



ESG report

2023

1st of January 2023 – 31st of December 2023

Bradals Produkthandel A/S

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Introduction

We have initiated our first ESG report to provide a clear picture of where we stand today as a family-owned scrap and recycling business, and how we can proceed to integrate sustainability principles into our operations going forward. The reporting supports us in two levels: Firstly, it provides internal insight and a benchmark that helps us understand our own processes and prioritise the areas where we already make a positive difference. Secondly, it provides a framework for continuous improvements that meet the expectations of our customers, suppliers, and local communities for transparency and responsibility.

We have chosen to use the EU's Voluntary Sustainability Standards for Small and Medium-Sized Enterprises (VSME Standard) as our point of departure. This allows us to begin with the data and resources we already have and gradually expand with additional indicators and policies as our organisation and systems mature. In other words, we prefer to start simple and reliable, and then build step by step, rather than place unrealistic pressure on time, finances, and people in a busy operation.

The report is therefore intended as a living document. Each year, we will evaluate which new areas and objectives can be added, ensuring that we continue to move forward without compromising the quality of the information we share.

Company information

Legal form

Bradals Produkthandel ApS is a private, family-owned scrap and recycling business, founded in 1950 by Carl Bang Bradal in Silkeborg, Denmark. ApS (short for Anpartsselskab) is the Danish equivalent of a private limited company (Ltd). The company is now owned and managed by Thomas Bradal.

Industry classification – NACE codes

468700 Wholesale of waste and scrap
382100 Recovery of materials
494100 Freight transport by road

Primary country of operation

Denmark

Key products and services

Our core activity is the sorting and processing of ferrous and non-ferrous scrap metal (hereafter referred to simply as "scrap metal"), which makes us an important player in the circular economy. We receive, handle, and resell metals and related materials that are sent for further processing and used in the production of new goods. In this way, we actively contribute to reducing the need for primary raw materials.

Key markets

Our main markets include both national and international actors engaged in further processing and recycling of metals and materials. We primarily operate within the B2B segment and collaborate with companies that use recycled raw materials as part of their production and sustainability strategies.

We deliver to:

- Metal smelters, refineries and steelworks that remelt our materials into new products
- Metal industries and raw material producers that use the metals in their manufacturing
- Exporters and brokers who distribute materials to circular markets worldwide
- Municipal and private waste management operators, where we assist with sorting and handling

Our core business is based in Denmark, but a large share of our materials enters international cycles. We help ensure that recyclable materials are reintroduced into new production processes, thereby supporting both climate action and responsible consumption across borders. Our market position is built on trust, quality, and documentation, and we see growing interest from customers who demand traceability, a green profile, and collaboration with responsible players in the circular economy.

Sustainability certifications and standards

We are certified according to the ISO 14001:2015 standard, which documents our systematic work with environmental management. In addition, we have participated in the Danish Climate-Ready Manufacturing Companies programme (Klimaklar Produktionsvirksomhed), an advisory initiative designed to strengthen our climate competencies and carbon footprint awareness.

Environmental considerations are an integrated part of our daily operations. We continuously work to reduce our environmental impact through energy-efficient solutions such as solar panels and heat pumps, as well as by optimising resource use and promoting circular economy practices. The certification is an important tool that supports our aim of constant improvement and innovation.

Management Commentary

Management Report

Through the ESG reports we have prepared, we have learned that it creates significant value to approach our data with curiosity rather than scepticism, and that bringing CO₂ figures and waste statistics into the process at an early stage provides a solid foundation for the entire organisation. Our work with the EU's VSME Standard has shown us that reporting can be built up step by step by gathering the information we already have and gradually expanding as our competencies and data collection grow.

As a company, we see it as our responsibility to translate sustainability from just fine words into everyday actions. Circular economy is part of our DNA: by recycling thousands of tonnes of iron, steel, and aluminium, we help our customers close resource loops and reduce CO₂ emissions, while at the same time working systematically to replace diesel-powered machinery with electric forklifts and optimise our energy consumption. We have set ambitious milestones: in 2024, we will begin implementing electric forklifts as part of our efforts to reduce the company's carbon footprint. In addition, we are working to establish continuous oversight of CO₂ emissions in our value chain – both from our own activities and from our suppliers.

We view the report as a living document and have already gained experience with what works well. This includes, for example, the close dialogue between operations and management in the data collection process. At the same time, we have identified areas where adjustments are needed, such as expanding our Scope 3 greenhouse gas (GHG) emissions calculations to also include downstream activities.

As the executive management, we fully support this process and look forward to inviting you to join us on the journey towards an ever greener and more responsible Bradals Produkthandel ApS.

Preliminary Analyses

Stakeholder analysis

We have identified our key stakeholders as employees, customers, suppliers, public authorities and regulators, and the surrounding local community. Our ESG efforts are based on open dialogue with these groups, and we continuously work to understand and meet their expectations. For us, it is essential that our sustainability work creates value not only for the company, but also for our stakeholders.

Focus areas

In our ESG work, we particularly focus on the following areas:

- Environmental responsibility,
- occupational health and safety,
- responsible supplier management,
- and our role in the circular economy.

These themes have been selected based on our materiality assessment and are closely linked to our daily operations and values. We place particular emphasis on documenting and highlighting the many initiatives we have already launched, while ensuring a structured approach to our ongoing ESG work.

Double materiality assessment

Our approach to materiality:

The purpose of our double materiality assessment is to evaluate the most significant impacts, risks, and opportunities that we create, and that affect us, in relation to the environment, people, and society. The analysis is based on the principles of the European Sustainability Reporting Standards (ESRS) but has been adapted to the VSME Standards, which is the framework we have chosen for our reporting. This assessment enables us to identify the areas where we, as a company, have an impact. Like our ESG reporting, the assessment is a living process and should therefore be regarded as preliminary.

We have assessed each theme from two perspectives:

- (1) Impact materiality – how our activities affect people, the environment, and the climate (inside-out).
- (2) Financial materiality – how these same factors may affect our business as risks or opportunities (outside-in).

Sustainability policies and objectives

We approach sustainability principles from a holistic perspective, encompassing environmental, social, and governance aspects. Our approach is rooted in concrete actions and responsible practices, through preventing harmful impacts, reducing existing risks, and remedying issues where necessary.

Prevention:

We work systematically to prevent negative sustainability impacts through clear planning and proactive measures. Among others, this includes:

- Using technologies that reduce our CO₂ emissions and promote sustainable solutions in our operations.
- Strengthening our procurement policy with requirements related to environmental impact, ethics, and the United Nations Sustainable Development Goals (SDGs).
- Developing and maintaining standard operating procedures (SOPs) and workflows that support safety and accountability.
- Maintaining our ISO 14001 certification, which ensures the structured management of our environmental impact on an ongoing basis.

Management of risks:

We identify and mitigate existing sustainability risks, for example by:

- Identifying problematic materials, registering them according to procedure, and ensuring safe disposal through approved waste collectors.
- Responding quickly to deviations and implementing solutions in our environmental management system.
- Working systematically on occupational health and safety improvements and engaging employees in the process.
- Documenting all relevant data in our internal systems.

