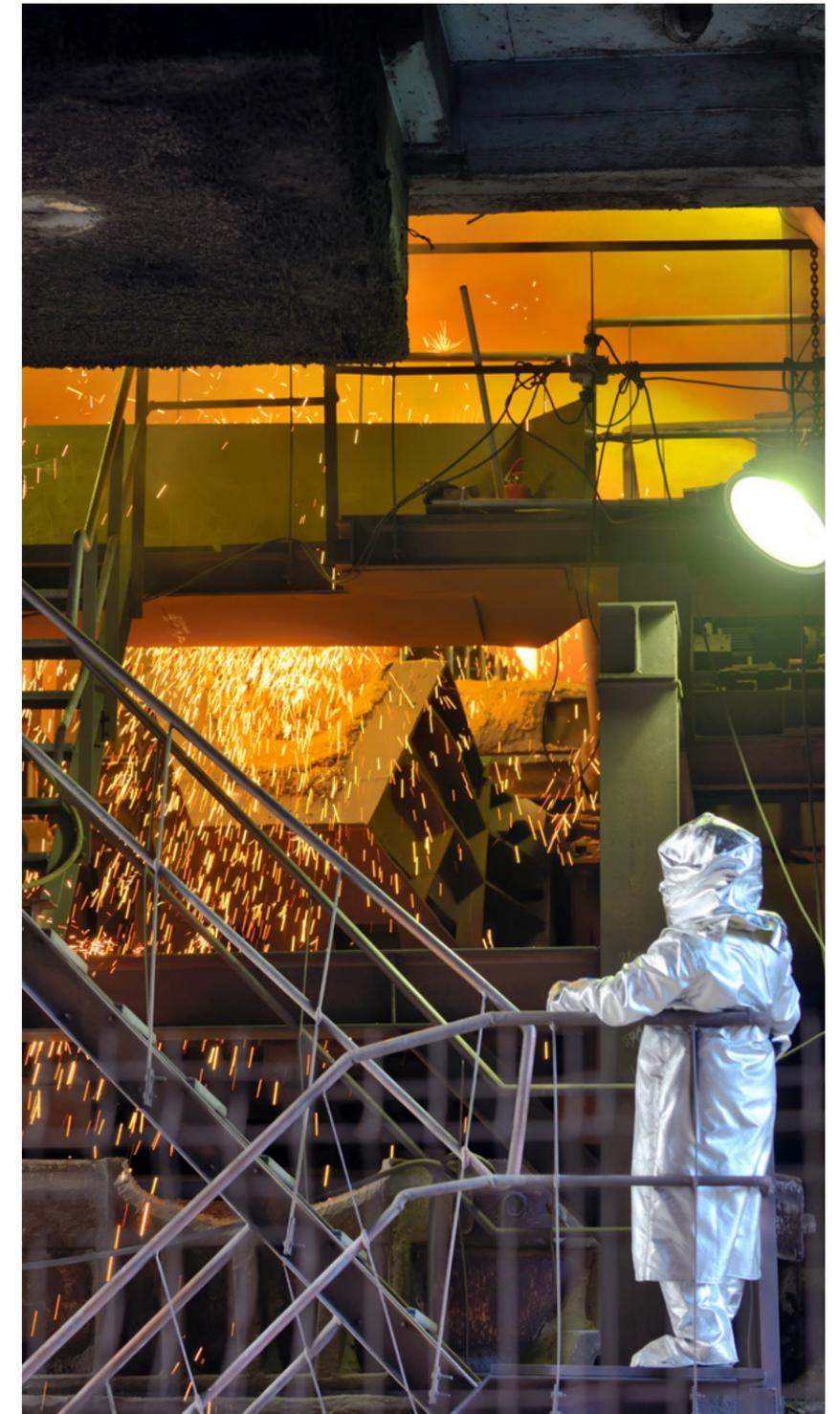
This includes that we have a strong focus on visiting our suppliers to ensure that we are in continuously close contact and thereby able to confirm that our suppliers are upholding our Supplier Code of Conduct and thus our Human Rights policy.

