

The background of the cover is a deep teal color. In the lower half, there is a close-up photograph of a water droplet resting on a globe. The globe shows green continents and blue oceans. Several green leaves are visible in the foreground, some with water droplets on them. The overall theme is environmental and sustainable.

Sustainability Report 2024

CEO STATEMENT

Dear Stakeholders,

2024 has been a transformative year for Guldager A/S. Through the successful acquisition of Vision Watercare, ARO Energy Solutions A/S, and VAI Service, we have taken major steps toward strengthening our position as a leading provider of intelligent water treatment solutions across Scandinavia.

The year was characterized by intense activity — not only commercially, but also internally. Integration was the central theme of 2024, as we focused our efforts on aligning systems, processes, and cultures across the newly expanded Guldager Group. Bringing together different teams and operational models has required significant attention, dedication, and flexibility from everyone involved.

Considering these priorities, ESG was not at the forefront of our agenda in 2024. Rather than launching new initiatives, we concentrated on building the right foundation for the future: harmonizing ESG policies across the group, initiating data collection in newly acquired companies, and setting up the structures needed to take our ESG efforts to the next level.

Even if the year did not deliver the same level of ESG progress as previous years, our long-term ambition remains firm. We continue to believe that environmental stewardship, social responsibility, and sound governance are not only necessary — they are essential to the resilience and success of our business. The groundwork laid in 2024 will allow us to accelerate our sustainability journey in the years ahead.

Thank you to our employees, customers, and partners for your support and trust throughout this pivotal year. Together, we will continue building a more responsible, sustainable, and future-ready Guldager.



Claus Christian Torbøl
CEO

A handwritten signature in blue ink, corresponding to the CEO's name.

STRATEGY & PROGRESS

This report marks the fifth ESG report from the Guldager Group and reflects an important transition year.

In 2024, our primary focus was on integrating three newly acquired companies — Vision Watercare, ARO Energy Solutions A/S, and VAI Service — into the Guldager Group.

These acquisitions significantly expanded our operational footprint and service offerings across Scandinavia. With integration being our top priority, our ESG initiatives in 2024 did not progress as actively as in previous years. However, we laid the foundation for renewed and stronger ESG efforts by aligning policies, systems, and reporting structures across the expanded group.

While we paused the launch of major new sustainability initiatives, we continued to uphold our commitments to responsible business conduct. We also began harmonizing data collection processes and identifying shared opportunities for environmental and social impact.

Looking ahead, we aim to consolidate these efforts and refocus our ESG agenda with a more unified approach across all entities in 2025. The work done this year ensures that our future ESG reporting will be stronger, broader in scope, and more representative of the entire Guldager Group.

At Guldager, our vision for sustainability is a vibrant tapestry woven with a commitment to several Sustainable Development Goals (SDGs) set forth by the United Nations.

These SDGs provide the foundation for our journey toward a more sustainable and responsible future. In pursuit of these SDGs, we are not just working to fulfil our corporate responsibilities; we are also contributing to a more equitable, just, and sustainable world. Our vision for sustainability reflects our belief that business success is intertwined with global well-being, and we are committed to being a force for positive change. Together, through our actions and determination, we aspire to make these visions a reality and to leave a legacy of sustainability and responsibility for generations to come.

One of our most significant contributions continues to be inherent in our business model, as delivering our intelligent water treatment solutions enables our customers to substantially reduce their environmental footprint. This is achieved by prolonging the lifetime of their equipment and reducing their consumption of energy and water. We have initiated various internal projects to gather information about the carbon footprint of our products and services and the difference they make for our customers.

We call this **Wise Water Treatment**.

With experience and access to the latest technologies, the Guldager Group has been a full-service provider of plants, equipment, additives, consultancy, and services within water treatment for almost 79 years.