Remediation:

We take responsibility if something goes wrong. This includes:

- Environmental deviations are recorded immediately, handled effectively, and reported to the authorities without unnecessary delay.
- Complaints and concerns from employees and customers are taken seriously and handled confidentially with a focus on solutions and learning.
- Emergency plans are in place and activated in the event of spills, fires, or other incidents, ensuring that damage is minimised and normal operations restored quickly.
- Employees are actively supported through health insurance, follow-up conversations, and an open culture that prioritises well-being and security.

Overall, our sustainability policies are not merely words, but a concrete and consistent approach applied throughout all parts of our business. We see sustainability as an ongoing process that requires attention, continuous improvement, and dialogue.

Human Rights policies

Our Code of Conduct states that we always comply with applicable laws, rules, and regulations and create an environment where fairness and legality are prioritised.

We value and respect human rights in everything we do. All employees, business partners, customers, and other stakeholders must be treated with dignity, respect, and fairness.

In the workplace, we promote equality, diversity, and inclusion. No one should experience discrimination based on race, gender, nationality, religion, age, disability, or sexual orientation.

We reject all forms of forced labour: all employees work voluntarily and under fair conditions. Likewise, we comply with international standards on the elimination of child labour and do not employ child workers.

These principles guide both our internal decisions and our interactions with everyone connected to Bradals Produkthandel ApS.

Environment (E)

We have a clear and well-established environmental policy, based on the ambition to reduce our environmental impact and promote responsible operations. We work consistently to comply with environmental legislation, optimise our energy consumption, minimise waste, and promote the use of more environmentally friendly methods and technologies.

As an ISO 14001-certified company, we are committed to working systematically with environmental management. This means that we continuously assess and reduce our most significant environmental impacts, document our efforts, and implement improvements as a regular part of our operations.

Environmental considerations are an integral element in both our strategic decisions and our daily work. We place particular focus on waste management, energy efficiency, and recycling as core elements of our business. Through our work with scrap and recycled materials, we actively support the circular economy and see it as an important responsibility to help reduce resource use across the value chain.

We believe that continuous improvement and transparency in our environmental efforts strengthen both our company and the community around us.

Climate (E1)

Our climate footprint primarily stems from the diesel we use for machinery and our own trucks, as well as the electricity that powers our operations. We are aware that our activities generate CO₂ emissions, but at the same time we see a significant climate contribution in our core business: when we process scrap and return iron and

metals into circulation, we reduce the need for primary raw materials extraction and contribute to substantial energy savings on a global scale.

The climate agenda also carries several business implications for us. On the one hand, future CO₂ taxes, higher fuel prices, and increased reporting requirements may put pressure on our daily operating costs. On the other hand, the green transition opens up new opportunities. By transitioning from diesel to electric machinery, investing in energy-efficient operations, and delivering circular raw materials with traceability, we strengthen both our competitiveness and our contribution to mitigating climate change.

Pollution and hazardous substances (E2)

In our daily operations, we also receive fractions that require particular care, such as oil-based emulsions, lead batteries, electronics with environmentally harmful components, and other hazardous substances. By handling them correctly, we ensure that dangerous materials do not end up in soil, water, or air, but are safely disposed of or recycled.

We, therefore, have strict procedures for reception, labelling, storing in sealed containers, and ensuring prompt collection by approved waste collectors. We are aware that even minor deviations can lead to spills, soil contamination, and ultimately regulatory fines, clean-up costs, and operational downtime – not to mention reputational damage. The stricter we are with our control, registration, and documentation, the better we protect both the environment and our business.

Biodiversity (E3)

Although our sites in Silkeborg and Fredericia (Denmark) are not located in protected natural areas, we have a responsibility for the nature surrounding us. Dust from crushing, noise from machinery, and potential oil spills or rainwater runoff can affect plants, wildlife, and the local water environment.

We, therefore, work with sealed surfaces, collection wells, oil separators, and regular monitoring to ensure that even heavy rainfall or intensive operations leave no trace outside our premises. Authorities are continuously tightening requirements for environmental monitoring, which means we need to stay ahead on prevention and documentation.

Investments in new collection systems and dust reduction measures are not merely costs; they are an insurance against future orders to remedy issues and the best guarantee that we can continue operations without burdening the landscape we are part of.

Resources and the circular economy (E5)

By sorting and processing scrap metal, we ensure that materials are recycled rather than burdening the environment through the extraction of new raw materials. Every tonne we return to circulation saves large amounts of energy, reduces mining activity, and lowers CO₂ emissions globally.

At the same time, we experience growing demands from customers who deliberately choose circular raw materials to reduce their own climate footprint and comply with new regulatory requirements. This strengthens both our market position and sales. However, these developments also bring new requirements for traceability and documentation of materials throughout their lifecycle – requirements that may necessitate investments in IT systems and digital solutions.

By combining efficient operations with modern data management, we ensure that our circular materials remain attractive and valuable to our customers, while delivering exactly the information required by authorities and the market.

Social (S)

General social policy

We place great emphasis on unity and community in our daily work. We believe that strong team spirit and mutual respect are essential for achieving common goals. Our culture is based on equal opportunities regardless of gender, ethnicity, religion, or disability; we succeed together.

We aim to be a workplace that embraces diversity, and we believe that diversity strengthens both collaboration and the company as a whole. Bullying, harassment, or inappropriate behaviour are not tolerated. We have clear guidelines in place and handle all reports with seriousness and discretion to ensure that all employees feel safe and respected.

Own workforce (S1)

Because the everyday work at a scrap yard is physically demanding, occupational health and safety are some of our highest priorities. We conduct systematic workplace assessments, train employees in the proper handling of scrap and hazardous substances and provide the right protective equipment – from hearing protection and gloves to clear zone markings and emergency stops on machinery.

Our goal is zero accidents in the daily operations. This is not only an ethical matter; it is also sound business practice. A single accident can result in compensation costs, operational downtime, and higher insurance premiums, while a strong safety culture attracts and retains skilled employees. By demonstrating that safety and care go hand in hand with efficient operations, we strengthen both workplace well-being and the company's overall competitiveness.

Workers in the value chain (S2)

Our business begins with the suppliers who deliver scrap to us. If materials are not sorted correctly, or if they contain unauthorised or hazardous substances, this can cause waste, environmental harm, and unnecessary extra work at our sites. We, therefore, set clear requirements in our trading terms: suppliers must be able to document the contents of their loads and comply with our instructions for sorting and safety. If not, both parties risk additional costs for sorting, disposal, and potential regulatory orders. By maintaining transparent requirements, conducting spot checks, and engaging in open dialogue on improvements, we reduce risks in the value chain and protect both the environment and our bottom line.

Affected communities (S3)

We are strongly rooted in our local communities and are conscious of our role as a business where we operate – particularly in Silkeborg and Fredericia. We prioritise good dialogue with neighbours and public authorities and regulators, and we actively work to minimise the inconvenience caused to the local community.