Our Supplier Code of Conduct is based on concrete requirements, but also heavily relies on trust, honesty, and respect. Ultimately, partnerships are all about people and fostering good relationships. Therefore, collaboration and direct communication remain the most important tools in ensuring integrity and accountability. We believe that through dialogue and our Supplier Code of Conduct we can actively contribute to making waves in influencing our suppliers in a positive direction.

## Working with trusted partners

In Damstahl, we work with the term trusted partner. A trusted partner for Damstahl is a business partner who prioritizes responsibility, demonstrating transparency in their actions, market strategies, and environmental impact. To create the best conditions for working with trusted partners requires close collaboration. We visit our strategic suppliers every 15-16 months. In addition, we visit them on an ad-hoc basis due to certain developments or strategic projects.

Besides from the physical visits we have Teams meetings with our suppliers every week, both to follow up on the market development as well as other relevant topics. All these activities contribute to shortening the distance to our suppliers and thus enhancing the close relationship.



# Working with responsibility in Damstahl's Supply Chain



The supply chain at Damstahl is long and complex. Although we wish we could be deeply involved in the daily production processes of all our suppliers, it's simply not feasible. To uphold our standards, we require our suppliers to sign our Supplier Code of Conduct. However, we recognize that this alone isn't enough to guarantee a high level of responsibility for the products we deliver to our customers. Therefore, regular supplier visits are essential, allowing us to witness the production processes firsthand.

We prioritize visiting our suppliers every 15-16 months. During the interim, our suppliers visit us, just as we maintain regular digital meetings to stay connected. In this article, we spoke with Jan Knaak, COO of Damstahl Germany, about his recent two-week visit to India in November 2024.

### Purpose of supplier visits

As is typical for our supplier visits, this trip had three main purposes: visiting existing strategic suppliers, exploring potential new suppliers, and discussing our Supplier Code of Conduct.

**"We were two colleagues on this trip, and during these visits, we always pay close attention to the factory's processes and the quality of the materials. But before each visit, we also agree specific areas for each of us to focus on. For example, my colleague might closely monitor wastewater management, while I keep a sharp eye on labor conditions. This way, we ensure that we cover as much ground as possible"**

Jan Knaak  
COO of Damstahl Germany

### The importance of physical visits

These physical visits are crucial to Damstahl because, from a distance, a supplier can promise the best labor conditions, perfect safety gear, and a strong focus on sustainability. This makes it essential to see the mills firsthand,

understand the processes, and meet the people we collaborate with. Therefore, these visits make a valuable difference, Jan Knaak emphasizes.

During the latest visit, 12 different suppliers were visited. Most of these were existing suppliers, as our visits primarily focus on strategic long-term partners to follow their development and improvements. The remaining visits were to new suppliers with whom Damstahl is considering long-term partnerships.

### The Supplier Code of Conduct and collaborative problem-solving

In Damstahl we use our Supplier Code of Conduct as an active tool in communication with suppliers, as it helps concretize discussions about working conditions, safety equipment, and sustainability:

"Before each meeting, I decide on the key indicators for each specific supplier and where we should focus our attention regarding our Supplier Code of Conduct. There have been several instances where our visits have led to the termination of supplier relationships. Typically, if we identify something that doesn't meet our expectations, we provide the supplier with a specific timeframe to address the issue. If the issue is very severe, we terminate the relationship immediately," says Jan Knaak.

However, in most cases, terminating the collaboration is not the best solution. For



Supplier of coil bars in India.

example, if workers are using unsafe equipment, the obvious action might seem to end the cooperation. This does not drive positive changes or solve the problem though. The supplier will likely just sell their products to another customer. According to the Damstahl COO, the primary task is to solve the problem in collaboration with the supplier:

"When we visit suppliers, we bring our European perspective, which may not align with local practices. So, we can't just show up with a Supplier Code of Conduct in hand and say that in the EU we care a lot about working conditions, CO<sub>2</sub> footprint, and sustainability. It doesn't necessarily resonate with them. Therefore, it is important to communicate that improving working conditions

is not just about European ideals but also about business growth. If suppliers understand that our Supplier Code of Conduct is tied to their business growth and success, they are more likely to make changes," Jan Knaak explains.

