

# ESG REPORT

Environment | Social | Governance

**2023**

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## About this Report

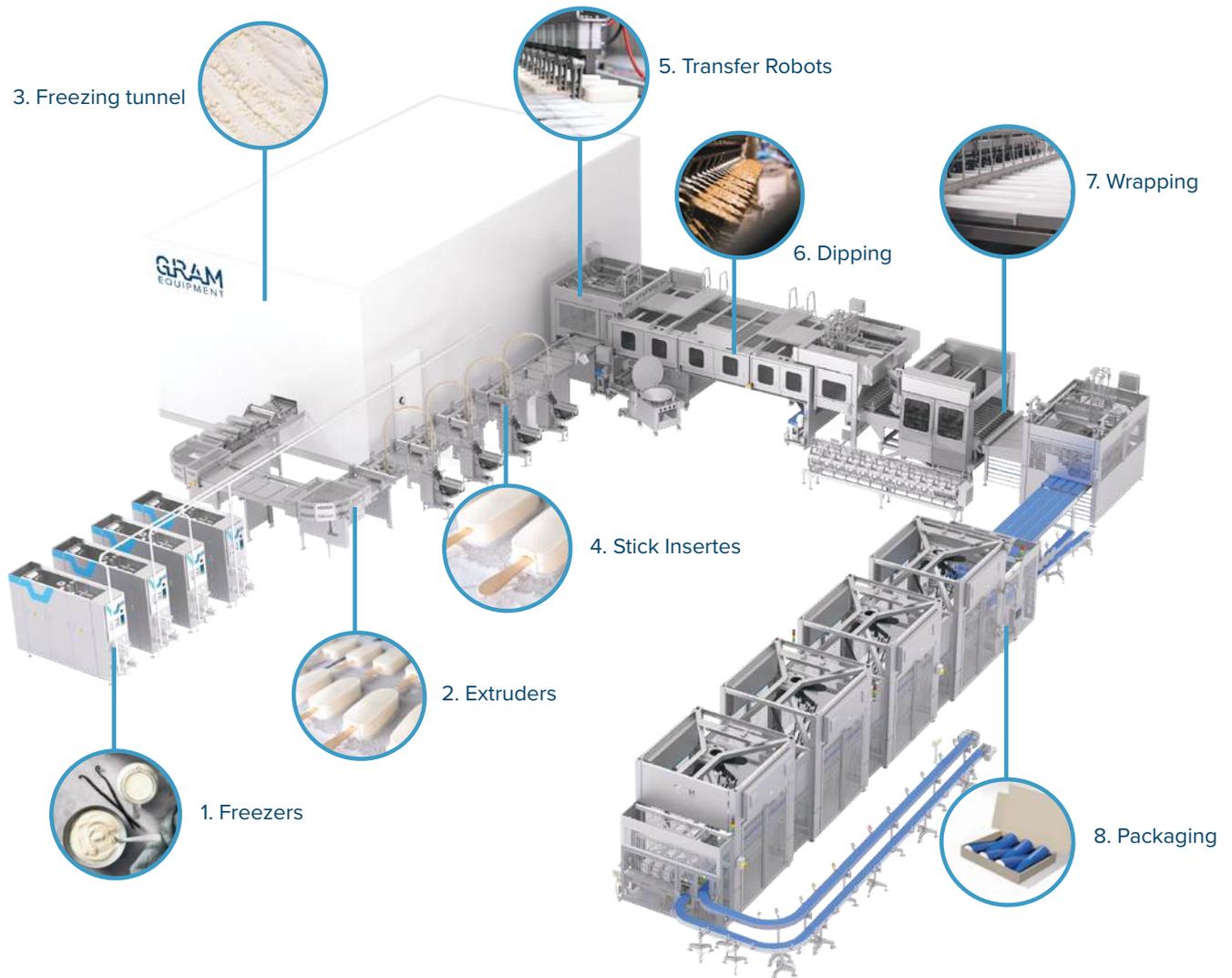
This report constitutes the statutory reporting on corporate responsibility, cf. §99a.

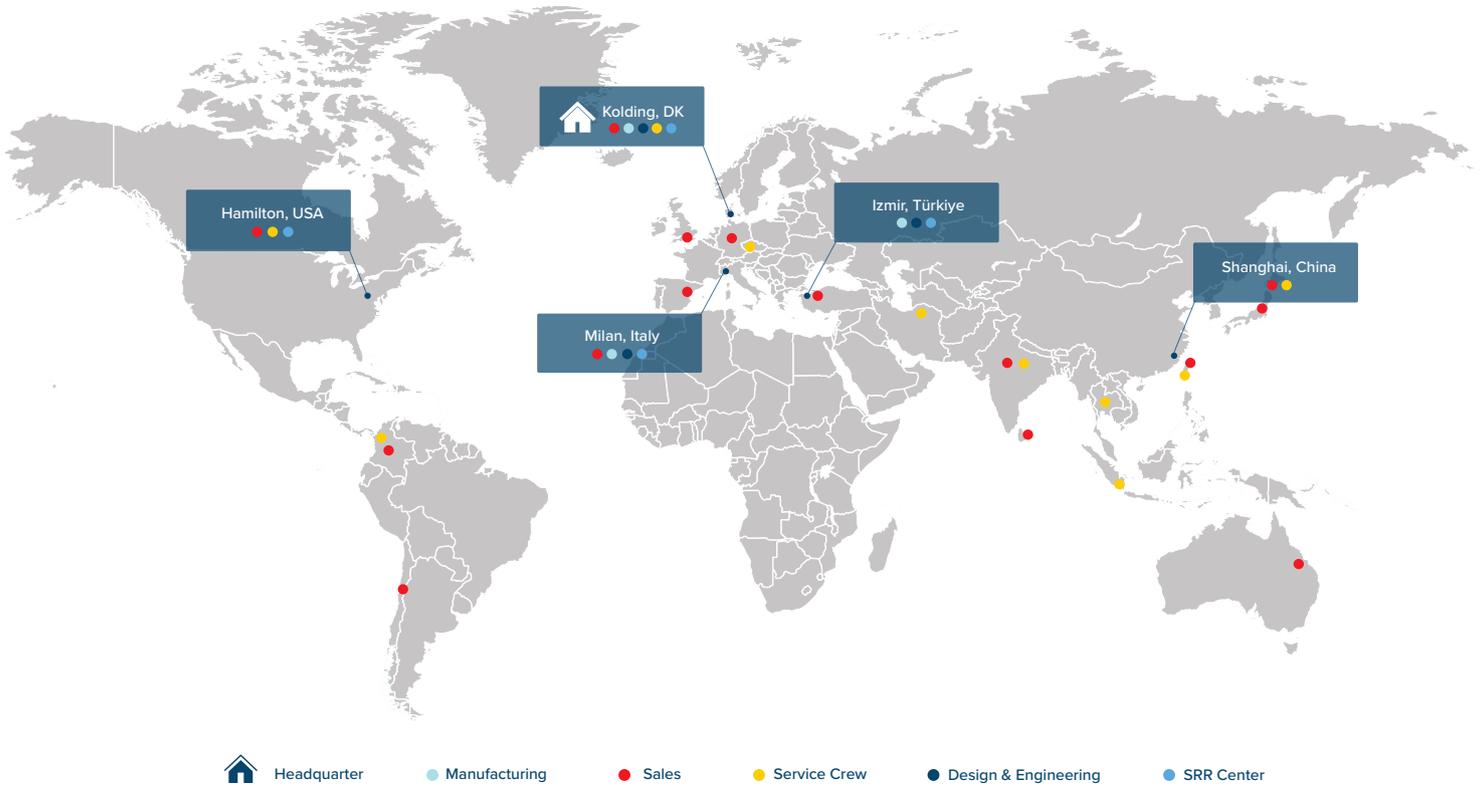
# A Passion For Ice Cream

## Our focus – and our passion - is ice cream.

We design and assemble processing equipment and develop service and spare parts solutions for the global ice cream production industry. We supply some of the world's major ice cream brands with full line equipment for high-throughput production up to 42,000+ ice creams per hour.

We are passionate about innovative and longlasting ice cream solutions, advanced machinery, and process installations for industrial ice cream production. With more than a century of ice cream production experience, we remain committed to providing the world's most efficient and flexible ice cream production and packaging equipment.





This know-how allows us to provide our customers with the best possible solutions, service, and supervision for any project, regardless of the scope. Gram Equipment’s ice cream equipment arsenal includes machines for freezing, filling, feeding, extruding, molding, wrapping, and packaging products. We aim to ensure our products’ continuous development and innovations to deliver solutions that enable smooth and efficient products for our customers.

We are a global company with approximately 600 employees worldwide in 2023. Our headquarters is in Kolding, Denmark, where about 350 production staff,

engineering, support functions and management staff are employed.

Assembly of equipment and engineering also takes place in Izmir, Türkiye. The Izmir area is known for its many highly qualified mechanical and automation engineers, and as a company with a global approach, we have, in the last ten years, grown to an entity of more than 160 employees in Türkiye.

Moreover, we have a production facility for molds in Milan, Italy, an office and warehouse in Hamilton, US, and an office in Shanghai, China.



## Letter from our CEO

“We believe in creating a more sustainable environment for all. With this ESG report, we wish to highlight our commitment to continuous improvement in every part of our business.

This commitment is shared and embraced at all levels of the company. Our environmental, social, and governance input reflects a commitment to our clients, employees, and community. As a leader in the ice cream equipment industry, we are responsible for making sustainable choices in cooperation with customers and suppliers.

In 2023, the impact of the war between Russia and Ukraine continued to affect our supply chain, though we have successfully maintained cooperation with our strategic Ukrainian supplier.