Our operations leave a clear mark on the surroundings: machinery creates noise, trucks enter and exit the sites, and scrap piles alter the landscape. At the same time, we are a local workplace and support community life through sponsorships (Silkeborg IF football club, AQUA Aquarium & Wildlife Centre, Denmark's Paralympic Team, and the Danish Cancer Society), ensuring that our presence also has a positive side. Balancing challenges and benefits is important for both neighbours and the company. If noise or dust limits are exceeded, this can result in complaints from neighbours or stricter municipal requirements, which may either restrict operations or necessitate new investments in shielding, cleaning, and traffic management. We are aware that our activities can affect the surrounding environment, particularly regarding noise. For this reason, we maintain close dialogue with the municipality regarding our operations and necessary adjustments. We adapt working hours during periods of high activity and closely monitor relevant environmental measurements. Our goal is to take responsibility for our impact while maintaining stable and responsible operations.

Consumers and end-users (S4)

At Bradals Produkthandel ApS, customer satisfaction and the value created in the next stage of the chain are essential. Our materials are typically remelted at metal smelters and refineries and become raw materials for

producers in the metal industry, exporters, and municipal waste operators.

We work with customers who have short-term delivery needs as well as those seeking long-term partnerships – always focusing on ensuring that the materials we handle create real value: whether this involves CO₂ reduction, advice on optimising resource use, or support for the green transition. To maintain trust and transparency, we have clear channels for customer contact and complaint handling. Many of our customers have a dedicated contact person, and we are always reachable via email or telephone.

In this way, we ensure that our end-users experience reliability, quality, and responsiveness in our collaboration, whether in everyday dialogue about deliveries or in the rare case of a complaint.

Governance (G)

Governance and compliance (G)

Good governance is the foundation of our ESG efforts. With short decision-making processes and a clear Code of Conduct, we prioritise transparency, anti-corruption, and responsible procurement. By setting clear requirements for ourselves and our suppliers, we build trust with employees, public authorities and regulators, and customers, and ensure that materials, finances, and data are handled with the same integrity throughout the value chain.

We are also aware of what is at stake if we fall short. Lack of documentation, breaches of competition rules, or unclear supplier management can result in fines, breaches of contract, or even exclusion from customers with strict ESG requirements. For this reason, we have established regular compliance reviews at management level, a whistleblowing scheme for anonymous reporting (regardless of it not being required by legislation), and a procurement policy that weighs environmental profile and ethics equally with price and quality. By maintaining transparency and integrity, we protect both our reputation and the company's long-term profitability.

ESG key figures

Environmental key figures (E)

Findings on climate change (E1)

CO₂e emissions and climate impact in 2023:

In 2023, Bradals Produkthandel ApS placed particular focus on strengthening the quality of climate accounting data to achieve a more accurate picture of the company's carbon footprint. Total CO₂e emissions were calculated at 6,351.94 tonnes of CO₂e, distributed as follows:

Scope 1:	626.25 tonnes CO ₂ e
Scope 2:	14.13 tonnes CO ₂ e
Scope 3:	5,672.32 tonnes CO ₂ e
Outside of scope:	39.24 tonnes CO ₂ e

Compared with 2022, this represents an increase of approximately 7.5%, primarily due to higher production volumes and an employee growth of 5–10%. Taking these factors into account, the CO₂e emissions are assessed as proportionately stable. In addition, the data basis has improved significantly, as calculations are now performed at process level and down to product number, which increases both accuracy and transparency.

Bradals Produkthandel's business model (based on the collection, sorting, and sale of metals and recyclable materials) generates a significant positive climate effect. In 2023, the vast majority of the materials we handled were sent for recycling. Iron accounted for around 97% of the total volumes, while aluminium and stainless steel together made up just over 2%. The remaining share consisted primarily of copper, lead, zinc, cables, and various other metals, all of which are also part of recycling processes through our partners.

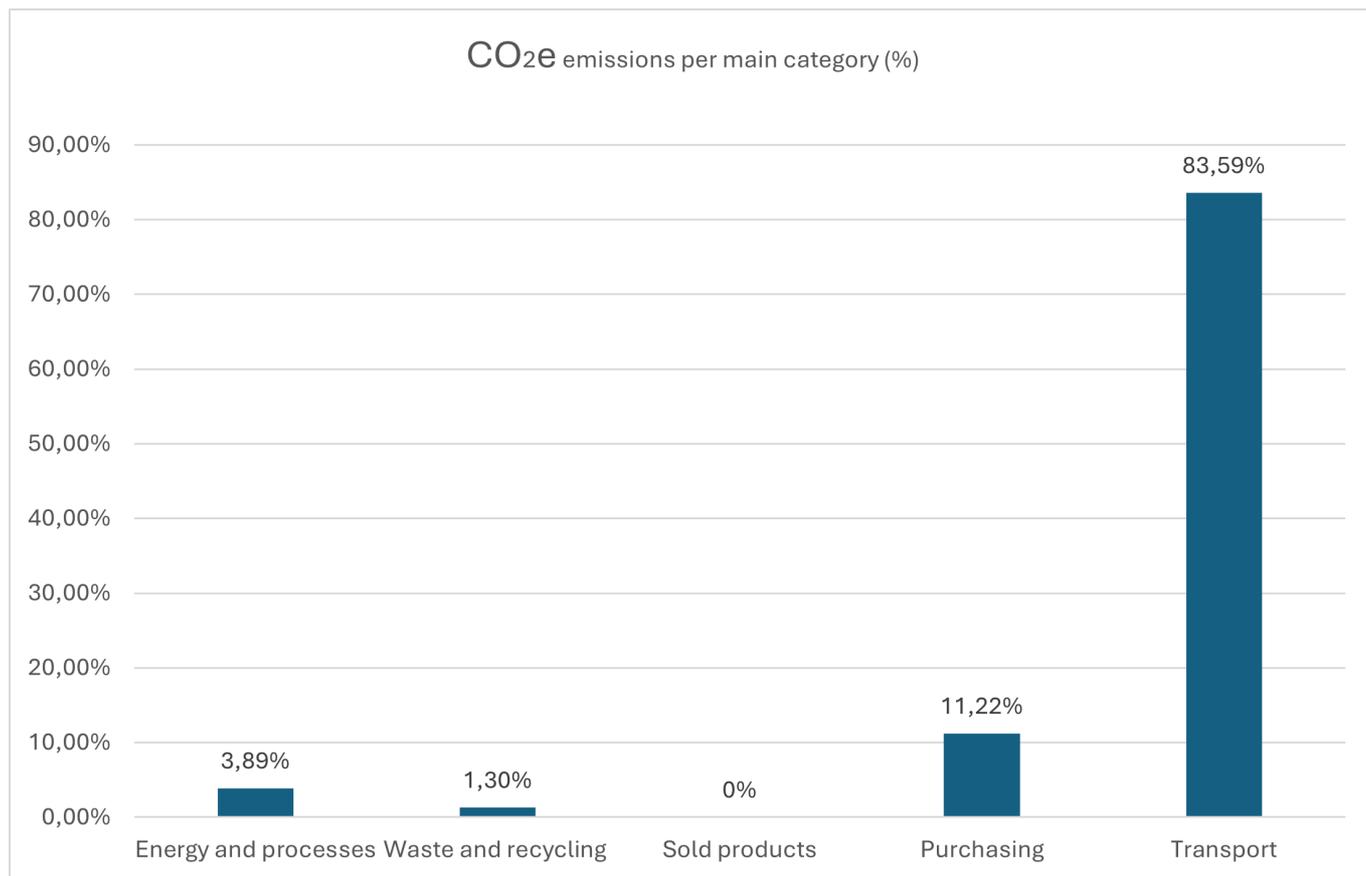
Collectively, these volumes correspond to an estimated CO₂e saving of around 250,000 tonnes, compared with the extraction and production of new materials. This means that our activities not only compensate for our own CO₂e emissions but also contribute actively to society's overall reduction of greenhouse gases. We are therefore positioned as a net-positive contributor to the green transition.