### Balancing cultural differences

The same principle applies when you buy imported fruits like avocados or mangoes in the supermarket as a private customer, Jan Knaak emphasizes:

**"These exporting countries have different traditions, and we cannot impose our culture entirely. We need to strike a balance, ensuring that the most important conditions are met while working with suppliers who show a willingness to develop and move in a better direction"**

Jan Knaak  
COO of Damstahl Germany



Supplier of flanges in India.

# Conversations on mental health



In today's rapidly changing world, mainly driven by continuous digital transformation in society and the workplace, adaptability and resilience are crucial for employees. As employees it requires that we heighten our awareness of these changes and their impacts on us, while also working to bolster our mental resilience.

In Damstahl, we believe that a focus on mental health can enhance our creativity and job satisfaction. Addressing mental health is not easy, as the topic is deeply personal and might be sensitive for many. With this in mind, we decided to present a series of articles under the headline 'Conversations on Mental Health' throughout 2024, with contributions from various employees. The purpose of these interviews is not to identify what is right or wrong, but to raise awareness about well-being and mental resilience. Research indicates that openness about mental health can help identify early signs of stress, enabling proactive measures before issues escalate<sup>4</sup>. In other words, we wish to contribute to creating a good conversational culture, where it becomes easier to discuss any problems and challenges.

Here, you will find extracts from the respective articles.

<sup>4</sup><https://arbejdsglaedenu.dk/2025/03/vigtigheden-af-at-tale-om-mental-sundhed/>



Niels Buch,  
Business Controller – Graduate

**“For me, working on mental health is very individual; there is no template you can just apply to the subject. So, I think it’s great that workplaces help inform about the importance of mental health. And I think it’s important that as a leader, you look at the individual employee and get an idea of what he or she needs. And here, it’s not certain that all leaders have the best skills to handle a focus on mental health, so I think it’s important that the leader reaches out if there is a need for some guidance in handling it. And that outreach should, of course, be met by the company.”**



Kristoffer Eriksen,  
Country Manager, Norway

**“... Additionally, I think that not only young people but all of us need to get much better at distancing ourselves from social media. It takes up a lot of our capacity and feeds us with nothing but empty calories. So, I am tempted to say delete Instagram, delete Facebook. I bet it will free up a lot of time for activities and socializing – all the things we crave but say we don’t have time for. At the same time, it would make us more ‘unavailable.’ We are available 24/7 and respond to emails and messages at all hours of the day, me included. This availability can often hinder a good balance. So, unplug and make yourself unavailable for just a few hours during the afternoon.... And go do that activity you always wanted to try out, even better; share the experience with friends and family.”**



Karina Jerochin,  
Intern

**“Mental health shouldn’t be a taboo topic. There should be a culture at work where you feel safe talking to a manager or colleague about it. Few people can say they’ve never had a stressful day or mental health-related issue during their working life, so creating a culture where you can talk about it is really important. I believe that discussing mental health through an interview like this can be one step to help de-stigmatize the topic and make it easier for employees to address their potential concerns.”**



Jan Knaak,  
COO, Damstahl Germany

**“Something important I have learned is to break down stress into smaller pieces. Stress is not a feeling; it’s a result of other feelings. So, you need to find out which feelings are causing the stress. There are seven basic emotions in psychological terms: happiness, surprise, contempt, sadness, fear, disgust, and anger - stress is none of them. Stress is a result of something else. Therefore, I have learned to tackle stress by asking; why do I feel the way I do right now? If I understand the real feeling that leaves me with a level of stress, I have a better chance of reacting constructively to it. Sometimes you might think that work is causing the stress, but in reality, it might be your personal life and vice versa.”**



Henrik Ørskov,  
Group Director for Strategy &  
Global Business Development

**“It’s important that we support each other as colleagues. So, if you observe a change in a colleague’s behavior, don’t hesitate to ask, “shall we grab a coffee?”. Many of us know our colleagues well enough to spot a change. The worst thing we can do is avoid addressing the issue. By confronting it, you show that there are people who care and are paying attention.”**