BUSINESS MODEL

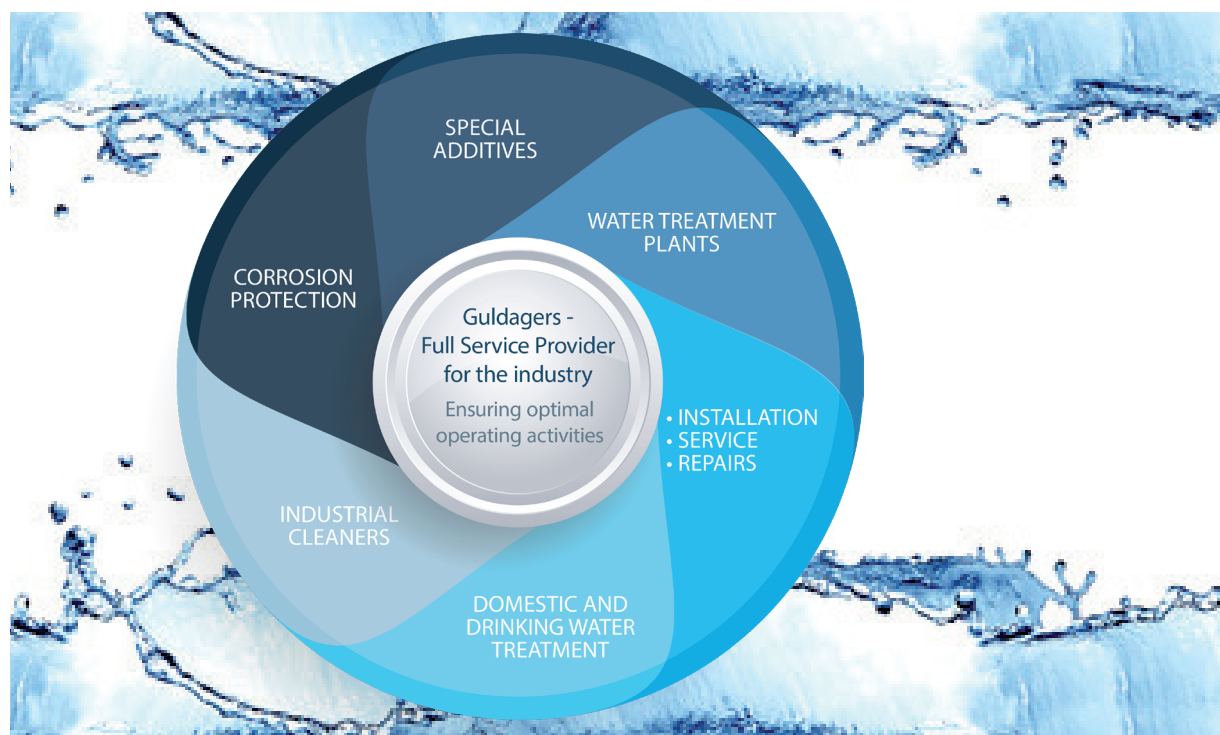
Inevitably, our delivery of services and products has an impact on both climate and the environment through consumption of energy, water, transportation, and waste. Therefore, our strategy on corporate responsibility is centred around several of SDG's which are currently Guldager's focus areas and have the most significance for Guldager, the community, and our stakeholders.

These targets are listed below with a description based on the UNGC taxonomy and the specific ambition and contribution that the Guldager Group provides. Targets are not **listed in order of priority as each of them is considered equally important.**

Operating within customer segments such as domestic and residential apartments, public institutions, and process industry, the Guldager Group is providing services to more than 10,000 customers in Denmark, Norway, Sweden, Germany, Switzerland, and Belgium. The company employs more than 130 employees worldwide and is currently owned by the Danish private equity fund Capidea, Hydro-X International A/S and key employees.

At Guldager, we think that water should be treated respectfully and in harmony with the laws of nature and our environment. **We call this philosophy Wise Water Treatment.**

Our vision is that "Everything we do on this planet, every action, every contact with each other, has an impact on the surroundings and spreads like rings in the water..."



We care about sustainability...

In fact, we have done just that for almost a whole century!

This narrative has been core in the company's since establishment and the knowledge about working actively with corporate responsibility has increased dramatically in the past few years.

Some years ago Guldager became a signatory of the **UN Global Compact** and started working actively with the defined **Sustainable Development Goals (SDG)** as we're strongly committed to reducing the direct environmental impact of Guldager's operation (which can be considered enablers to create an even larger reduction in environmental footprint at our customers sites).

The Sustainable Development Goals comprehends a framework of 17 goals and 169 targets to mitigate the world's most urgent social, economic, and environmental challenges up to 2030.



Delivering our intelligent water treatment solutions over the years have enabled our customers to reduce their environmental footprint substantially by prolonging the lifetime of their equipment and reduce their consumption of energy and water. But Guldager's delivery of services and products inevitable have an impact on both climate and the environment through consumption of energy, water, transportation, and waste.

Working with SDG's has created a tangible awareness in our work with corporate responsibility work and made our efforts both measurable and visible.

Our strategy on corporate responsibility is centered around a number of SDG's which are currently Guldager's main focus areas and has the most significance for Guldager, the community, and our stakeholders.

Below we've listed the targets with a description based on the UNGC taxonomy and the specific contribution that the Guldager Group provides. Targets are not listed in order of priority as each are considered equally important.