### Highlights of our ESG work in 2023:

- ▶ This year, we have updated our strategy for 2026, and ESG has been integrated into our strategic priorities.
- ▶ We completed the first EcoVadis assessment of Gram Equipment at the group level, including our five international entities. This achievement was awarded with a bronze medal.
- ▶ In 2023, the effort to establish a full Scope 3 inventory has continued, beginning to lay the foundation for our future commitment to the Science Based Targets Initiative.
- ▶ Moreover, we have focused on the preparations for compliance with EU CSRD (Corporate Sustainability Reporting Directive) by initiating the framework for data collection and reporting

**Outlook for 2024 and beyond:**

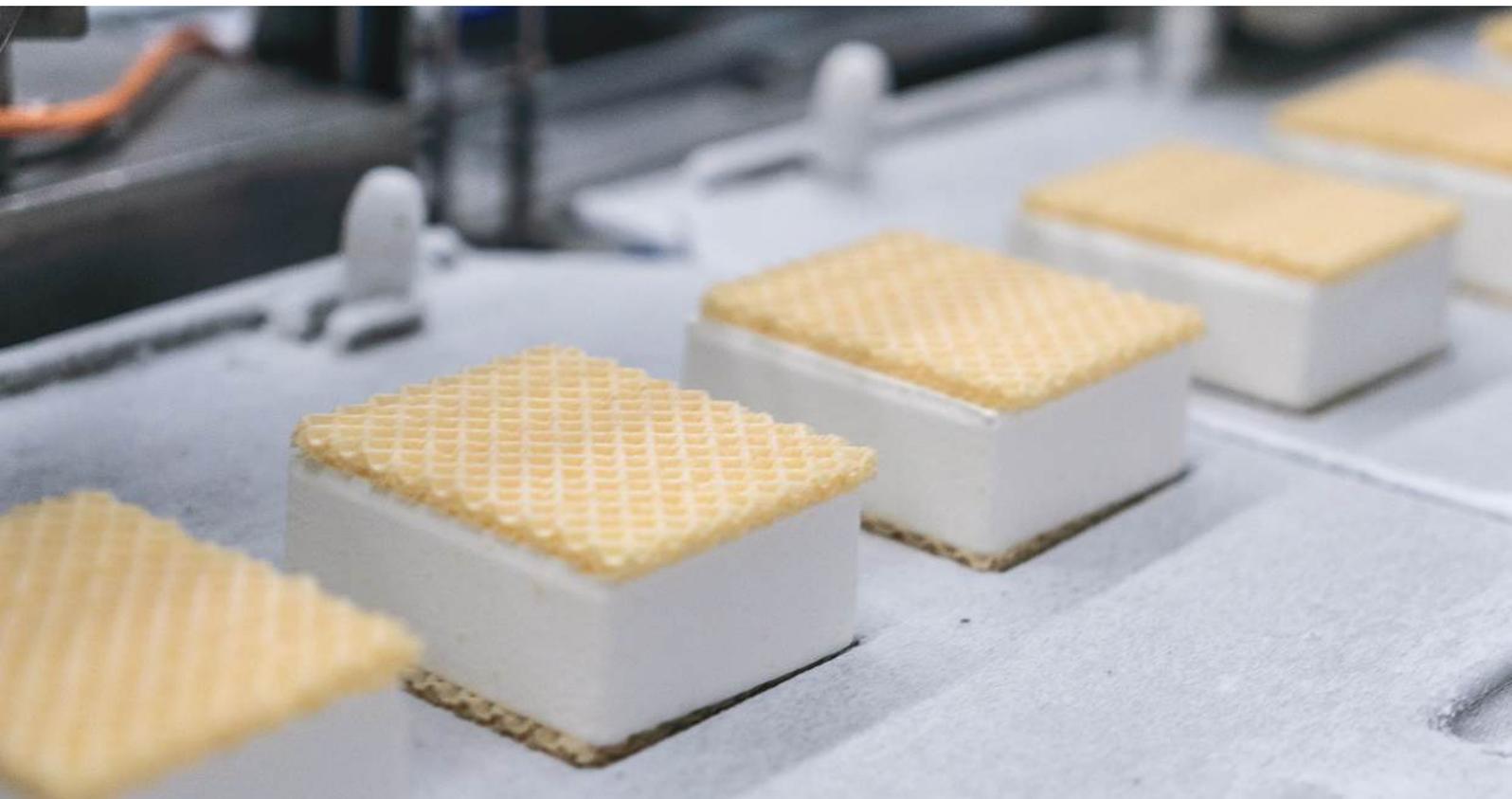
- ▶ We have identified customer-centered decarbonization as the key driver for our ESG work. Therefore, our focus is on supporting our customers in reducing waste, optimizing energy consumption, and minimizing the environmental impact of product packaging. We believe that concentrating on the use phase of our equipment will have the most significant environmental impact and provide a competitive advantage in the future.
- ▶ Our target for 2024 is to establish a full carbon footprint inventory and to commit to the Science Based Targets Initiative by the end of the year. We will set reduction targets and initiate reduction initiatives in the following years.
- ▶ In 2024 and beyond, securing compliance with CSRD and other EU regulations will be resource-intensive and challenging for our organization.

This year, we will focus on implementing the CSRD Double Materiality Assessment and Value Chain mapping and preparing the reporting for the disclosure requirements that will be mandatory for the reporting year 2025.

Our employees make our ESG journey possible, and we want to support them throughout their work life with us. We strive to build a company culture that empowers our employees. We prioritize creating an inclusive and safe working environment accessible to all, where we encourage our employees to be innovative and creatively impact our business future.”

**Tom Wrensted**

CEO of Gram Equipment



# UN Global Compact

In 2022, we committed to the goals set in the UN Global Compact. As a member of the UN Global Compact, we support the UN Sustainable Development Goals (SDG) and the ten principles of the UN Global Compact.

## UN SDGs

The UN Sustainable Development Goals (SDGs) provide a framework for translating global needs and ambitions into valuable solutions. We are focusing on the five SDGs where we believe we can contribute the most and where the interconnection of ESG and business strategy and values is most apparent.

<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p><b>CIRCULARITY</b></p> <p>We partner with our customers and suppliers to develop circular solutions focusing on reducing waste throughout the ice cream production process.</p>
<p><b>13</b> CLIMATE ACTION</p> 	<p><b>ENVIRONMENT</b></p> <p>Across operations and the value chain, we continuously strive to learn and implement new methods of reducing our environmental footprint concerning water, waste and GHG emission.</p>
<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p><b>GOVERNANCE</b></p> <p>We adhere to responsible policies, practices, rules and norms and fully support the principles for responsible business conduct laid down by the UN Global Compact.</p>
<p><b>5</b> GENDER EQUALITY</p>  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p><b>PEOPLE</b></p> <p>We prioritise creating an inclusive and safe working environment accessible to all, where we encourage our employees to be innovative and creatively impact our business future.</p>

# Using EcoVadis to guide progress

In 2023, Gram Equipment undertook its first EcoVadis assessment, conducted at the group level, which included the headquarters in Denmark and our four international entities. This assessment marks a significant milestone in our journey toward demonstrating our sustainability processes and performance.

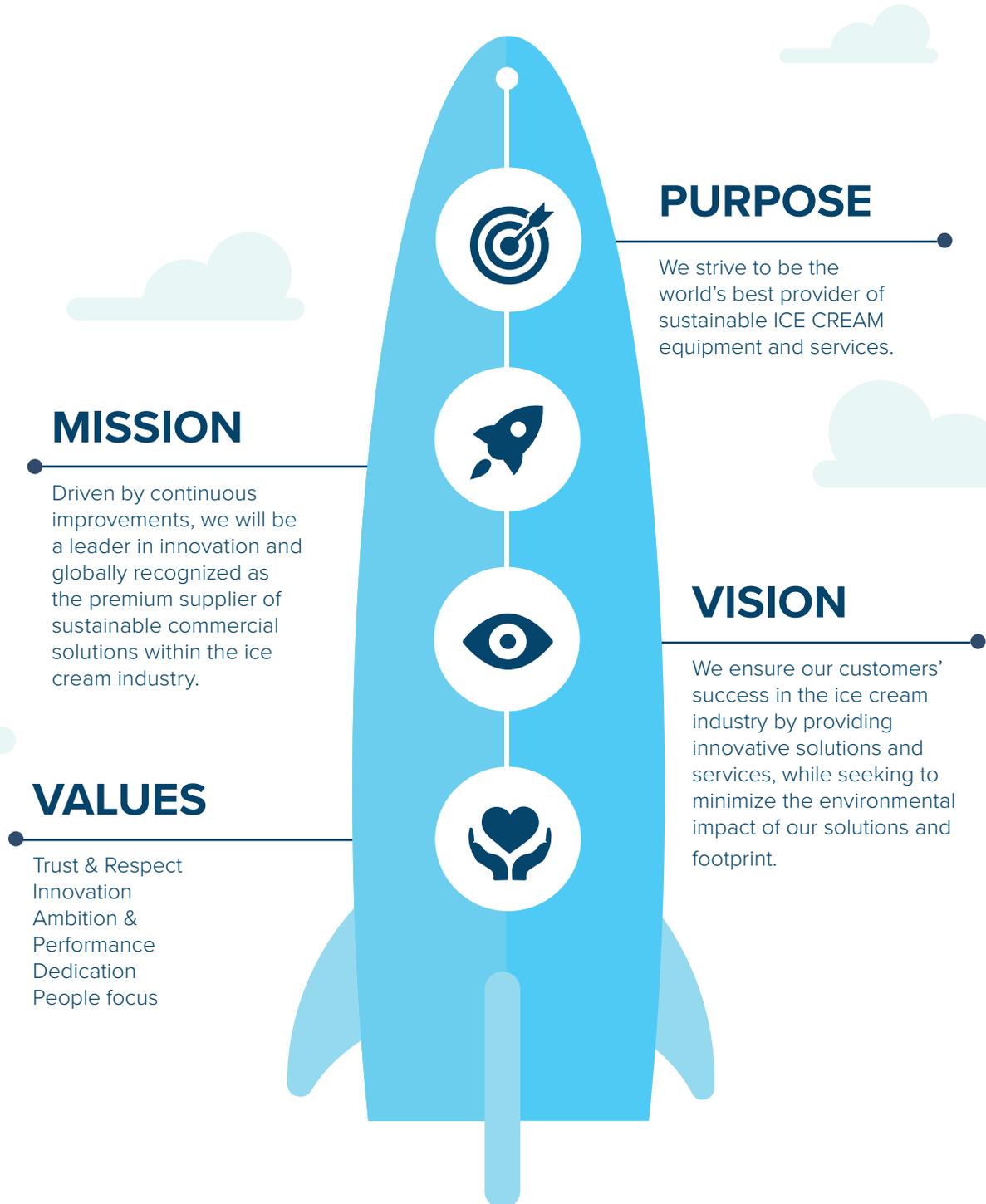
EcoVadis, a globally recognized sustainability assessment platform, evaluated Gram Equipment's performance across various environmental, social, and ethical criteria. The assessment covered key areas such as environmental impact, labor and human rights, ethics, and sustainable procurement practices. By voluntarily participating in this assessment, Gram Equipment is taking proactive steps to meet industry standards.