The calculation of total CO₂e savings is based on life cycle assessment (LCA) data and comparisons between primary raw and recycled materials. It draws on emission factors from several recognised sources, including:

- Danish Environmental Protection Agency (Miljøstyrelsen) – Danish emission factors and guidelines for life cycle assessments
- DEFRA (UK Department for Environment, Food and Rural Affairs) – standardised factors for recycling and waste
- Ecoinvent – internationally recognised LCA database with comprehensive material and process data
- EUROFER – data on emission differences between primary and secondary steel production
- Aluminium sector sources – including the European Aluminium Association and the Aluminium Association (USA), documenting CO₂e differences between recycling and primary production

Since emission factors vary depending on material type, origin, and processing, the figures used are based on average, well-documented estimates from the above sources.

Percentage distribution of CO₂e emissions per main category



CO₂e emissions distribution and assessment

Based on our CO₂e emissions calculations, the percentage distribution of our total emissions is as follows:

Energy and processes:	3.89%
Waste and recycling:	1.30%
Sold products:	0%
Purchasing:	11.22%
Transport:	83.59%

Interpretation and assessment:

At Bradals Produkthandel ApS, our business revolves around the handling and processing of scrap and used materials, which are prepared and resold for recycling. As part of the circular economy, our core activity consists of collecting and sorting waste and scrap, which is then sent on to specialised processing facilities. Here, the materials are transformed into new resources, creating a significant positive climate effect overall.

Nevertheless, emissions are inevitably associated with operations, and the figures presented here show where these primarily occur.

Transport – the largest emitter:

The overwhelming majority of our CO₂e emissions, at 83.59%, come from transport. This reflects the many collections and deliveries of scrap and processed materials required to keep material flows running. Although transport is not part of Bradals Produkthandel's core services, it is an unavoidable supporting function in our business model and therefore a natural focus area for further efforts to reduce our climate footprint.

Purchasing and energy:

Purchasing accounts for 11.22% of the total climate footprint. This includes auxiliary products and materials used in operations, as well as indirect emissions from goods and services applied in the processing of scrap.

Energy and processes:

Energy and processes make up 3.89% of Bradals Produkthandel's total CO₂e emissions and cover the company's direct energy consumption, primarily consisting of electricity and any process heating. To reduce our climate footprint, Bradals Produkthandel ApS purchases green certificates for its electricity consumption. In addition, energy consumption is reported with a high level of detail, providing a solid data basis for future energy efficiency initiatives.

Waste:

Waste and recycling account for 1.30% of emissions, which can be considered a low level. This reflects the fact that our handling of materials for recycling generates relatively little non-recyclable waste.

Sold products:

CO₂e emissions from sold products are reported as 0 tonnes for this year. This is because the applied calculation principles follow an attributional approach and are based on an open-loop recycling model, where emissions from the raw material are attributed to the product's first life cycle. In other words, purchased scrap metal is considered to have no inherent climate footprint in its second life cycle, and climate accounting therefore begins with collection and any subsequent processing and delivery.

This approach is consistent with the WRI/WBCSD Greenhouse Gas (GHG) Protocol Corporate Value Chain (Scope 3) Standard and the Product Life Cycle Accounting and Reporting Standard, applying the recycled content method.

Perspective – comparison with 2022:

Compared with the 2022 ESG report, the distribution of CO₂e emissions in 2023 remains generally stable, but with some shifts reflecting changes in operational patterns and reporting methods:

Category	2022 (%)	2023 (%)	Development
Transport	86.74	83.58	-3.16%
Purchasing	8.78	11.22	+2.44%
Energy and processes	4.33	3.89	-0.44%
Waste and recycling	0.16	1.30	+1.14%
Sold products	0	0	0

Transport remains by far the largest share of the total CO₂e footprint, though the share has fallen from 86.74% in 2022 to 83.59% in 2023. This decline may be due to improved logistics, changes in transport patterns, or more precise data collection. This is a positive development, as transport is a difficult category to reduce without structural changes.

Purchasing has risen from 8.78% to 11.22%, which may reflect either an increase in the volume of purchased goods and auxiliary materials, or more precise accounting of upstream emissions. This indicates potential for addressing the climate footprint further out in the value chain.

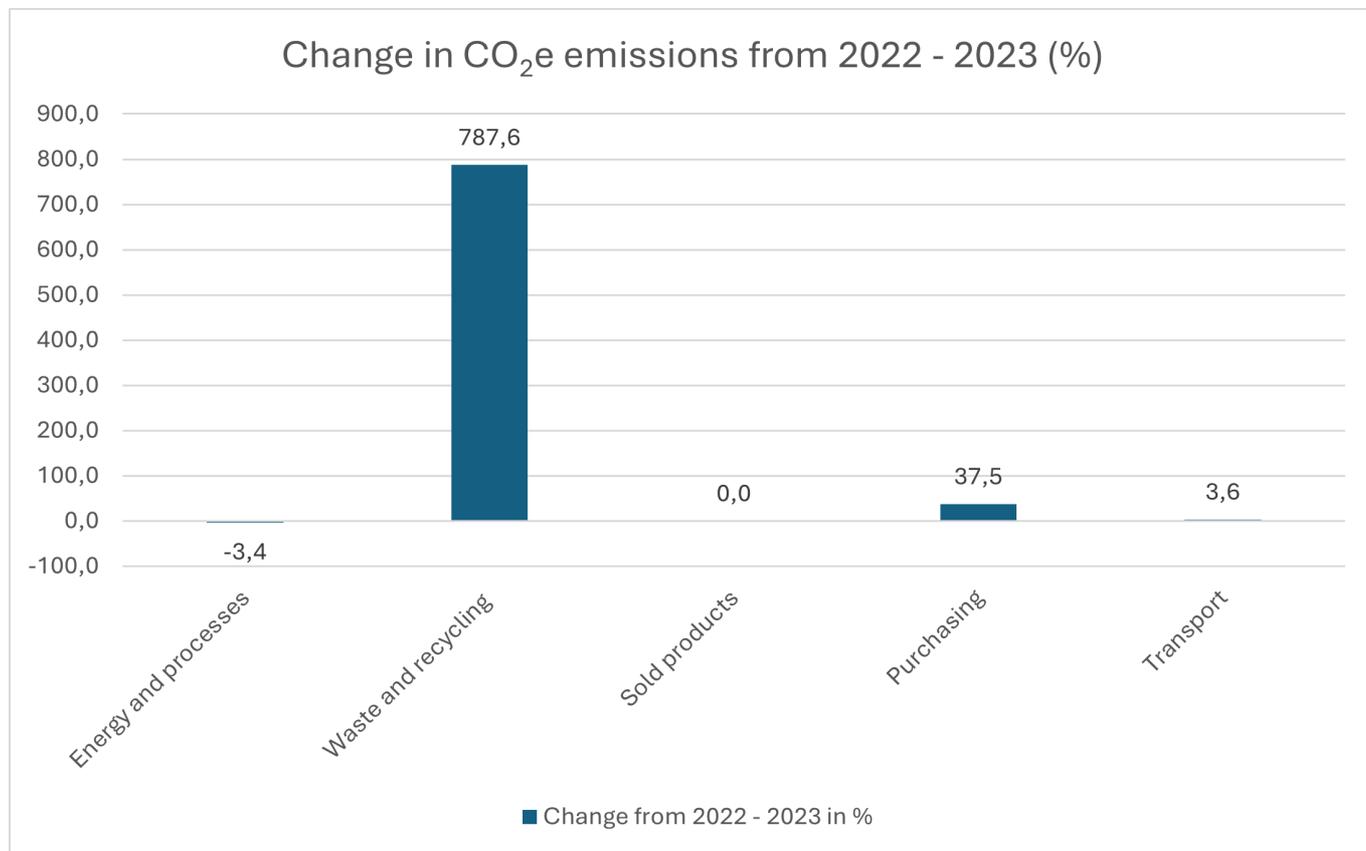
Energy and processes have fallen slightly from 4.33% to 3.89%, signalling stable and efficient energy consumption in a sector where electricity use and process energy are necessary but can be optimised.