Annett Bellmann,  
Group Customer Care Manager

**“I believe one of my finest tasks as a leader is not waiting for a team member to come to me but acting when I see there’s a need for extra support. I’m very aware of the need for me as a leader to show resilience and calmness. Especially in challenging times, it’s essential for me to help calm the tense atmosphere rather than add to the stress. It’s also my job to give my colleagues a sense of trust, knowing they can always come to me if they need to. There will undoubtedly be periods in our lives and work where things happen that we can’t control. Here, it’s essential to be in a workplace where you can trust that others around you have your back.”**

# Gender Composition

Damstahl aims to have the most competent and applicable board members with no distinction between diversity, race, religion, or gender. Our employment process is made according to this principle.

Damstahl is a family-owned subsidiary of the NEUMO-Ehrenberg Group with 100% owner representation in the board of directors. Over a period, a generational change in the owner family is being prepared. That means among other things the inclusion in the board of directors of the third generation of the Ehrenberg family. This inclusion phase started in 2020 with two members of the third generation attending board meetings as observers. Since 2021 they have been full members of the board. In 2024 a third member was included as a full member of the board of the Damstahl Group.

This means that the board now consists of 6 persons, all members of the Ehrenberg family. As our Board is composed solely of family members, this unique structure significantly influences the selection process and composition of our board. Recognizing the importance of gender diversity, we have set a prospective target, aiming for at least 30 % representation of the underrepresented gender on our Board by 2028. This target is ambitious given our familial governance framework.

Furthermore, we have set a goal to achieve at least 40 % representation of the underrepresented gender among our management team by 2028. The management level includes the Executive Board and all people with managerial responsibility, who refer directly to the first level of management. This goal is also stated in our Damstahl Gender Diversity and Equal Opportunity Policy. To support this objective, we ensure that candidates of all genders are considered for every hiring and promotion. This approach guarantees a diverse selection pool and helps eliminate bias in our recruitment processes. Selections are made strictly based on qualifications, skills, and the candidate's potential contribution to our company's objectives.

### Equal opportunities

Everyone at Damstahl should feel they have an equal opportunity to belong and build a career while maintaining a sustainable work life. We want all employees to have the same opportunities for impact and growth, no matter their age, race, ethnicity, place of birth, gender, sexual orientation. The increased focus on gender composition is maintained by the board, which argues that gender composition is developing as preferred, whilst also strengthening in the future.

## Social data

Standard	Description	Unit	Consolidated	Parent
<b>Workforce</b>				
VSME, B8	Number of employees (head count)	Number	351	113
VSME, B8	Number of female employees (head count)	Number	84	31
VSME, B8	Proportion of female employees (head count)	%	24	27
VSME, B8	Number of male employees (head count)	Number	267	82
VSME, B8	Proportion of male employees (head count)	%	76	73
VSME, C5	Number of temporary workers or self-employed personnel working exclusively for Damstahl	Number	-	-
VSME, C5	Proportion of female employees in management (head count)	%	20	22
	Number of employees (head count) under 30 years old	Number	63	19
	Percentage of employees under 30 years old	%	18	17
	Number of employees (head count) between 30 and 50 years old	Number	184	51
	Percentage of employees between 30 and 50 years old	%	52	45
	Number of employees (head count) over 50 years old	Number	104	43
	Percentage of employees over 50 years old	%	30	38
	Number of employee who have left undertaking	Number	61	27
	Percentage of employee turnover	%	17	25
	Percentage of employees that participated in regular performance and career development reviews	%	47	100
	Percentage of employees that have extraordinary training	%	32	23
	Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	%	100	100
VSME, B9	Number of recordable work-related accidents for own workforce	Number	21	10
VSME, B9	Level of work-related accidents for own workforce	Number	6	9
VSME, B9	Number of fatalities in own workforce as result of work-related injuries and work-related ill health	Number	-	-
	Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	Number	-	-
	Number of incidents of discrimination	Number	-	-
VSME, B10	Percentage of employees that receive pay equal to or above minimum wage	%	100	100
VSME, B10	Percentage of its employees covered by collective bargaining agreements are within coverage rate by country (in the EEA)	%	24	30
<b>Human rights policies and processes</b>				
VSME, C7	Does the undertaking have a code of conduct on human rights for its own workforce?	Statement	Yes	Yes
VSME, C7	- Does the code of conduct include child labour?	Statement	Yes	Yes
VSME, C7	- Does the code of conduct include forced labour?	Statement	Yes	Yes
VSME, C7	- Does the code of conduct include human trafficking?	Statement	Yes	Yes
VSME, C7	- Does the code of conduct include discrimination?	Statement	Yes	Yes
VSME, C7	Number of observed incidents under the conduct involving workers in the value chain, affected communities, consumers and end-users?	Number	-	-