SDG target	Description of target	Contribution
 7.3	By 2030, double the global rate of improvement in energy efficiency.	Our ambition is to become an energy neutral company. We're in the process of developing tools to monitor and register energy, water and carbon emission savings of customers through deliveries of Guldager and the total (plus Guldager's consumption) should equal zero.
 12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.	We want to recycle as much of our waste as possible. Two years ago, we implemented waste sorting in Guldager's Danish HQ and through the sorting scheme we aim establish KPIs to monitor our waste production.
 6.4	By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	Our ambition is to reduce our customers' overall water consumption. To reach this goal we're in the process of developing a tool to monitor and register water consumption of customers and reductions through deliveries of Guldager.
 8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	The health and safety of our employees is key to the Guldager Group, and we want to protect labour rights in a safe working environment.
 5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	We aim at increasing the share of women in the board of directors and management, when possibilities arise through natural exchange of personnel.

As mentioned above the improvement in **energy efficiency (target 7.3)** is considered a key target for the Guldager Group as our customers experience significant energy savings through our products and services. Going forward we plan to measure our key supplier's environmental energy footprints (to obtain a full picture of our climate impact) and demand improvements over time.

Waste production continues to be one of the largest direct impacts of our operations which is why **SDG 12.5 is another key target.**

We've initiated an ambition to **sort and reuse as much waste as possible** and the initiative was initially an investment for the Group but was deemed necessary to reduce our environmental footprint through recycling and reuse.

The increase of **water use efficiency (target 6.4)** is obvious in this context as it relates to the core business of Guldager: Improving water quality, minimizing water consumption, and enabling water recycling.

SDG's 8.8 and 5.5 originates from the history of Guldager as a company, who always recognized the importance of employee wellbeing as a key to being successful. And we view both health issues, work safety and gender equality as key factors in maintaining and developing a successful organization in the future.



ENVIRONMENT



In general, the environmental footprint of the Guldager Group in 2024 has been impacted by a significant growth in activity level. When evaluating the key environmental metrics of the company it must be recognized that the company has experienced a growth in turnover of 33% compared to 2023.

In 2024 the Guldager Group can present a total direct emission of carbon (scope 1 & 2) of 446 tons. This figure represents an increase of 13% compared to 2023. With a growth in economic activity of 33% the emission increase is lower than expected. One known factor in this development is the increase in vehicles using electricity as a fuel source, where we have recorded an increase of over 70% in electricity usage for fuel purposes. Our future expectations are to support this development further, but with the restriction that some vehicles running with heavy loads of tools still cannot be competitive going all electric, due to low range causing excessive downtime when charging the vehicle.

Looking at scope 3 emissions we have also seen an increase of 13%, which we find very satisfactory considering the heavy growth in activity into account. In 2025 we plan to test a software solution, which accurately calculates the total scope 3 emissions of the Guldager Group based on financial figures and empirical industry characteristics.



Water consumption saw a significant increase of 286% in 2024 compared to the previous year. This rise is primarily attributed to the acquisition of Vision Watercare. The company specializes in supplying water purification filters to the catering industry. Unlike its competitors, Vision Watercare collects used filters and reprocesses them through a regeneration cycle. Although this regeneration process consumes water, it offers a more sustainable alternative to the market standard. Competing one-way filters are typically discarded as non-recyclable waste, whereas Vision Watercare's approach significantly reduces environmental impact by enabling filter reuse and minimizing landfill waste.

In Guldager Denmark we monitor waste generation and report this as a key metric in this report. In 2024 the total waste output of Guldager in Denmark was above 25 tons, which corresponds to 73% more waste than in 2023. A part of the increase can be explained by Guldager closing a Danish site, which resulted in a lot of obsolete products being discharged as waste. When removing this one-off occurrence from the waste total the increase of waste drops to 25%, which reflects the increase in the general activity level of Guldager well. For 2024 we are pleased to report that the recycled fraction of waste returned to 56% in 2024 after dropping to 34% in 2023. This development originates from Waste sorting being improved in the second warehouse in Denmark.

In the table below we have listed several environmental risks and opportunities which our company is facing. Some of the risk and opportunity assessments have been made so far in the future, that have been in our ESG report since the first edition, but we have reassessed the list to include new items. The risk and opportunities have been categorized in accordance with the recommendation of the TCFD framework (Task Force on Climate related Financial Disclosures).