Waste and recycling have increased from 0.16% to 1.30%. This may be the result of improved or more comprehensive reporting of waste data, which in itself represents progress in data quality, and is not necessarily an indication of increased climate impact.

Overall, the comparison shows that our climate footprint continues to be concentrated around transport, but improved data quality and a focus on the entire value chain now also highlight other relevant focus areas. This underscores the need for a balanced effort; both in optimising transport and in addressing the climate impact of purchased goods and services.

The established share from energy and processes and the absence of emissions from sold products once again underline that the company's core activity (the recycling and processing of scrap) is conducted with low direct climate impact and high environmental value in a circular context.

Total CO₂e emissions per main category



CO₂e emissions distribution and development

Based on our CO₂e emissions calculations per main category for the 2023 financial year, the following percentage changes compared with 2022 can be observed:

Energy and processes:	-3.4%
Waste and recycling:	+787.6%
Sold products:	0%
Purchasing:	+37.5%
Transport:	+3.6%

Assessment and interpretation:

Transport – still the largest source of emissions:

Transport continues to account for the largest share of the company's total CO₂e footprint, with 5,309.59 tonnes in 2023, representing an increase of around 185 tonnes compared with the previous year. This should be seen in the context of the overall increase of approximately 7.5% in the volume of materials for recycling in 2023. It is therefore expected that transport needs (and thus emissions) rise accordingly.

Transport remains an unavoidable supporting function in our business model, but it is also an area where improvements. Measures such as optimising route planning, investing in fuel-efficient vehicles, and collaborating with transport partners on more climate-friendly solutions should remain a focus.

Purchasing – noticeable increase:

CO₂e emissions from purchasing increased from 518.43 tonnes in 2022 to 712.71 tonnes in 2023, a significant rise of nearly 200 tonnes. This may be due to both increased activity and more detailed data collection covering auxiliary products, external services, and materials related to operations. It highlights the need to examine the climate footprint of our suppliers more closely and potentially set requirements for documentation and sustainability across the value chain.

Energy and processes – slight decrease:

Energy and process related emissions decreased from 255.69 tonnes to 247.01 tonnes, indicating more efficient operations. This is a positive signal, but there remains potential for further reductions, for example, through investments in energy-efficient equipment and continuous optimisation of internal processes.

Waste and recycling – more accurate reporting:

Emissions from waste and recycling were recorded at 82.72 tonnes in 2023, compared with only 9.32 tonnes in 2022. The increase does not necessarily reflect a higher climate footprint, but rather improved and more comprehensive data coverage in the reporting. This provides a more accurate picture and a stronger basis for working strategically with waste minimisation and circular initiatives.

Sold products – not yet accounted for:

CO₂e emissions from sold products are reported as 0 tonnes, in line with the attributional approach and open-loop recycling model described earlier in this report. Under this method, scrap metal is considered to have no inherent climate footprint in its second life cycle, with climate accounting beginning at collection and any subsequent processing and delivery to the customer.

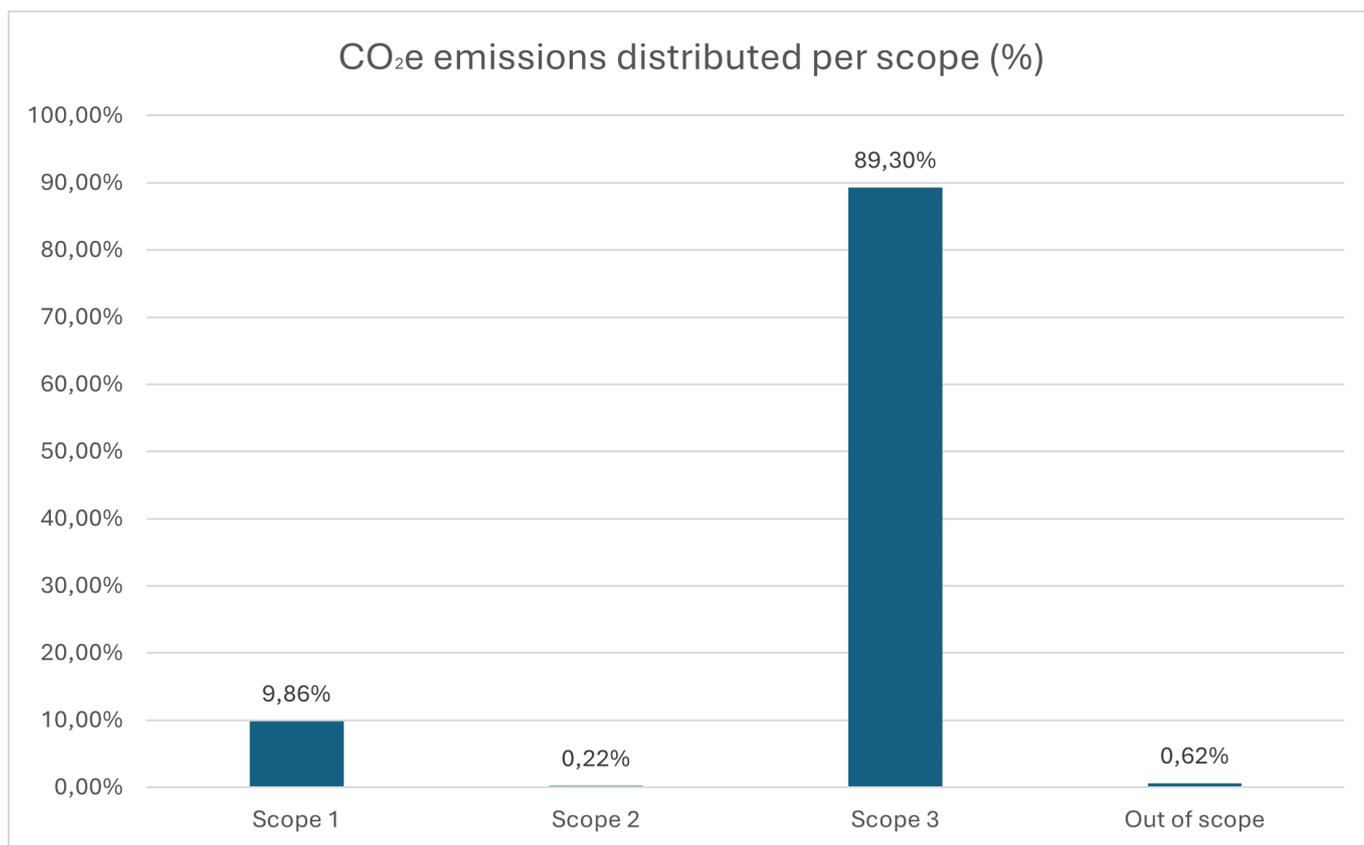
Overall assessment:

The distribution of the company's CO₂e emissions in 2023 confirms the previous picture: transport accounts for the majority of emissions, while energy, purchasing, and waste also represent important contributions. The increase in overall activity and the amount of recycled material highlights that CO₂e emissions must be considered in relation to the value created by the company's contribution to the circular economy.

The more accurate and comprehensive data coverage this year also means there is now a stronger basis for making systematic decisions on reduction measures, both internally (energy, waste) and externally (transport, purchasing).

At Bradals Produkthandel ApS, we reaffirm through this development our role as a significant contributor to the green transition, but also as a company that recognises the need for continuous improvements and active engagement with the full CO₂e footprint of its value chain.

Percentage distribution of CO₂e emissions by scope



Distribution of CO₂e emissions – scopes

Based on our CO₂e emission calculations distributed across different scopes for 2023, the following percentages are observed:

Scope 1 (Direct emissions):	9.86%
Scope 2 (Indirect emissions from purchased energy):	0.22%
Scope 3 (Other indirect emissions):	89.3%
Outside of scope:	0.62%

Interpretation and assessment:

This distribution provides a clear picture of where our primary climate footprint lies, and consequently, where our reduction efforts can have the greatest impact in terms of climate action and sustainable development.

Scope 3 – the majority of emissions:

89.3% of the company's total CO₂e emissions fall under Scope 3. These cover indirect emissions from activities outside the company's direct control, particularly transport, purchased goods, and other processes in the value chain.

This is characteristic of a company such as Bradals Produkthandel ApS, where most activities take place in a circular context and where transport and material handling represent significant parts of the business. Our role as a link in the value chain, rather than a primary producer, naturally results in Scope 3 dominating our footprint.

Scope 1 – direct emissions from own operations:

Scope 1 emissions account for 9.86% and cover direct emissions from the company’s own vehicles and machinery. This area is among the most accessible for reduction efforts, e.g. by transitioning to alternative fuels, energy efficiency measures, and maintenance of the machinery fleet.

Scope 2 – purchased energy:

Only 0.22% of emissions stem from Scope 2, which covers emissions from purchased electricity and heating. The very low level indicates either a low overall energy consumption or an energy mix with a low climate footprint (e.g. renewable electricity). While this category represents a small share of total emissions, it remains relevant in terms of continuous energy efficiency improvements.

Outside of scope:

0.62% of emissions fall outside the three scopes, covering activities that do not clearly align with the GHG Protocol’s scope definitions, such as certain waste-related emissions. The level is limited and carries little weight in the overall picture.

Comparison with 2022:

Scopes	2022	2023	Development
Scope 1	9.28%	9.86%	+0.58%
Scope 2	0.84%	0.22%	-0.62%
Scope 3	89.61%	89.3%	-0.31%
Outside of scope	0.28%	0.62%	+0.34%

There is a minor increase in Scope 1, while Scope 2 has decreased significantly. This may indicate reduced reliance on conventional energy or a shift towards lower-carbon energy sources. Scope 3 remains largely unchanged, confirming the continued dominance of value chain emissions.

Increased activity during the period:

It should be noted that the total volume of processed materials increased by around 7.5%, and the workforce grew by 5–10% during the same period. The relative stability of scope distribution despite this growth suggests that efficiency and emissions intensity per tonne of processed material have not worsened significantly, and in some cases may even have improved.