# Our social performance

## Gender Composition



## Social performance

### EMPLOYEE RETENTION RATE



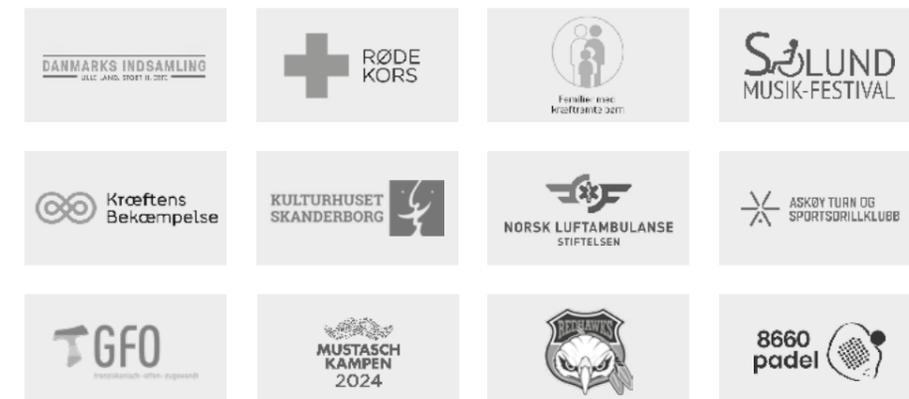
### EMPLOYEE WELLBEING



### EMPLOYEE EDUCATION



## The Damstahl Group supported these organizations with sponsorships in 2024:





# GOVERNANCE

Sustainability is part of our mindset when we work with responsible business practices. We know that sustainability must become core to doing business if we are truly to drive change. Therefore, governance and strategic sustainability initiatives are regularly on the agenda for Group Management meetings. In this section of the report, you will discover how we work with the following UN Development Goals 8, 12 & 13.

## Proactively combating corruption

One of Damstahl's main principles is a zero-tolerance policy regarding bribery or corruption. We do not accept such behaviour, nor do we incite any questionable practices within our organization.

We uphold all laws and regulations and strive towards ensuring that all our partners offer the same ethical values. The main risk being the purchasing departments, where bribes can potentially occur. Like the years before, we have not experienced any cases of corruption in 2024. Unfair competitiveness and cartel formation are the major risks involved with corruption, and Damstahl does not condone any such type of behaviour.

Our Anti-corruption & Bribery Policy is developed to prevent bribery and corruption as well as to ensure compliance with national and international standards concerning anti-corruption and bribery in connection with Damstahl's business operations.

### Communication and monitoring

Our leaders play a crucial role in demonstrating strong leadership commitment to ethical practices, leading by example and promoting a culture of integrity throughout the organization.

It is the responsibility of the Damstahl leader to communicate about our Anti-bribery and Corruption Policy and ensure that all current and future employees understand and comply with the aims and procedures of the policy. This focus is also highlighted in Damstahl's 10 Leadership Guidelines. Each year, the policy is evaluated to determine if any changes or updates are required.