The EcoVadis assessment awarded Gram Equipment a bronze medal, with an overall score of 58 out of 100 possible points. Our ambition is to continuously improve this score, aiming to achieve a silver medal rating in 2024. To meet this target, several corrective actions must be implemented, and we see the EcoVadis assessment as a tool for prioritizing and guiding our continuous improvements.

Starting in 2024, EcoVadis will change its scoring methodology, basing its evaluation of companies on their relative performance compared to the overall reporting population, rather than the absolute number of points scored by each individual company. This new methodology could also impact the result of the next rating for Gram Equipment.



# Our vision for tomorrow & ESG approach



We have integrated our focus on sustainability into our purpose, mission, vision, and values. This guides our journey towards reducing our environmental footprint while focusing on our global social and governance responsibilities in our interactions with employees, suppliers, and customers. Our ESG goals are part of our overall business strategy, and we maintain our focus on ESG by setting annual targets and managing ESG projects through our internal Project Management Office (PMO).

In building our ESG organization, we have taken a decentralized approach, aiming to ensure that ESG responsibilities and competencies are allocated not only to the ESG team, but to all entities and departments. In 2024, we plan to strengthen our cross-department ESG function with an ESG controller in the Finance department and an Environmental Engineer in the Engineering department.

Our ESG work is supervised by the ESG steering committee, consisting of Group Management and the ESG Business Partner. The ESG steering committee meets monthly to monitor progress towards meeting annual ESG targets and to ensure alignment on any ESG-related topics. Moreover, ESG is on the agenda at all our board meetings, and ESG introduction and ethical training are part of the onboarding process for all new employees.



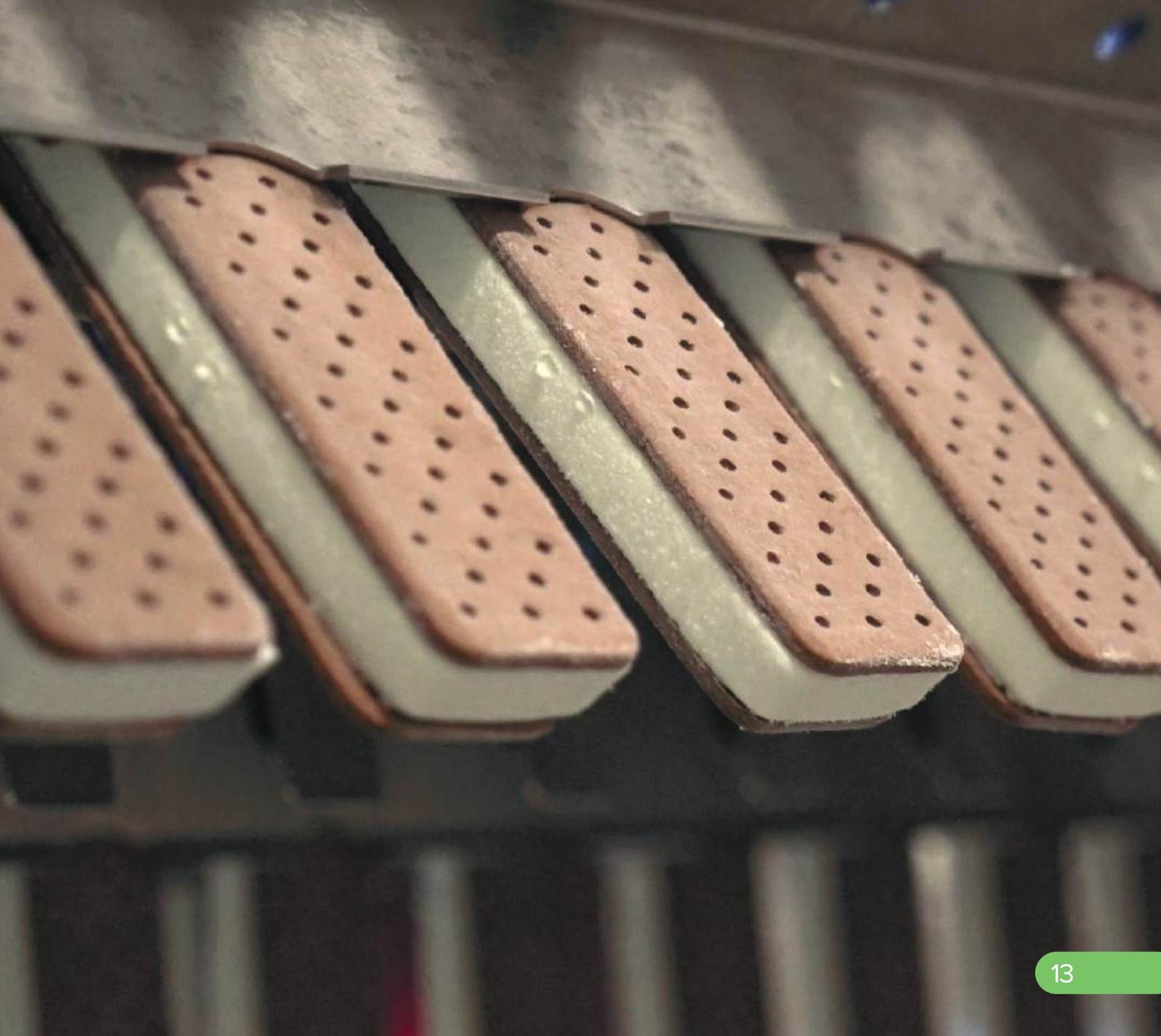
## Gram Equipment 2024 ESG Priorities

FOCUS AREA	KPIs /TTIs	LONG TERM TARGET	2023 PERFORMANCE	ANNUAL TARGET 2024
1. Support the decarbonization of the ice cream business	1a. Optimized use phase energy efficiency of equipment/ services	1a. Support customers on their journey towards a net zero ice cream production	1a and 1b: Energy consumption, productivity and food waste measured at a specific ice cream production site. This result will support the baseline for energy use and food waste	1a. Establish baseline for the use phase energy use and GHG emissions of new equipment
	1b. Reduced food waste pr. produced ice cream	1b. Support customers to produce ice cream towards 0% waste		1b. Establish baseline for the food waste level of new equipment  These objectives are met by developing equipment Life Cycle Assessments (LCAs) in projects engaging with external providers
2. Reducing our planetary footprint	2a. GHG emission reductions in scope 1, 2 and 3	2a. Net zero	2a. In 2023 the effort to establish a full base year for all GHG emissions has continue, adding additional categories, improving data quality and preparing the frameworks for the full scope 3 reporting  2b. Biodiversity is a new KPI. In 2023 the focus was on waste reduction and a number waste sorting and waste reduction initiatives have been implemented	2a. Complete the GHG inventory for all relevant scope 3 categories. Commit to SBT
	2b. Reduced impact on ecosystems and biodiversity	2b. No negative impact on ecosystems and biodiversity		2b. Establish baseline for wood-based packaging material
3. Employee health and safety and a positive working environment	3a. Health and safety incident frequency and gravity reductions	3a. Health and safety incident frequency 0	3a. Health and safety incident frequency 8,4  3b. eNPS 23  3c. Female new hire 23%  Internal leadership workshop conducted with ESG as the theme. Two ESG workshops held at our entity in Türkiye  78% of global employees have finalize ethical training program in 2023 and all new employees have committed to the Employee Code of Conduct	3a. Health and safety incident frequency below 5
	3b. eNPS score	3b. eNPS of +40		3b. eNPS 27
	3c. Diversity, equity and inclusion targets: recruitment/ promotion/pay	3c. Employee diversity that reflects the community/country		3c. Female new hire 25%
4. Ethical value chain	4a. Supply chain ESG risk reductions	4a. All high supply chain ESG risks eliminated	4a. ESG risk assessments have been conducted for all direct/component suppliers  4b. Preparations made for conducting ESG assessments in 2024, for suppliers with high and medium-high ESG risk  4c. SCoC system, standard process and documentation refined. Roles and responsibilities aligned for moving forward.	4a. Establish a baseline for supply chain risks through EcoVadis program, including ESG training for the procurement team and suppliers
	4b. Number of supplier ESG assessments/ audits conducted	4b. All suppliers ESG assessed/ audited		4b. Conduct ESG assessments/audits for all suppliers with high and medium-high ESG risk
	4c. SCoC compliance ratio	4c. 98% of yearly spend from direct and indirect suppliers covered by signed SCoC		4c. 75% of 2024 spend from direct and indirect suppliers covered
5. Good governance and high ethical business standards	5a. CSRD implementation	5a. CSRD compliance turned into a strategic advantages	5a. A plan for the implementation have been prepared in accordance with the phase-in of the ESRS standards  5b. The first EcoVadis assessment of GE global has been completed, and were awarded with a Bronze medal  ESG priorities and targets updated based on materiality assessment conducted in 2022	5a. Conduct a double materiality assessment. Establish a framework for the first CSRD disclosures, focusing on continuous improvements
	5b. EcoVadis rating level	5b. Platinum-level EcoVadis rating		5b. Obtain a Silver-level EcoVadis rating based on insights from the 2023 assessment

The content of this page will also be published in the FSN Capital 2023 ESG Report.



*Sustainability is not just a goal; it's a responsibility we owe to future generations.*



# Gram Equipment - The winner of FSN Capital's ESG award for 2023

In acknowledgement of the Gram Equipment ESG effort in 2023, we received the FSN Capital's ESG award on March 6th 2024.

The content of this page is a quote from the FSN Capital 2023 ESG report.



FSN's annual ESG award is part of setting the tone from the top. Netcompany, saferoad, kjell & Company, Mørenot, Viacon and Håndverks gruppen, amongst others, are all proud winners from previous years.

The criteria for selecting the winner remain unchanged:

- ▶ Awareness and ESG efforts in daily operations
- ▶ Value creation in society at large
- ▶ Clarity in ESG policies
- ▶ Focus on continuous improvement and progress
- ▶ Tone from the top (i.e., management and board engagement)
- ▶ Portfolio Company's holistic approach to sustainability
- ▶ Adherence to FSN Capital's values

The winner of FSN Capital's ESG award for 2023 is Gram Equipment (Gram).