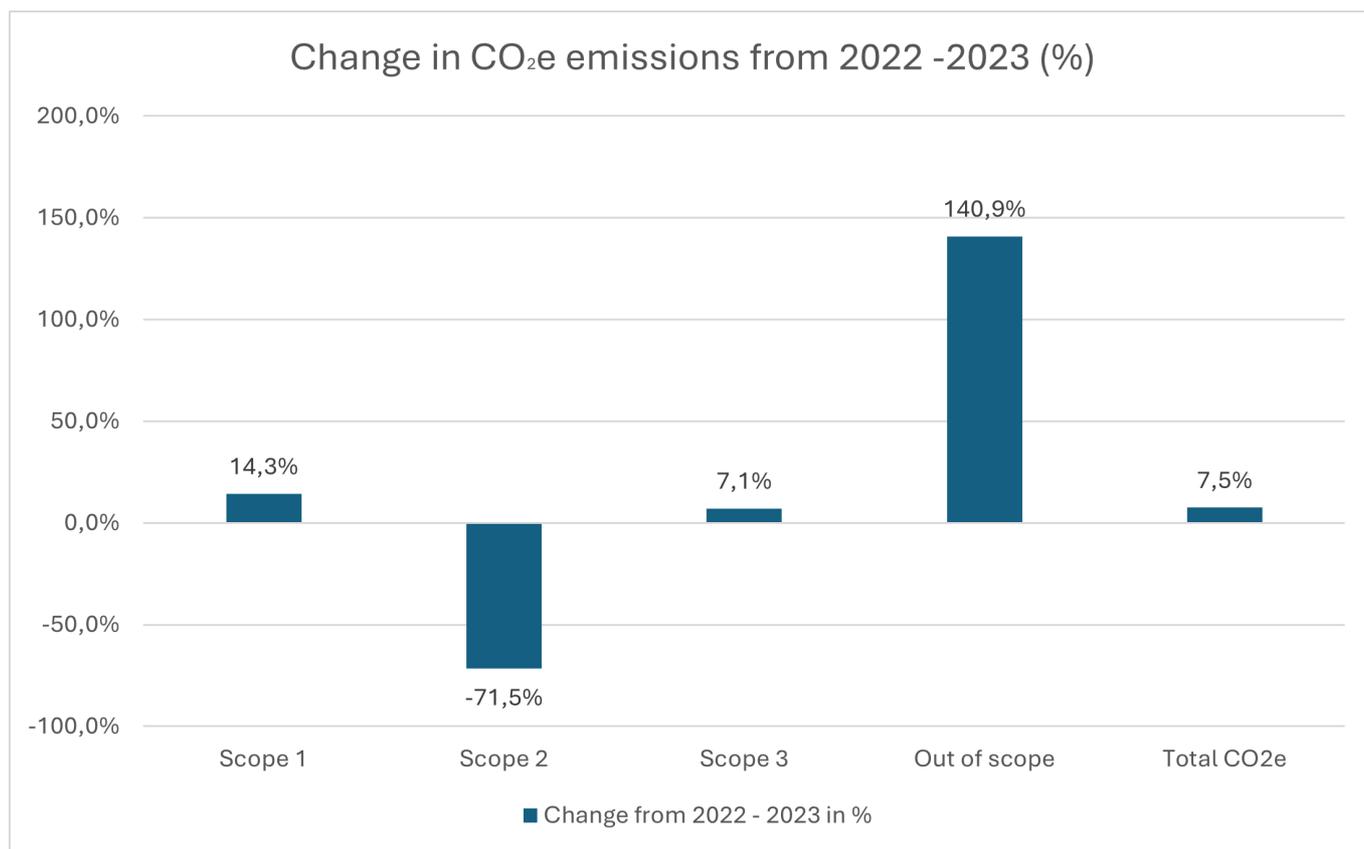
Perspective

The scope distribution confirms that Bradals’ most significant climate footprint lies in upstream and downstream activities, particularly in transport and procurement. This provides a clear strategic direction for our ESG efforts:

- Optimising transport (route planning, collaboration, fuel types)
- Engaging suppliers to reduce their emissions footprint
- Directly reducing Scope 1 emissions from our own operations

At Bradals Produkthandel ApS, we therefore play both a vital role in the green transition and maintain a clear understanding of where our most material climate impacts arise.

Total CO₂e emissions in tons distributed by scopes



CO₂e emissions – development and climate perspective:

In 2023, Bradals Produkthandel ApS updated its climate accounts with a new calculation of CO₂e emissions distributed by scopes in accordance with the Greenhouse Gas Protocol. Total CO₂e emissions increased from 5,908 tonnes in 2022 to 6,352 tonnes in 2023, equivalent to a rise of around 7.5%. This should be seen in the context of rising production, where the volume of processed material increased by approximately 5% in 2023, as well as a workforce increase of 5–10%.

The rise in CO₂e emissions thus reflects the higher level of activity, while emissions per tonne of processed material only increased marginally indicating continued high efficiency and control over our climate impact.

Comparison of emissions by scope:

Scope	2022 (tonnes CO ₂ e)	2023 (tonnes CO ₂ e)	Development
Scope 1 – Direct	547.98	626.25	+14.3%
Scope 2 – Energy	49.52	14.13	-71.5%
Scope 3 – Indirect	5,294.26	5,672.30	+7.1%
Outside of scope	16.29	39.24	+141%
Total CO ₂ e	5,908.05	6,351.94	+7.5%

Assessment and interpretation:

Scope 1 increased by about 14%, likely linked to the increased internal activity and transport in line with higher production volumes and staffing. This may provide an opportunity to explore fuel efficiency, electrification, or other green operations.

Scope 2 decreased significantly by more than 70%, suggesting a transition to green electricity or reduced electricity consumption. This is a positive result, reflecting efficient operations and climate-conscious energy choices.

Scope 3 shows a modest increase of 7.1%, in line with the increase in production. This indicates a relatively stable climate impact per tonne and suggests that value chain emissions have not escalated at the same pace as production.

Outside of scope more than doubled, but the overall volume remains relatively limited. The increase likely reflects greater waste treatment or changes in biogenic emissions. This should be analysed further but is not considered to be significant in the overall picture.

Despite the absolute emissions, it is essential to factor in the net climate contribution of our core business: the recycling and resale of used metal products. The materials we handle have already completed a full first life cycle and are considered climate “reset” at the point of recycling. By replacing the need for primary raw materials (which require energy-intensive extraction and processing) our activities at Bradals Produkthandel generate a significant net climate benefit that in many cases outweighs the company’s own emissions.

This business model supports the transition to a more circular economy and represents a substantial contribution to reducing the global resource and climate footprint. Bradals Produkthandel thereby creates genuine climate value – not despite, but through the emissions that inevitably arise from handling and transporting materials.

Social key figures (S)

Own Workforce (S1)

Values and culture:

Team spirit and community characterise everyday life: we work together as one and speak respectfully to, and about, each other. Through equal opportunities and zero tolerance of bullying, harassment, and discrimination, we ensure an environment where respect and helpfulness form the basis for cooperation.

Safety first:

A dedicated occupational health and safety organisation, with an elected safety representative and a two-member safety committee, drives our systematic safety efforts. Workplace risk assessments (APV in Danish), action plans, and continuous risk evaluations help prevent accidents, and correct personal protective equipment is a non-negotiable requirement. On average, we record no more than 1–2 minor injuries per year and no serious accidents.

- Sick leave 2024: 78 days across 31 employees
- Focus on training: Both new and experienced employees receive ongoing instruction in the safe handling of scrap, hazardous substances, and environmental incidents

Pay, remuneration, and development:

We are not covered by a collective agreement; salaries are paid monthly, and individual salary reviews and development dialogues (medarbejderudviklingssamtaler – MUS, in Danish) are held once a year. Professional development is planned together with each employee to ensure that courses and training meet both company and individual needs.

Well-being and benefits:

Fruit scheme, free coffee/cocoa, Friday gatherings with breakfast, and the option of a soft drink or beer after working hours help strengthen community spirit. After three months, all employees are covered by health and dental insurance.

Gender distribution in management and committees:

- Executive management: 1 man
- Management group: 5 men
- Health and safety committee: 2 men

Employee turnover

	Men	Women	Other gender	Not disclosed	Total
Full-Time Employees	29	3	0	0	32
Part-time Employees	1	0	0	0	1
Temporary Workforce	1	0	0	0	1
Independent Workers	0	0	0	0	0
Total	31	3	0	0	34

Workers in the value chain (S2)

We set clear requirements for our suppliers, covering environmental, ethical, quality, and social responsibility aspects. It is important to us that our business partners reflect the values we apply ourselves and contribute to responsible and sustainable operations.

Environmental requirements:

We prioritise suppliers that document environmental impacts and support the SDGs – in particular Goal 8 (Decent Work), Goal 9 (Innovation), Goal 12 (Responsible Consumption), and Goal 13 (Climate Action). We emphasise green alternatives, low fuel consumption, and low-noise solutions.

Ethics and responsibility:

Suppliers must respect our Code of Conduct, which includes respect for human rights, rejection of child and forced labour, equality, and anti-corruption.

Quality and traceability:

We expect clear documentation and traceability in deliveries, as well as insight into recycling value and environmental profile.

Procurement principles:

Major investments generally require offers from three different suppliers, and purchases must be approved by company management. The procurement policy is reviewed and evaluated twice annually to ensure that it supports our strategic and ethical objectives.