In the table below we have listed a number of environmental risk and opportunities, which our company is facing. The list includes long term evaluations performed, when issuing the 2020 sustainability report, but has been updated with recent developments affecting the Guldager business environment. The risk and opportunities have been categorized in accordance with recommendation of the TCFD framework (Task Force on Climate related Financial Disclosures).



Type of risk	Sub-category	Description of risk	Materiality level	Time horizon	Describe current mitigation activities
Transitional	Technology	A potential scenario where energy costs will decrease because of decreasing solar energy cost following Moores Law of exponential drop in prices of electronics. Low cost of energy result in low incentive to invest in energy efficiency	Low	Long	Short term we do not register this scenario playing out. Long term Guldager should diversify their product range to become less sensitive to energy cost being the driver of the business.
Increased demand for desalination equipment	Policy and legal	Abandonment of fossil fuel = Guldager A/S does not currently have the product portfolio to support this development.	Low	Medium-Long	Monitoring technology development and adapting products to the new market situation. Influencing the technology choice of the market.
Increased demand for desalination equipment	Products / services	Global increase in sea level will result in increased salt level in ground water close to Danish shores.	Low	Long	Product development and marketing



Opportunity

Type of opportunity	Sub-category	Description of opportunity	Materiality level	Time horizon	Describe current mitigation activities
Increased demand for energy efficient equipment	Products/ services	Increase in energy / CO2 taxes = Incentive to invest in energy efficiency	High	Short	Product development and marketing. Energy reducing focus in project phase of cases.
Increased demand for environmentally friendly technology	Product / services	Increase in legislative demand for best available technology in achieving low environmental impact.	High	Short	Product development. Product documentation on cradle to grave impact.
Increased demand for CO2 emission documentation of sold goods.	Product	Increase demand / requirement from marked to supply documentation of CO2 footprint of goods.	High	Short	Product documentation.
documentation of sold goods.		documentation of CO2 footprint of goods.			Increase documentation demand on suppliers and partners.

Guldager aspires to be a place of work where employees can both thrive and undergo personal development. We aim to achieve this ambition by fostering a supportive and non-judgmental environment. We strive to create the conditions that enable individuals to thrive and grow both personally and professionally.

Founded nearly 80 years ago, Guldager has over many decades established a comprehensive set of policies governing the working conditions of our employees. These include guidelines on general employment terms, vacation, illness, smoking, alcohol, retirement, senior workforce support, pregnancy, IT usage, data privacy and whistleblowing. All policies are regularly reviewed and updated, with the most recent versions made electronically accessible to all employees.

In our previous 2023 report we recorded a massive increase in the LTI rate compared to 2022, where we logged zero lost work time due to injuries. This outcome was, of course, highly disappointing and does not align with Guldager's overarching commitment to providing a workplace, where employees can perform their duties without risk of injury or illness. The subsequent analysis of incident causes did not reveal patterns between the injury situations; Still using the safety gear available has been inculcated, because we will not accept injuries due to non-use of the protective measures already provided, which resulted in one injury in 2023.

The LTI rate in 2024 decreased to 3,3 from a record high of 7,7 in 2023. The rate figure consists of two injuries; One caused by poor access conditions at the customer site, which also happened once in 2023. How to address these conditions will be discussed to avoid future injuries in hard access locations. The second incident was not caused by an acute accident, but it happened due to long term muscle overload.

Switching our view from work safety to another aspect of employee wellbeing, we filed a rate of sickness leave of 3,7% in 2024. **This constitutes a return to the level of 2022** after experiencing a high percentage of 4,8% in 2023. The high level in the 2023 report had origin in the long-term sickness of only two employees, which revealed on overall sickness absence of 2,3%, when cleared of this fact. In 2024 we have two long-term absentees, which unveils an underlying overall percentage of 2,7% for the rest of the staff. The long-term sickness of an employee is handled by the direct supervisor of the person in question.

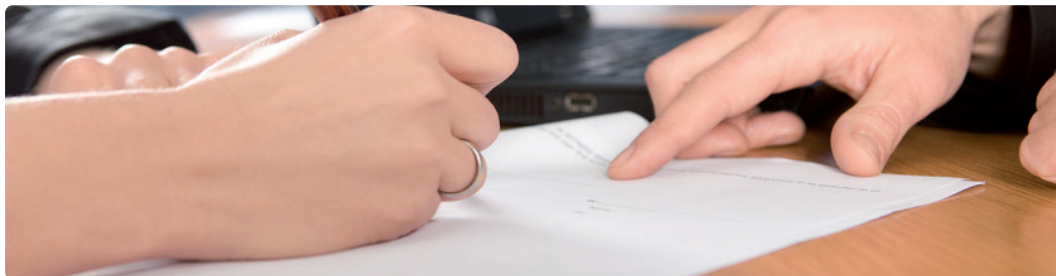


Since the beginning of the decade Guldager has paid a lot of attention to the employee turnover trying to make Guldager a place of employment, where employees want to stay working. We are pleased to observe the rate of employee turnover in **2024 dropped to an all-time low of 12%**. Since 2020 the rate has dropped every year from 38% to 12% today.