Gram's vision to become the world's best producer of sustainable ice cream equipment and services reflects the success of its long-time focus on ESG-commercial integration and recognition that sustainability is not just a moral imperative but also a driver of business growth and customer satisfaction. Having fully implemented FSN's standard templates, Gram then conducted further independent research into its customers' sustainability-related wants and needs, ensuring that its own sustainability investments would generate long-term cost savings for customers and thereby establish for Gram a competitive advantage as its industry's preferred provider of sustainable production solutions.

Further cementing its leadership position is indeed the data-drive approach Gram brings to ESG in general—making evidence-based decisions to ensure its efforts are efficient and impactful — not only in its work with customers but in its internal ESG initiatives as well.

Gram places a strong emphasis on internal training and employee engagement on ESG. By empowering its workforce with knowledge, resources, and skills,

Gram fosters a culture of sustainability and collective responsibility.

This culture in turn both further empowers Gram as a responsible corporate citizen and, internally, nurtures its One Gram Equipment philosophy, which prioritizes inclusivity and innovation throughout the organization.





# Double Materiality Assessment

In 2023, we integrated the material impacts identified in 2022 into our Enterprise Risk Management (ERM) system. This year, we closely monitored the implementation of Corporate Sustainability Reporting Directive (CSRD) principles and guidance for Double Materiality Assessment and Value Chain mapping. We prepared a revised internal process for double materiality assessment to meet the new requirements and to incorporate the assessment of all European Sustainability Reporting Standards (ESRS) topics.

In 2024, we will conduct an updated double materiality assessment, building on the experience gained from the 2022 process and expanding the scope of the assessment to align our approach with the CSRD framework. The process will involve direct engagement with both internal and external

stakeholders, as well as the use of stakeholder proxies such as industry research, market analysis, and NGO reports.

## About the 2022 Double Materiality Assessment process

In 2022, we revisited and updated our materiality assessment, applying the principle of double materiality. This involved reviewing the impact of our organization’s activities on people and the environment (the inside-out view) and considering the financial impact that external sustainability-related factors can have on our organization (the outside-in view). This process was conducted through interviews and focus group discussions with internal stakeholders, including the company’s Group Management. Insights from industry research and market analysis were also incorporated.

### SOCIAL & ENVIRONMENTAL MATERIALITY

### FINANCIAL MATERIALITY



**ENVIRONMENT**

- Support decarbonization of the ice cream business through equipment and services that reduce food waste, energy use, and GWP refrigerant usage.
- Reduce GHG emissions in scope 1, 2 and 3
- Minimize and prevent operational waste.
- Enable responsible End-of-life practices
- Protect impacted ecosystems and biodiversity.

- Manage the transition and physical impact risks and opportunities, including the decarbonization of our value chain.



**SOCIAL**

- Global employee health, safety, and a positive work environment.
- Health and safety across the value chain (suppliers’ and customers’ employees).
- Ensure food safety of our equipment
- Diversity and anti-discrimination across our operations and value chain.
- Labor conditions and human rights across our operations and value chain.

- Manage critical safety and security risks across our operations.
- Ensure access to critical talent and human capital.



**GOVERNANCE**

- Responsible supply chain practices
- Tax payment transparency
- Anti-corruption and bribery
- Anti-competitive behavior

- Geopolitical uncertainty, conflicts and crisis in countries where we operate.
- Manage compliance risks across our operations.
- Responsibly source critical materials from select countries with limited substitutes.
- Enable digital global growth as a substitute for travel-based growth.

# Environment

## Decarbonizing the Ice Cream Business

As a provider of equipment and service solutions for the ice cream industry, we believe that we have an obligation to support the decarbonization of our industry. We achieve this by developing equipment and services that reduce food waste, energy consumption, and the use of high GWP (global warming potential) refrigerants.

In 2023, we conducted a market analysis in which our customers stated that food waste reduction and energy optimization are their top ESG priorities in equipment purchases. We support this perspective, as we believe that, from a value chain standpoint, the most significant impact of our activities will be in the use phase of our equipment.

### FOOD WASTE

Food loss and waste undermine the sustainability of our food systems. Whenever food is wasted, all the resources that went into the production of the food – such as water, land, energy, labor, and capital – are wasted too. We have intensified our focus on developing innovative equipment and processes that help reduce food waste in ice cream production. One of these initiatives is the introduction of digitalized solutions for waste monitoring. These solutions document in which production stages waste occurs and provide guidance on how to adjust configurations and procedures to reduce and prevent waste from occurring throughout the production process, from the ingredients mix to the finished and packed ice cream.

### ENERGY OPTIMIZATION

Ice cream production is energy-intensive, and production lines have a very long service life. For our customers, energy optimization is a critical factor both in terms of cost reduction and environmental impact. Our equipment is designed for twenty to thirty years of operation – in reality, often longer. As a result, investing in equipment with reduced energy consumption is a long-term proposition, and innovation that can reduce energy consumption is in high demand. We have introduced a digitalized operation monitoring system to our equipment. This system provides intelligence for energy reductions, quality improvement, and the optimization of efficiency. Thereby, we can support our customers in improving their business and their environmental impact at the same time.

We can only reduce environmental risks by working closely together, and we are an active partner in the Easy-E project with The Technical University of Denmark, The Danish Technological Institute, and other companies, supported by the Danish Energy Agency. The goal of the Easy-E project is to reduce energy consumption for various production machines.

In 2023, in cooperation with a German customer, we installed energy measuring devices on a complete ice cream production line. This has provided us with insights into the actual energy usage at all stages of ice cream production and will enable us



to determine, the energy consumption per produced ice cream according to type and size. In 2024, we will be analyzing the gathered data and will proceed to the next phase of the project, leveraging these insights to guide productivity improvements aimed at reducing energy consumption throughout the ice cream production process.

### **ICE CREAM PACKAGING**

The introduction of EU regulations for extended producer responsibility on packaging has had an impact on the ice cream product packaging market. Additionally, the implementation of taxation on plastic packaging in the EU has accelerated the existing trend towards more sustainable packaging materials, such as compostable and biodegradable paper-based ice cream wraps. The transition to more sustainable packaging materials will only be possible when the current standards for food safety, quality, and end-consumer experience are upheld. Ensuring this transition comes with numerous challenges for ice cream producers, highlighting the need for intensified focus on packaging innovation. As an equipment manufacturer, our role is to support our customers by delivering packaging equipment that can utilize the new packaging materials to meet the most optimal performance. In 2023, we successfully tested our wrapping machine for compostable paper-based ice cream wraps in collaboration with Billerud, an innovative food packaging developer, and one of our customers. Moving forward into 2024, we remain committed to supporting our global customers in their transition towards paper-based ice cream packaging.

### **REFRIGERANTS**

Freezers are a central part of the ice cream production line. The majority of large-scale ice cream production lines use central refrigerated freezers, based on low GWP (global warming potential) refrigerants. As of today, the majority of these systems use NH<sub>3</sub>, with CO<sub>2</sub> being used to a lesser extent. The use of CO<sub>2</sub> refrigerant offers some safety advantages compared to NH<sub>3</sub>. In 2023, we successfully supported one of our major customers by delivering an increased number of CO<sub>2</sub> freezers.

Smaller ice cream production lines typically use self-contained freezers with compressors. We aim to enhance our smaller ice cream production lines by integrating self-contained freezers with low GWP refrigerants, prioritizing sustainability. Throughout this transition, our goal is to ensure flexibility in meeting the varied requirements of our global customer base.”

### **PRODUCT LONGEVITY & CIRCULARITY**

We support our customers in prolonging the service life of our equipment by offering service solutions, repairs, and possibilities for upgrading existing equipment to meet new demands. For equipment that is no longer operational, we want to enable responsible end-of-life practices by giving our customers guidance on how to disassemble and recycle the components. In 2023 we started mapping the requirements for an end-of-life guide and in 2024 we will continue the development, aiming for publication by the end of the year.

## Reducing Carbon Emissions

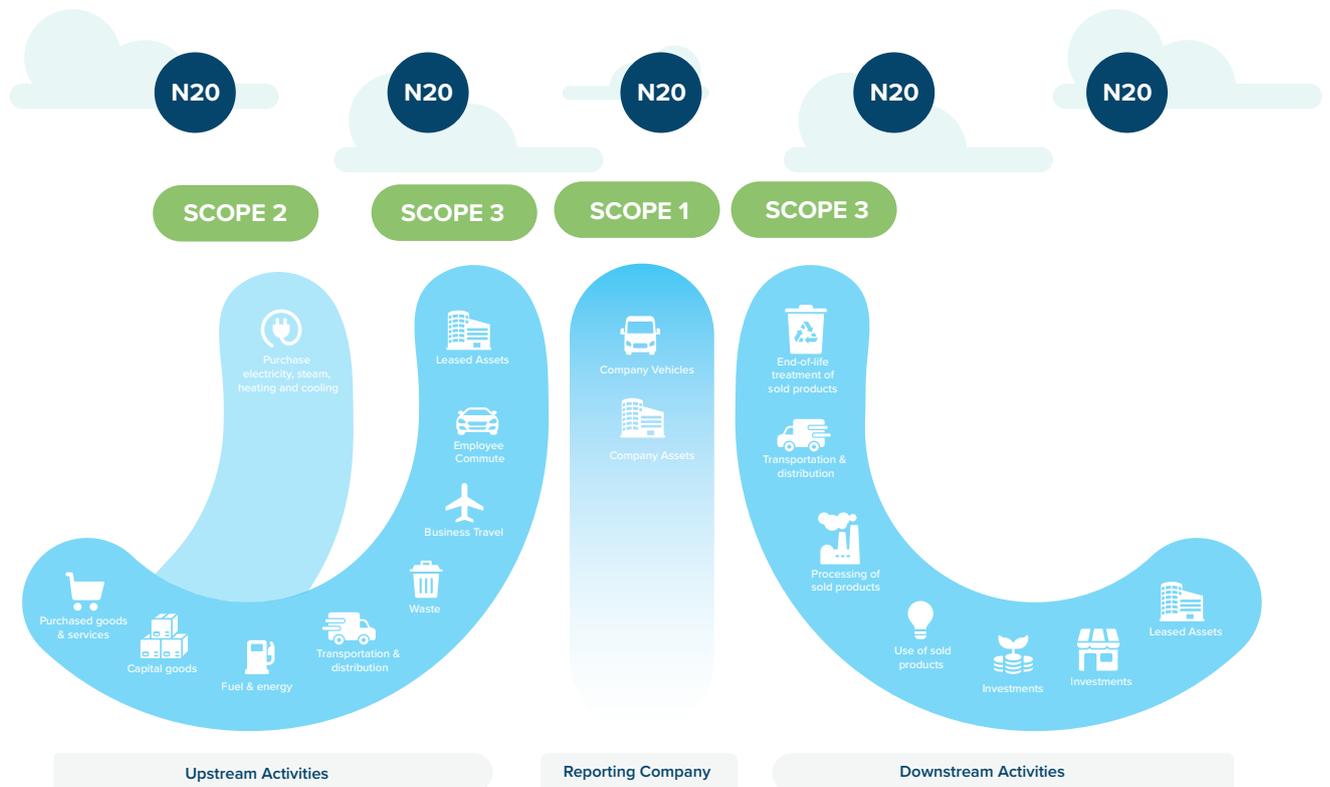
In 2019, we began reporting the annual greenhouse gas (GHG) emissions from our headquarters in Denmark. By 2021, all entities were reporting scope 1 and 2 emissions, and since then, we have gradually expanded our scope 3 reporting. Our global carbon footprint is reported through the CEMAsus platform with support from their consultants.