Affected communities (S3)

We are acutely aware of our role as a company within our local communities and aim to make a positive contribution to the surroundings of which we are part. This includes our neighbours, the municipality, and other stakeholders who may be directly or indirectly affected by our activities.

We prioritise open and responsible dialogue with the local community, especially in situations where changes in

our activities may have an impact on the surroundings. This may include expansions, changes in sorting methods, or temporarily increased traffic or noise.

In cases of major operational changes requiring updated environmental approvals, we comply with applicable legislation and participate in consultation processes, giving neighbours and stakeholders the opportunity to provide input. We also cooperate closely with relevant public authorities and regulators (such as the municipal environmental department) to ensure transparency and compliance.

Community engagement in practice:

In practice, we strive to:

- Inform neighbours in appropriate time in advance if changes with temporary impacts occur
- Adjust working hours and activities to minimise inconvenience
- Comply with environmental thresholds for noise and emissions
- Continuously document environmental impact as part of our ISO 14001 certification

We believe that a good and trusting relationship with the local community is a prerequisite for running a responsible and sustainable business. For this reason, we take concerns seriously and continuously work to reduce our impacts, both for the sake of the environment and for the people living and working nearby.

As part of our local responsibility, we also recognise the positive aspect of our presence. We are a local workplace and support community life and culture through sponsorships of sports clubs, cultural attractions, and social causes. This strengthens our relationships with the local community and supports our objective of being a responsible and valued actor in the area.

Governance key figures (G)

A healthy work culture and an ethical business environment form the foundation of our operations. Our governance structure is rooted in the core values of Team Spirit, Development, and Responsibility, ensuring that ESG principles are embedded at all levels of the organisation.

Governance structure and responsibilities:

The executive management consists of one person with overall responsibility for strategy and ESG. The management group, made up of five men, translates the strategy into daily operations, while the middle management group (14 people) ensures implementation among employees. Functional managers hold direct responsibility for integrating relevant sustainability goals within their respective areas.

Corporate culture and ethics:

Our Code of Conduct sets the framework for how we treat each other, our customers, and the society of which we are a part. The Code emphasises respect, fair treatment, and shared responsibility. We tolerate no form of bullying, discrimination, or inappropriate behaviour, and any breaches are handled discreetly and consistently.

We operate with zero tolerance for bribery, corruption, fraud, and money laundering. Employees are trained to identify unusual deliveries. In the reporting period, no convictions or fines have been received in relation to corruption.

Management commitment and competencies:

The management has built practical sustainability expertise through our ISO 14001:2015 certification and participation in the Danish Climate-Ready Manufacturing Companies programme (Klimaklar Produktionsvirksomhed). ESG data is a standing item on management meeting agendas, and resources for training, safety, and environment are allocated in the budget.

Reporting boundaries and methodology

In this first ESG report, we have made several choices and defined reporting boundaries to ensure clarity on scope and method.

Choice of standard:

We report voluntarily in accordance with the VSME Standards, as this matches our current data basis and resources. This enables us to begin with the information we already have and gradually expand the report as we build further experience and competencies to meet the requirements and expectations of sustainability reporting. The report is therefore a “living document”, evaluated annually and expanded with new key figures and policies.

Double materiality assessment:

Our materiality analysis follows the principles of the ESRS, adapted to the VSME framework. It assesses both how we impact the environment and society (inside-out), and how ESG factors may impact our business (outside-in). The analysis is preliminary and will be revisited regularly as part of our annual reporting process.

CO₂e calculation method and scopes:

All greenhouse gas emissions are reported in line with the Greenhouse Gas (GHG) Protocol and the Danish Business Authority’s guidelines for SMEs. Although we are not formally classified as an SME, we have chosen this method because it provides a transparent and recognised approach to climate data. Emissions are converted to CO₂ equivalents using emission factors from the Danish Environmental Protection Agency, DEFRA, Ecoinvent, and EUROFER (2023 data). Where factors were missing, data from the previous year has been applied, and calculations are updated continuously as new factors become available. Emissions outside of scopes (0.6% of the total) cover activities not clearly classified within Scope 1, 2, or 3 – for example, certain waste fractions.

Scope 3 boundaries, particularly for sold products:

CO₂e emissions from sold materials are reported as 0 tonnes in this report, as we apply an attributional method using the “recycled content” approach, where we only account for emissions from collection and subsequent handling. We are working to include downstream data in future reports.

Data quality and assurance:

Scope 3 data coverage is 95% based on invoices, with the remainder estimated. The 2023 climate accounts have been subject to internal review, and external verification is planned from 2024. This ensures that the report is robust and can gradually achieve full third-party certification.

Data basis

CO₂ emission factors

CO₂e emissions are calculated in accordance with the guidelines of the Greenhouse Gas (GHG) Protocol and aligned with the Danish Business Authority's guidance for CO₂e accounting. The emission factors applied are from 2023.

CO₂e equivalents

To enable comparison of greenhouse gas emissions, all emissions are converted into CO₂e equivalents, representing the amount of CO₂ corresponding to the emissions of different greenhouse gases. The emission factors used are specified in this report.

Accounting practice:

In calculating CO₂e emissions, emission factors have been sourced from utility providers and recognised databases, in line with the Danish Business Authority's guidance. We have used the most recently published emission factors available at the time of preparing the climate accounts. If an emission factor was not available at that time, the factor from the previous year has been applied. Adjustments to the climate accounts are made once the new emission factor becomes available, in accordance with the guidelines of the GHG Protocol.

Glossary

GHG Protocol

The Greenhouse Gas Protocol (GHG Protocol) is a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). It is the globally recognised standard for measuring and reporting greenhouse gas emissions, providing companies and organisations with a consistent framework for reporting their climate impact. The GHG Protocol categorises a company's CO₂e emissions into three scopes (Scope 1, 2, and 3).

Scopes

Scope 1, Scope 2, and Scope 3 refer to the three categories of greenhouse gas (GHG) emissions associated with a company's or organisation's activities. These categories were defined by the GHG Protocol, a global standard for GHG accounting and reporting.

Scope 1 (Direct emissions): These are direct GHG emissions from sources owned or controlled by the company. They include emissions from production, transport, and energy use in company facilities and vehicles. Examples include the combustion of natural gas in boilers, fuel consumption in company cars and trucks, and process-related emissions from industrial facilities.

Scope 2 (Indirect emissions from purchased energy): These are indirect GHG emissions from the generation of purchased electricity, heating, or cooling consumed by the company. While companies do not directly control these emissions, they can influence them by purchasing energy from low-carbon or renewable sources.

Scope 3 (Other indirect emissions): This is the broadest category, covering all other indirect GHG emissions that occur in a company's value chain but are outside its direct control. Examples include raw material production, the transport of goods, use of sold products, and end-of-life treatment of waste. It also covers business travel and employee commuting. Scope 3 emissions often make up the largest share of a company's total carbon footprint, and companies frequently address them through supplier engagement, product innovation, and travel policies.

Together, these three scopes provide a comprehensive framework for assessing and reporting a company's total GHG emissions and for identifying opportunities to reduce emissions across operations, the supply chain, and other activities. This framework is central to companies' efforts to reduce their climate footprint and meet climate targets and commitments.