In the Guldager Group we intend to uphold a work environment, where we express zero tolerance of discrimination of gender, faith, color, age, nationality, sexual orientation, disability or political views. In 2024 we founded a task force comprising a diverse range of employee roles and functions. Through establishing culture and standard of the “Guldager” way of operating, this group aims to further reinforce Guldager’s position as an attractive workplace.

For years it has been the objective of Guldager to increase the gender diversity of the company. The reporting year of **2024 showed a slight increase of 1 base point to 20% women**. Over a 5-year period we can proudly report an increase from 15% to 20%. This development is fully meeting our expectations since Guldager employs a high percentage of craftsmen, which complicate achieving gender diversity, because only 0,5% of the craftsmen union members are women. This fact is emphasized when looking to the gender diversity of the craftsmen in Guldager, where the percentage of women are close to zero.

GOVERNANCE



The Guldager Group is committed to conducting its business in a manner that ensures no adverse impact on human rights. We fully support and respect internationally recognized human rights as outlined in the United Nations Universal Declaration of Human Rights. Guldager strictly prohibits child labour, forced labour, and all forms of human trafficking.

We have adopted a zero-tolerance policy across a wide range of critical areas, including — but not limited to — human rights violations, racial and gender discrimination, physical and sexual abuse, bribery and corruption, environmental harm, and threats to health and safety.

As a demonstration of our ethical commitment, the Guldager Group introduced a whistleblower scheme in 2021 — ahead of legal requirements. This system provides employees with a confidential and anonymous channel to report violations in any of the areas mentioned above.

In 2023, Guldager received one report through its whistleblower scheme. The report was submitted by a third party — a customer — and therefore fell outside the formal scope of the scheme, which is primarily intended for internal stakeholders.

Nonetheless, Guldager chose to handle the matter transparently and in good faith. The case was referred to an independent external legal firm, which conducted a confidential review. Guldager responded formally through the legal channels, and the review concluded with no further action or comments required.

It is worth noting that the same customer also initiated legal proceedings against Guldager. The matter proceeded to court, where Guldager successfully defended its position and was fully vindicated by the ruling.

This outcome reaffirms our commitment to acting with integrity and upholding high governance standards, even when challenged externally. As in the previous reports **the gender diversity of our Board of Directors remained unchanged at a 20% level.** We still maintain a goal of reaching 40%, but with low degree of replacement in the board, opportunities to increase the number of female board members are rarely occurring.

The sustainability key metrics

of Guldager includes the direct GHG emissions of the operation of the Guldager Group in all countries except our German organization. We aimed to include the figures from the German organization in the 2024 report, but due to low digitalization of the German subsidiary this goal was not achieved. In 2024 the turnover of our activities in Germany constituted 8% of the total revenue of the Guldager Group.

The key metric Board Meeting Attendance has been removed from the list of monitored values given that the attendance within 5 years of monitoring has been 97% or higher. With no variation in the value, we concluded the value as being of low interest, when considering the overall purpose of this report.

In the 2024 we have included the direct GHG emissions of both VAI Service in Sweden and Vision Watercare in Denmark. Both companies joined the Guldager Group in 2024.

	2020	2021	2022	2023	2024
Scope 1 emissions (ton CO2 e)	314	269	267	339	392
Scope 2 market-based emissions (ton CO2 e)	30	25	45	55	54
Scope 2 location-based emissions (ton CO2 e)	11	9	16		17
Scope 3 emissions (ton CO2 e)	-	-	52	46	52
Total emissions (ton CO2 e)	344	294	335	404	462
Water consumption (m3)	1.518	1.203	1.480	1.245	3.567
Waste Denmark, all fractions (kg)	-	8.520 *	13.233	14.966	25.889
Overall gender diversity (%)	15	18	16	19	20
Board gender diversity (%)	16	16	16	16	25
Management gender diversity (%)	0	0	0	0	0
Employee turnover (%)	38	32	29	15	12
Lost Time Injury Rate (Injuries per 200.000 work hours)	0,0	1,9	0,0	7,7	3,3
Sickness Absence (%)	2,0	4,0	3,6	4,8	3,7

* Waste April to December 2021