### PREVENTING SCOPE 1 EMISSIONS

In 2023, it was uncovered that refrigerant is, in some cases, emitted during tests of freezers at our entity in Türkiye. The refrigerant emissions have been included in the scope 1 reporting for 2023. After the emissions were uncovered, a procedure for refrigerant evacuation and disposal was implemented. This procedure was in effect by the end of 2023, and due to this, further emissions related to testing activities were successfully prevented.

### EMISSIONS IN THE VALUE CHAIN

In 2023, efforts to establish a full Scope 3 inventory, including all relevant categories, continued. Initially, the goal was to establish a complete baseline by the end of 2023, and throughout the year, we worked intensively on this project. However, the process proved to be more complex than initially anticipated. With a global value chain both upstream and downstream, and entities in Türkiye, Italy, China, and the US, gathering the necessary data and establishing a comprehensive overview of the impact of all our activities has proven to be a significant challenge. We recognize that the first step towards reducing our environmental impact is establishing a baseline for our current emissions. Therefore, gathering Scope 3 data and creating a reporting framework are top priorities in 2024, with the target of completing the baseline.





Based on the currently available data, scope 3 emissions accounted for 75% of the total global greenhouse gas emissions in 2023. In 2022, 82% of the reported emissions were in scope 3. This change cannot be attributed to either a significant increase in scope 1 and 2 emissions or a reduction in scope 3 emissions, but to the detection of double reporting of transportation emissions between two entities in the previous years. In 2023, the double reporting has been corrected, resulting in a reduction in reported scope 3 emissions.

With the expansion of Scope 3 reporting to cover more categories and data refinement, we anticipate an increase in reported Scope 3 emissions. We expect the percentage of scope 3 emissions to increase significantly for 2024 as we include all relevant scope 3 categories.

### **COMMITTING TO SCIENCE-BASED TARGETS**

After establishing a full carbon footprint inventory, we aim to commit to the Science Based Targets Initiative by the end of 2024. Committing to substantial reduction targets will support us meeting stakeholder expectations, mitigating the risks associated with the green transition and complying with regulatory requirements from the CSRD (EU Corporate Sustainability Reporting Directive).

### **REDUCTION INITIATIVES**

In addition to these overall objectives, we have the following reduction targets/plans:

- ▶ Substitution of natural gas heating with electric (heat pump) heating at our largest production site by the headquarters in Denmark. This planned initiative will significantly reduce emissions at this site.
- ▶ Investigating the possibility of investing in an on-site solar power plant for our headquarters and production site in Denmark. We are currently exploring this investment's feasibility and potential benefits.
- ▶ Transitioning from diesel to electric company cars in Denmark. As part of our commitment to sustainable practices, we are gradually replacing diesel vehicles with electric alternatives.

Furthermore, solar panels have been installed on the building of our entity in Türkiye. Although these panels were installed by the landlord and cannot be included in our carbon footprint reporting due to infrastructural constraints, we commend these climate actions and recognize their positive impact on the overall energy mix.

## Reducing Waste

### INITIATIVES IN DENMARK

For our entity in Denmark, we have a KPI for Waste Management, which aims to track the ratio of waste that is recycled. The objective of this KPI is to highlight the importance of correct waste sorting and to encourage the reduction of residual waste.

In 2023, we adjusted our accounting principles for waste management to enhance the accuracy of reported recyclable and non-recyclable waste ratios. This adjustment is detailed in the ESG data section of the report under Environmental Data.

The waste management result for 2023 was 85,6%, marking an improvement compared to 83,3% the previous year, although it did not meet our target of 87%. Our target for 2024 is to achieve a waste management ratio of 89%.

Waste prevention and improved sorting practices remain central focuses in both our office and production facilities. At our headquarters, employees have the opportunity to take home any leftover food from the canteen lunch, thereby reducing food waste. Employees contribute a symbolic amount (10 DKK) for the food, and the proceeds are donated to charity. We maintain a recurring commitment to supporting SOS Children's Villages, as well as donating to selected local charities.

In 2023, a new production hall was inaugurated. Here, innovative flexible systems for waste sorting at the source have been tested. These systems allow for the sorting of waste into up to ten fragments directly during production, improving sorting quality and reducing the amount of waste designated as residual.

In March 2024, two 2-day courses titled 'Sustainable Production' will be conducted for production employees in Denmark. The content will include

workshops focusing on waste sorting, reduction, and prevention. The objective is to increase awareness about recycling and to involve employees in developing solutions for improved waste handling.

### INITIATIVES IN TÜRKIYE

Our entity in Türkiye is subject to local environmental regulation in İzmir and specifically to the internal regulation of the free zone where the entity is located. Therefore, each waste category, such as plastic, metal, electronic, cables, and hazardous waste, is sorted at the source, stored in a specific area until transfer, and sent to disposal with a licensed company.

In 2023, several waste reduction initiatives were implemented at our entity in Türkiye, including introducing centralized waste sorting stations with options such as plastic and paper, as a replacement of individual waste bins for mixed waste.

In 2024, water dispensers will be implemented, eliminating single-use plastic bottles for drinking water, and single-use cups and cutlery will be phased out. Moreover, food waste sorting and weighing will be implemented to create food waste awareness for employees and empower social responsibility. by contributing food waste to local animal feeding.

In **2024** our target is to achieve a waste management ratio of **89 %**



**OUR OTHER ENTITIES:**

In Italy, like Denmark, waste sorting is subject to extensive regulatory requirements guiding sorting and disposal practices. For the entities in the US

and China, we do not have the full dataset for waste management. Establishing a better data framework for these entities will be a priority in 2024 concerning completing the carbon footprint inventory.

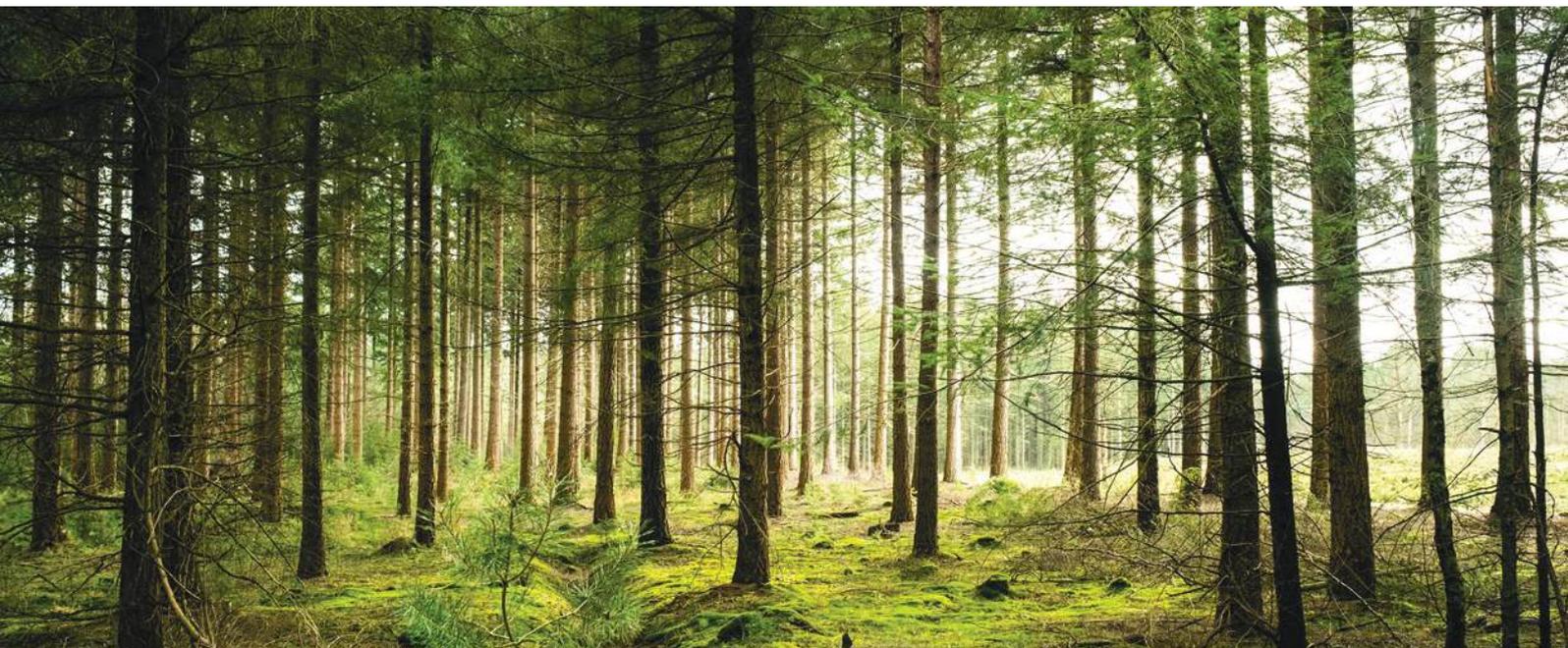
## Protecting Ecosystems & Biodiversity

Ensuring the protection of ecosystems and biodiversity impacted by our operations will be a key focus in the upcoming year as we align our activities with the EU regulation CSRD (Corporate Sustainability Reporting Directive). We will gradually develop an overview of potential impacts throughout our value chain.