### Webinar on our Bribery & Corruption Policy

In 2024, we organized an internal webinar for the entire management team of the Damstahl group. The purpose of the webinar was to provide information about our systems to prevent, detect, investigate, and respond to allegations or incidents relating to corruption and bribery. By having clear guidelines and procedures on bribery and corruption, we reduce the risk of legal issues, financial losses, and damage to reputation.

During this webinar session, we thoroughly reviewed our Bribery & Corruption Policy, emphasizing its importance in ensuring transparent processes in our collaborations with partners. Again, it was highlighted that our leaders play a crucial role in demonstrating strong leadership commitment to ethical practices, leading by example and promoting a culture of integrity throughout the organization.

In addition, emphasis was placed on fostering a 'Speak Up' culture, where employees are encouraged to seek guidance and voice questions or concerns regarding any bribery and corruption topics.

### Influencing our business partners

We also want to influence our business partners in a positive direction and thereby counteract the risk of anti-corruption. In this regard, personal communication and our Supplier Code of Conduct stand out as essential instruments. We therefore see

stakeholder engagement as a valuable part of mapping and managing the risk of anti-corruption and bribery. Our supplier visits and meetings help us to ensure that we're in continuously close contact and thereby able to confirm that our suppliers are upholding our Supplier Code of Conduct.

### Our Whistleblower portal

The whistleblowing portal has since December 2021 been open for both internal and external reporting with access from all Damstahl Group websites. We also regard this portal as a vital instrument in our endeavor to prevent and combat corruption.

## Governance metrics



No whistleblower inquiries reported in 2024.

# Knowledge sharing as a differentiator in environmental efforts

Fundamental to our strategy is that we as distributor add value to our customers and other relevant stakeholders by sharing our knowledge about the market, products, and not least sustainability practices. In other words, we aim to provide our customers with a valuable advantage and bring transparency to areas that can be complex and particularly resource-intensive to navigate in.

In early 2024, HOFOR commenced their new Regnemark waterworks - set to become Denmark's largest. This ambitious initiative is not only notable for its scale, but also for the bold sustainability framework integrated into its procurement and construction processes. HOFOR, together with project lead Vand & Teknik, took a forward-leaning approach in defining and enforcing detailed requirements on CO<sub>2</sub> emissions, scrap content, and ISO-certification documentation across the supplier network.

Damstahl participated as a supplier of key piping and flow components for the process plant. But more than a traditional supplier role, our involvement evolved into a close collaboration with HOFOR to help clarify what valid sustainability documentation can and should look like in practice. During the tender phase, we contributed perspectives on traceability of CO<sub>2</sub> data and provided input on how supplier documentation processes can be structured for relevance and credibility with Vand & Teknik. This dialogue ensured that the ambitious documentation demands were actionable and implementable.

As the project unfolded, HOFOR hosted a seminar to reflect on learnings and strengthen sustainability documentation practices in upcoming projects. Damstahl was invited by Vand & Teknik to share our concrete experiences in

sustainable stainless-steel sourcing - not only around emission data and EPD collection, but also on challenges in the market that customers and planners need to be aware of. For example, we highlighted how the availability of CO<sub>2</sub>-reduced materials varies significantly across dimensions and grades. While some base materials are already well-covered by sustainability initiatives, others - particularly fittings and flanges - are still catching up. This knowledge is crucial for setting realistic yet forward-looking boundaries for upcoming projects.

We also emphasized how clear dialogue and early involvement between clients, consultants, and suppliers help unlock better outcomes. Through tools like our Climate Calculator and direct sourcing knowledge, we are ready to support both documentation efforts and strategic planning for sustainable procurement.



The Regnemark waterworks has shown how well-defined requirements - when co-developed with stakeholders - can raise the bar without blocking progress. It also demonstrated the value of structured collaboration: HOFOR's strategic direction, Vand & Teknik's coordination, and supplier input all contributed to building a shared knowledge base for future infrastructure projects.

We see a strong benefit in continuing this kind of exchange and welcome opportunities to support other forward-thinking customers and consultants in shaping effective sustainability criteria. When we work together from the outset, we can make sustainable choices more accessible, scalable, and meaningful.