For 2024, it is our objective to establish a baseline for the global use of wood-based packaging materials, including wood, cardboard, and paper. This baseline will encompass the quantities of packaging and the proportion of certified material used. Using this information, we will set targets to increase the utilization of certified materials, thereby enhancing

our understanding of and mitigation efforts related to the impact on ecosystems and biodiversity associated with wood-based packaging materials.

In 2022, as a small first step, we began maintaining the green areas surrounding our headquarters with a stronger emphasis on creating optimal conditions for local biodiversity. During this process, we discovered that the invasive species Japanese knotweed had spread extensively on our site. The plant is known for spreading aggressively and for being very harmful to the local biodiversity. Following a thorough investigation and adherence to guidelines from the Danish Environmental Agency, we controlled the spread using pesticides.



# Social

## Our Employees

### DIVERSITY

We believe that embracing diversity, equality, and inclusion strengthens our company and society. We are committed to cultivating a workforce that mirrors the rich diversity of our broader society and the communities in which we operate. We aim to become an employer of choice, attracting and nurturing future pioneers from diverse backgrounds. We recognize the importance of fostering an inclusive environment where differences are valued, enabling our people to reach their fullest potential, and improving their quality of life.

We will continue to focus on diversity in recruitment, as research shows that mixed groups yield the best results. However, there is still progress needed in attracting the same number of women as men to our assembly. We have successfully recruited female



graduates and student workers, and we hope they will continue their careers with us.

In 2023, our target was for 22% of new hires to be women and we succeeded to meet this target with a share of 23%. For 2024, our target is set at 25%, though we acknowledge that achieving higher female representation may not be feasible for certain roles within the company.

Beyond gender diversity, we are focused on creating a working environment that supports cultural diversity. In recent years, we have successfully recruited a growing number of international employees at our headquarters in Denmark. We have benefited from employees' ability and willingness to relocate within the European Union and from other regions. Some of our international employees relocated to Denmark before joining Gram Equipment, while others moved because of job offers from us.

Recognizing our responsibility to onboard international employees effectively, we ensure they are introduced to Danish culture and have the opportunity to learn the language. To facilitate this, we host an "Internationals Club" and offer voluntary Danish language lessons for two hours a week at our office location. These lessons are available to both our international colleagues and their spouses or partners. The goal is not only to improve their understanding of the Danish language but also to provide a platform for social integration both in and outside of the workplace, fostering connections with colleagues and the local Danish community.

## HEALTH & SAFETY

We are committed to establishing and maintaining a healthy and safe working environment for all our employees, suppliers, and visitors. Our employees operate globally, both at our five entities and at customer sites, conducting service and maintenance. A global approach to health and safety is of great importance to us, and we are committed to managing critical safety and security risks across all our operations.

In 2023, we refined our Health and Safety Management System and continued to improve communications and awareness. We achieve this through Health and

Safety training, toolbox talks, frequent meetings, safety boards, and safety bulletins.

In 2022, we successfully implemented an HSE app for employees to report their observations and near-miss incidents. The app is used by employees operating at our five entities, as well as by employees operating at the sites of our customers. In 2023, employees used the app to report 278 observations. In 2024, our health and safety activities will focus on conducting workshops, training, and introducing motivational competitions planned to strengthen the safety culture.

Year	2021	2022	2023
Incident Frequency	10,9	13,5	8,4

In 2023, the incident frequency decreased compared to 2022, and we strive to continue this positive development. Health and Safety have long been high priorities, and the monthly status of incidence frequency and severity is reported to the Group Management. To bring even more attention to this area, from 2024, incident frequency will be a strategic TTI (Target to Improve), and the progress will be monitored and reported to the organization monthly with the same visibility as the commercial and financial targets. Elevating incident frequency to become a strategic TTI reflects our responsibility in securing the health and safety of our employees and our ambition to improve by aiming for the long-term target of reaching zero.

### CALCULATION STANDARD

LTI (lost-time injuries) frequency is calculated based on the number of lost-time injuries per million exposure hours. Lost-time injuries are the sum of accidents, which result in a person being unfit for work on any day or shift after the day of occurrence. ILO calculation standard:  $\text{Number of LTI} \times 1.000.000 / \text{total working hours}$ .

### DATA LIMITATION FOR CHINA

The reported LTI frequency is based on lost-time injury data and total working hours from the Gram Equipment entities in Denmark, Türkiye, Italy, and the US. Unfortunately, valid data is not available from our entity in China. The activities in China are limited to a sales office and a smaller service team operating from there. Assembly activities, which are associated with the highest incident risk in our operations, are not taking place in China. However, China entity data will also be available starting from 2024 and included in reporting period of 2024.

## EMPLOYEE WELL-BEING & MOTIVATION

Our employees fuel our growth and innovation. Building a culture where our employees are inspired to bring their best selves to work is essential to our success and is a core value. We strive to foster an open dialogue with all employees, seeking transparency and involvement. Regular Town Hall meetings are held to facilitate this communication. Additionally, we have a hybrid work policy, which is appreciated by our employees.

In November 2023, we conducted our annual global employee survey, which includes an eNPS score and a comprehensive questionnaire. 85% of all employees responded to the survey, marking a small increase from 83.5% in 2022. In both 2021 and 2022, the eNPS score was 15, and we have actively worked to improve this result. In 2023, our target

was a score of 22, and we managed to exceed this target with an eNPS score of 23. Generally, there is very positive feedback on colleague relationships and strong trust in immediate leaders. However, we still observe significant differences between groups of employees in their evaluations.

Moreover, in 2023, we conducted a workplace assessment for our Danish employees, and the results of this assessment have informed further actions toward improving the working environment.

In 2024, the dialogue will continue to ensure better understanding and to arrange actions to improve satisfaction and cross-functional work relations. This year, our ambition target is to achieve an eNPS score of 27.





*In 2023, Linda Dupont, Mathias Thomsen and Ezgi Şener Güngör were awarded the Employee of the Year for their exceptional performance and dedication.*



## LEADERSHIP

At Gram Equipment, we prioritize the development of our leaders. Every employee stepping into a leadership role undergoes comprehensive training through our internal leadership program. We firmly believe that nurturing leadership skills and fostering networking opportunities positively impacts employee motivation and sparks creativity.

In November 2023, twelve leaders successfully completed our leadership program, culminating in an ESG workshop and an exam assignment developing a business case for: “How can Gram Equipment become the world’s best provider of SUSTAINABLE ice cream equipment and services?” These business cases were presented to the Group Management, with one assignment recognized as the most outstanding. Integrating ESG principles into commercial development proved to be a highly fruitful exercise, offering promising avenues for enhancing our ESG-focused business offerings.

In addition, in 2023, we held our traditional annual Gram Leadership Days, with 50 leaders from all over the world attending to discuss strategy and business. The overall theme was to balance the smart and the healthy part of leadership. Deep diving into “emotional intelligence” inspired many good debates and reflections.

## APPRENTICES

By the end of 2023, we employed eight apprentices in Kolding, Denmark, and celebrated the completion of apprenticeships for five employees. We believe training young people and adults without formal education to become specialized and develop skill sets in different positions in the company’s value chain is essential. To ensure a social network and build relations across functions, we continue Apprentice Club. In addition to occasionally having shared and extended lunch breaks to meet, we also sponsor various social activities in cooperation with the club.



## Workers in the Value Chain

### EMPLOYEES OF OUR SUPPLIERS

We realize that engaging in global activities creates an inherent risk of unintentionally violating human rights and inadvertently breaking legislation against corruption and bribery. We have pledged to respect inalienable human rights, equal opportunities, non-discrimination, freedom of association for workers, the prohibition of child labor and forced labor, and fair wages and working conditions. We operate a zero-tolerance policy towards unethical behavior in commercial practice, in particular concerning bribery, corruption, or forced labor. These values are stated in our Supplier Code of Conduct, which is signed by our suppliers.

In 2023, we initiated collaboration with EcoVadis to conduct ESG (Environmental, Social, and

Governance) risk assessments and ratings of our suppliers. In 2024, we will invite suppliers to undergo the EcoVadis assessment, enabling us to gather information on the actual performance of our suppliers across all ESG parameters. These activities are described in greater detail in the supplier risk assessment and rating paragraph under Governance.

### EMPLOYEES OF OUR CUSTOMERS

We focus on ensuring the health and safety of the customers and employees operating our equipment. In the development phase, our engineers focus on developing equipment that is safe to operate and we develop training material targeted to customers and employees, focusing on correct operation and health and safety. This is our way to support our customers in preventing injuries at their facilities.

## Customer Safety

### ENSURE THE FOOD SAFETY OF OUR ENVIROMENT

It is crucial for us that the ice cream products that our customers produce are not negatively impacted by being processed by our equipment. There must be no change in color, smell, taste, or any health risks or hygienic issues that can be related to the equipment from Gram Equipment.

To ensure the safe production of foodstuff in general the authorities have issued regulations on materials in contact with foodstuff. At Gram Equipment these regulations have been transformed into a set of procedures that are included in our Management System, and which ensure that Gram Equipment fulfills the Danish and European legal requirements on Food Contact Materials.

As a Danish company producing food/foodstuff equipment, we are being surveyed by the Danish Veterinary and Food Administration. This entity pays regular visits to Gram Equipment to ensure that we follow the defined procedures and the legislation behind them. Our status (shown by a smiley) and the latest visiting report can always be seen here:

[www.findsmiley.dk](http://www.findsmiley.dk)



# Governance

## Risk Management

We have implemented an Enterprise Risk Management system (ERM) to give us a better understanding and overview of the overall risk level. The system is designed and developed to focus on five main risk areas: Strategic, Financial, Operational, Hazard, and Compliance risks. Identifying the potential impact of geopolitical uncertainty, conflicts, and crises in the countries where we operate is a central focus area in the assessment of strategic risk. All departments have the responsibility to report identified risks to the ERM system and the risks and identified corrective measures are reviewed by the Group Management every quarter. In 2023, we integrated the ESG-related risks that had been identified in the 2022 double materiality assessment into the ERM system. In 2024, our target is to

strengthen our risk management further through implementation of a more risk-minded approach to our daily business.



## Ethics and Business Processes

### EMPLOYEE CODE OF CONDUCT

Committing to comply with the company's Employee Code of Conduct is included in the contract process for all new employees and has been since 2019. Our Employee Code of Conduct serves as an essential ethical compass, introducing newcomers to our policies and behavioral standards. The Code of Conduct is appended to the employment contract and is presented during onboarding meetings.

In 2023, a video version of the employee code of conduct was introduced to all global employees. The code of conduct was presented through the Gram Academy learning management system as a mandatory learning module. Additionally, on-site

sessions were conducted, where the video was broadcasted, for production employees in Italy, Turkey, and Denmark. Employees were required to sign to confirm that they had watched the video and that they would act in accordance with the content. In 2023, 78% of global employees completed the ethical training program. In 2024, we plan to reintroduce the learning module with the aim of improving the consent rate.

### WHISTLEBLOWER SYSTEM

We aim to make reporting concerns about ethics and compliance issues as easy as possible, creating maximum opportunity for disclosures. Since 2021, we have had a whistleblower platform that can be

accessed both internally and externally through our company website and intranet. There have been two minor incidents reported in 2023, and these have been handled.

### **DATA ETHICS**

We want to enable digitally based global growth, as a substitution of growth based on travel activities. Reliance on data is becoming a key enabler for more digitally integrated offerings at Gram Equipment. We focus both on expanding our digital market offerings, as well as on optimizing internal digital systems. We manage and control the storage and use of data ethically and proactively, to avoid abuse and privacy infringement. We must continually safeguard our position from legal, business, and reputational risks.

### **ETHICAL BUSINESS CONDUCT**

Both our Supplier and Employee Code of Conduct emphasize the importance of ethical business conduct: anti-corruption and bribery, anti-competitive behavior, as well as anti-discrimination and harassment. We have a responsible, transparent, and consistent approach to all tax matters. Tax is paid where value is created and we do not use contrived or abnormal tax structures that are intended for tax avoidance, or that do not meet the spirit of local or international tax laws. We comply with tax legislation in the countries where we operate. Our tax policy applies to all group companies. We manage and control the storage and use of data ethically and proactively, to avoid abuse and privacy infringement. We must continually safeguard our position from legal, business, and reputational risks.

## **Responsible Supply Chain Practices**

### **SUPPLIER CODE OF CONDUCT**

We strive to cooperate closely with our suppliers and set high ethical standards for our collaboration. Signing our Supplier Code of Conduct is a part of the onboarding process for all new component suppliers. Our overarching strategy mandates that all suppliers providing both direct and indirect inputs to Gram Equipment must sign the Supplier Code of Conduct.

In 2022, we updated our Supplier Code of Conduct to ensure greater alignment with the ten guiding principles of the UN Global Compact as well as with our company strategy. The updated version was published in September 2022 and has been introduced internally and on our company website.

Previously, we reported the ratio of total historical spending covered by signed Supplier Code of Conducts, with a reported ratio of 76% in 2021. In 2022, we decided to change the calculation model for Supplier Code of Conduct compliance from historical spending to covering the spend within the reporting year. This change was implemented to reflect the impact of current spending and ensure that the conversion rate for current suppliers would carry higher weight.

As of January 1st, 2023, we determined that 84% of the spending in 2022 was covered by signed Supplier Code of Conduct. However, between this determination and the publication of the 2022

Gram Equipment ESG report, we discovered that the underlying data informing the figures reported in previous years did not encompass all data for all suppliers to the five Gram Equipment entities. Data had been extracted from our central ERP (Enterprise Resource Planning) system, while supplier data for some entities had been partially managed in decentralized ERP systems.

Due to the late discovery of this misalignment, we were unable to create a validated dataset for reporting the correct ratio of signed Supplier Code of Conducts for 2022. In 2023, we finalized the transition to a new ERP system, which improved access to global data. We integrated the

documentation for signed Supplier Code of Conduct into our ERP system and implemented a global system for monitoring compliance ratios.

Based on the improved data quality, we established a baseline of 49.7% of 2023 spending being covered by signed Supplier Code of Conduct.

For 2024, our target is for 75% of this year's global spend to be covered by signed Supplier Code of Conduct. Progress will be measured as the share of total spend from direct and indirect suppliers covered by signed Supplier Code of Conduct. Supplier relationship owners will be engaged to encourage suppliers to sign the Supplier Code of Conduct.



### **SUPPLIER RISK ASSESSMENT AND RATING**

In 2023, we initiated a collaboration with EcoVadis, a globally recognized sustainability assessment platform, to assist us in conducting ESG (Environmental, Social, and Governance) risk assessments and supplier ratings for our suppliers. As the first step in this process, during 2023, we conducted EcoVadis risk assessments based on country and industry specific ESG risks for all our global direct suppliers, those who supply components and spare parts to us.

In 2024, we will send out invitations for suppliers to undergo the EcoVadis assessment, allowing us to gather comprehensive information on the actual performance of our suppliers across all ESG parameters. To prioritize supplier selection, we will adopt a risk-based approach by initially inviting suppliers associated with the highest ESG risks. The scope of supplier assessment will gradually expand, supporting our efforts to mitigate supply chain risks.

### **RESPONSIBLE SOURCING OF CRITICAL INPUT MATERIALS**

Responsible sourcing of critical input materials with few or no available substitutes is a key focus in our long-term procurement strategy.

We are dedicated to strengthening our materials supply chains to enhance resilience against the impacts of climate change and other external environmental and social factors. By doing so, we aim to mitigate potential disruptions to the operational activities of our suppliers, which could consequently affect the availability and pricing of key resources.

We want to mitigate this risk through supplier engagement and the co-development of more sustainable solutions. The first step in this process will be to gather data through the EcoVadis supplier risk assessment program.

## **Initial EU Taxonomy Assessment**

The EU Taxonomy is a classification system created to identify environmentally sustainable economic activities. Its purpose is to establish a common definition for sustainability, aiming to guide investments towards sustainable projects and activities.

Due to the phase-in of the EU Taxonomy for the large reporting class C entities, Gram Equipment is not yet met with the reporting requirements. However, to prepare for future reporting, an initial assessment has been conducted. The evaluation indicates that the key business activity of Gram

Equipment can be categorized under the NACE code C28.93 - Manufacture of machinery for food, beverage, and tobacco processing. This activity is not an EU Taxonomy eligible activity under the current framework. The EU Taxonomy categorization and eligibility of other additional activities in Gram Equipment, will be analyzed and determined during 2024. We are actively monitoring the development and implementation of the EU Taxonomy, to incorporate any amendments to the eligible economic activities that are relevant for our activities.

# ESG Data

## ESG Key Performance Indicators

	TARGET		RESULT		
	Definition	2024	2023	2022	2021
<b>Environment data</b>					
CO2e Scope 1	Tons	Refinement of data in scope 3 and begin the process of setting science-based targets.	424t CO2e	479t CO2e	465 t CO2e
CO2e Scope 2	Tons		474t CO2e	367t CO2e	346t CO2e
CO2e Scope 3 (Selected sources) *Not full scope - only selected data	Tons		2644t CO2e	3847t CO2e	1639t CO2e
Total renewable energy share	%	22	21,7	20,5	25,9
Waste management Denmark	%	89	85,6	83,3	79,3
<b>Social data</b>					
Gender diversity	%	20	18	18	16
Female new hires	%	25	23	26	16
Women managers L1 + L2	%	28	25	22	22
LTI frequency	Rate	5	8,4	13,5	10,9
Absence rate	%	Production 4,1 Administration: 0,7	Production 4,7 Administration: 0,8	Production: 4,5 Administration: 1,2	Production: 4,1 Administration 0,9
eNPS	Score	27	23	15	15
cNPS	Score	na	Tier 1: 18 Tier 2: 27	na	Tier 1: 25 Tier 2: 31
<b>Governance data</b>					
Gender diversity on the board	%	16,7	16,7	0	0
EcoVadis rating	Score	Silver	Bronze	na	na
Supplier CoC of total spend	%	75	49,7	Data not available	75

## Environmental Data

### CARBON FOOTPRINT DATA

The report accounts for almost the full GHG emissions in Scope 1 and 2, while only a few Scope 3 categories are reported. Thereby, this report is not an account of Gram Equipment's total GHG emissions and the weighted % shares, should only be seen as the share of the reported data and not as the actual share of total emissions.

**2023 generally:** Due to double reporting in the previous years between some of our entities on one category in Scope 3, the total tCO<sub>2</sub> emissions have decreased.

**Scope 1:** In Q3 2023, it was uncovered that refrigerant is, in some cases, emitted during tests of freezers at our entity in Turkey. Therefore, data on refrigerant emissions have been added to the reporting for 2023. After the emissions were uncovered, a procedure for refrigerant evacuation and disposal was implemented. This procedure was in effect by the end of 2023, and due to this, further emissions related to testing activities were successfully prevented. Thereby, it is not expected that refrigerant emissions will be reported in Scope 1 for 2024.

**Scope 3:** This year, data have been included in the purchased goods and services category for the canteens in Denmark and Turkey. This includes data for lunch meals and additional canteen purchases of fruit and milk.

The tCO<sub>2</sub> emissions for Upstream Transportation and Distribution are significantly lower than the previous years caused by two different reasons. The major reason is the detection of double reporting in the previous years between Denmark and Turkey. The other is caused by moving data to another category in scope 3.

The tCO<sub>2</sub> emissions from the waste category "Refinery sludge waste, incinerated" have increased significantly compared to previous years. This is caused by intensified activities in our Ice Cream Technology test center, where customers can test new ingredients and technologies. Due to the nature of the test and the current setup, the ingredient mix applied for testing cannot be reused for other purposes and must be handled as refinery sludge. Increased activities are expected in the test center in the coming years, and thereby, we expect an increase in the quantity of sludge. Research is being conducted into finding alternative recycling methods with the aim of reducing the carbon footprint impact of the test center activities.