The Regnemark waterworks exemplifies how Damstahl actively leverages knowledge as a concrete tool for bidding on projects. The Regnemark waterworks is just one significant example of our ongoing communication with customers regarding providing knowledge on the sourcing of CO<sub>2</sub>-reduced products, based on the data from our climate calculator.

- The Regnemark plant will be Denmark's largest waterworks, supplying the Greater Copenhagen area with more than 14 billion liters of drinking water annually.
- The plant is part of HOFOR's large-scale project, which includes the modernization or building of eight regional waterworks. Once the modernization is complete, 75% of HOFOR's water supply to the Greater Copenhagen area will have a lower lime content securing softer water for Copenhageners.
- Vand & Teknik is project lead on the water treatment plant. The project began in January 2024 and the waterworks is expected to be completed and ready for operation in 2027.



## Knowledge seminars for our customers

Another concrete example of how we use knowledge sharing as a vital tool in collaboration with our customers is our seminars.

We hold 'Stainless Steel Knowledge Day' approximately five times a year, where our expert, chemical engineer and Ph.D., Claus Qvist Jessen, provides insights and useful tools to extend the lifespan of our customers' stainless-steel solutions. A typical topic could be how you as a customer best avoid corrosion, so you can maximize

the lifespan of your steel and minimize the risk of costly operational downtime.

For our customers working with steel, making the right choices is crucial for efficient handling, better material utilization, and reduced waste. This guidance is therefore essential not only for their business but also from a sustainability standpoint.

## Governance data

Standard	Description	Unit	Consolidated	Parent
<b>Governance in own workforce</b>				
	Percentage of functions-at-risk covered by training programmes	%	100	100
VSME, B11	Number of convictions for violation of anti-corruption and anti-bribery laws	Number	-	-
VSME, B11	Number of confirmed incidents of corruption or bribery	Number	-	-
	Financial political contributions made	EUR	-	-
	Number of outstanding legal proceedings for late payments	Number	-	-
VSME, C9	Percentage of females (headcount) in governance body	%	17	17
<b>Governance in value chain</b>				
	Whistleblower cases submitted	Number	-	-
	Whistleblower cases solved	Number	-	-
	Supplier code of conducts signed (vendor accounts)	Number	396	99
	Supplier code of conducts signed (percentage of purchased stainless steel in tonnage)	%	75	93
	ISO 9001-certified sites	Number	7	1
	ISO 14001-certified sites	Number	4	-

# Damstahl's Sustainability Team

Our focus on sustainability is continuously increasing. Not only on the measures to be taken, but also on the geographic field to be covered.

While the Sustainability Team is highlighted below, it's important to note that sustainability initiatives involve and engage the entire Damstahl Group.



**Thor Rousing**, Business Controlling & Sustainability Manager, collects, analyses and verifies relevant data to be presented in the report.



**Lise Marie Møller**, CSR & Communication Specialist, coordinator of sustainability processes including collection of content to this report.



**Anne Mette Kristensen**, Marketing Coordinator, monitors the visual presentation of the report and develops marketing activities in relation to the findings of the report.



**Jan Knaak**, COO for Damstahl's Central European activities and representative for our sourcing activities



**Michael Lund**, Damstahl Group CEO and thereby the person with the overall responsibility also for Damstahl's strategy within sustainability.

# Damstahl's 5 Climate Tips

These Climate Tips are beneficial for both the environment and your business



1

Prioritize stainless steel from Europe. On average, it emits 48% less CO<sub>2</sub>e than the rest of the world.\*



2

Choose products with Environmental Product Declarations (EPDs) or third-party verified data.



3

"Think globally, act locally" - our local warehouses mean we are closer to you, saving both transportation and emissions.

4



Consolidate your orders onto one truck whenever possible to save money and emissions.



5

Use our Climate Calculator or seek guidance from Damstahl if you have questions about sustainability in the industry or are unsure about regulations.

<https://damstahl.com/en/campaigns/get-ahead-with-our-climate-calculator>

\* Calculated based on Damstahl's procurement in 2023 using values from Exiobase 4.



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On your side

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