**The current plan for 2024:** In 2024, the effort to establish a full Scope 3 inventory has continued, and in 2024, the target is to complete this work. Special focus will be on product-related Scope 3 categories 3.1, 3.11 and 3.12. These categories are expected to have the highest impact in terms of contribution to the total carbon footprint emissions of the Gram Equipment activities. Moreover, these categories are related to the customers' direct activities, and future reductions in these categories will contribute to supporting the customers in their decarbonization journey. Based on these considerations, the mentioned categories have been identified as strategic and will be managed as a separate project.

After a carbon footprint baseline for all relevant Scope 3 categories has been established, the next step will be committing to SBTi. This is planned for the end of 2024. In 2025, the SBTi target setting, and validation process are expected to be initiated.

### TOTAL RENEWABLE ENERGY

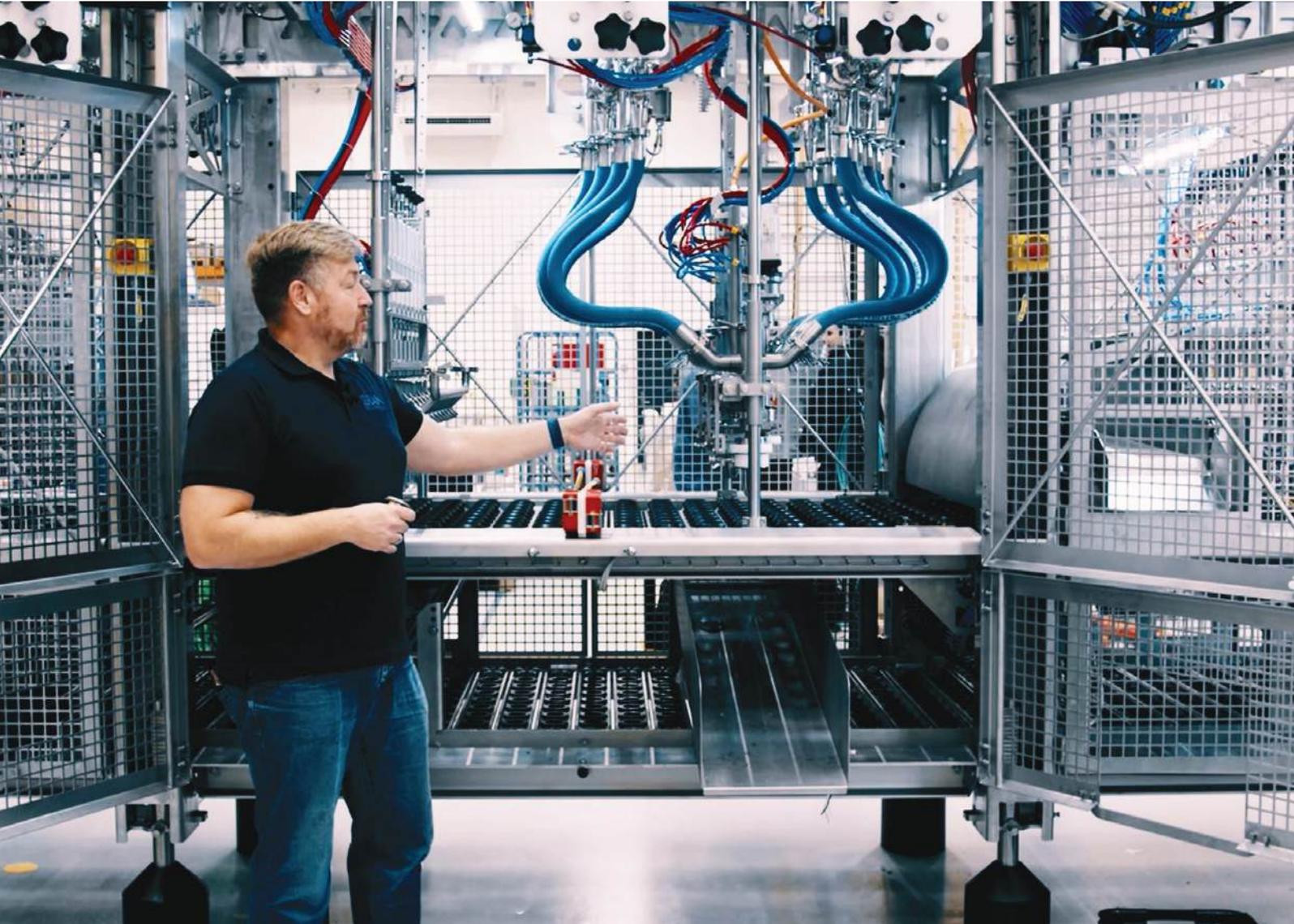
**Certified green energy:** The renewable energy share is based on purchased certified climate-

friendly energy at our headquarter and largest production site in Kolding, Denmark. The other entities have multiple nonrenewable sources for heating and electricity.

We started purchasing certified climate-friendly energy for Kolding, Denmark on November 6, 2020. This is based on guarantees of origin under the conditions set out in DIRECTIVE 2009/28 / EC of the European Parliament and of the Council of April 23, 2009, on the promotion of energy use from renewable sources.

### **WASTE MANAGEMENT DENMARK**

In 2022, the reported waste management rate was 83.3%, with the remaining 16.7% consisting of general incineration residual waste. This segregation included hazardous and landfill waste in the reported waste management ratio. Upon reviewing our accounting principles for waste management, we have realized that this segregation does not provide the most accurate representation of our waste management practices.



Therefore, starting from 2023, the waste management ratio will only represent recyclable waste, while non-recycled waste will include incineration, hazardous, and landfill waste. Although this adjustment impacts accuracy, the numbers will not change significantly. For 2023, the waste management ratio is 85.6% based on the new principles, while it would have been 00.1% higher following the previous principles.

The waste in Denmark is collected and handled by the ISO14001 certified provider Marius Pedersen in accordance with BEK # 2512 of 10/12/2021. The different waste types are weighed and registered for recycling. This is only measured in Kolding, Denmark and thereby, the percentage is only reflecting data from this entity.

## Social Data

### GENDER DIVERSITY

Percentage of women in the total number of employees based on headcount by year-end.

### FEMALE NEW HIRES

Percentage of women in the total number of new hires within the year.

### WOMEN MANAGERS L1 + L2

Percentage of women managers in the total number of managers, including C-level management and managers with employee responsibility or strategic responsibility reporting to C-level management. The calculation is based on headcount.

### LTI FREQUENCY

**Calculation standard:** LTI (lost-time injuries) frequency is calculated based on the number of lost-time injuries per million exposure hours. Lost-time injuries are the sum of accidents, which result in a person being unfit for work on any day or shift after the day of occurrence. ILO calculation standard: Number of LTI \* 1.000.000 / total working hours.

**Data limitation for China:** The reported LTI frequency is based on lost-time injury data and total working

hours from the Gram Equipment entities in Denmark, Türkiye, Italy, and the US. Unfortunately, valid data is not available from our entity in China. The activities in China are limited to a sales office and a smaller service team operating from there. Assembly activities, which are associated with the highest incident risk in our operations, are not taking place in China. However, China entity data will also be available starting from 2024 and included in reporting period of 2024.

### ABSENCE RATE

Short-term absence of fewer than four weeks in succession. Percentage of total hours produced.

### eNPS

The employee NPS methodology follows the Net Promoter Score methodology launched by Bain & Co in 2003.

### cNPS

The customer NPS methodology follows the Net Promoter Score methodology established by Bain & Co in 2003. The cNPS is conducted every other year. In the beginning of 2023, a customer survey was conducted and the next survey will be in 2025.

## Governance Data

### **GENDER DIVERSITY ON BOARD**

Percentage of women in the total number of board members at year-end. In 2023, one female board member joined our board. In 2024, there is no target to include additional female board members, while it is our long-term target to establish gender equality on the board.

### **ECOVADIS RATING**

The EcoVadis assessment is conducted based on a self-assessment questionnaire and provided supporting documentation for all answers. It is divided into four categories: Environment, Ethics, Labor and Human Rights, and Sustainable Procurement. The impact of each category is weighted by EcoVadis based on the industry of the company. Moreover, the number of questions is adjusted based on the size of the company undertaking the assessment. The documentation is analyzed by EcoVadis, and a rating is given for each answer. The overall rating result can range between 0 and 100.

Gram Equipment is classified as a 'Manufacture of special-purpose machinery' company and is in the size group M (Medium) for companies with 100 to 999 employees. The assessment is conducted at the group level, including the headquarters in Denmark and four international entities. In the 2023 assessment, Gram Equipment received 58 points, which qualified for a bronze medal according to the 2023 thresholds.

### **SUPPLIER CODE OF CONDUCT OF TOTAL SPEND**

Details on previous years' reporting, changes in reporting principles in 2022, and the absence of data for 2022 are described in the Governance section under Responsible Supply Chain Practices.

The 2023 ratio of spend covered by the signed Supplier Code of Conduct is based on the total annual spend from direct and indirect suppliers of the five Gram Equipment entities. Spend associated with governmental institutions, such as tax, ATP, The Danish Industry Foundation, has been deducted from the included spend.

### **GENDER IN MANAGEMENT**

The following is not our section on gender distribution in management cf. §99b, which can be found in our annual report.

At Gram Equipment, we are committed to creating and maintaining a workplace where all employees can participate and contribute to the business's success and are valued for their skills, experience, and unique perspectives. All employees are appreciated for their skills, knowledge, and unique points of view regardless of gender, age, nationality, religion, sexual orientation, language, political opinions, or disabilities. We encourage everyone with the right skills to apply for our vacancies. This also applies to our L1 and L2 managerial positions, of which 25% are held by women. We ask our recruiting partners to actively search for female candidates. Additionally, we have decided to revise the descriptions of vacant positions to attract a more diverse pool of candidates.

In Türkiye, we have recruited many young women straight out of university. We celebrated March 8, International Women's Day, to underscore our support for encouraging women to aspire to managerial positions. Currently, there is one female representative on the Board of Directors. No changes to the composition of the board are expected in the 2024 financial year.



*In September 2023, Gram Equipment Denmark hosted a family day with fun activities for both young and older family members of our employees. Everyone was invited to contribute to large-scale posters by adding colorful hand-print ice cream scoops. Of course, an abundance of actual ice cream was served as well.*

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