
# SUSTAINABILITY REPORT

2023

QUPAQ

QUALITY QUANTIFIED

INTRODUCTION

# CEO Letter

Dear Stakeholders,

I am proud to present QUPAQ's ESG report for the fiscal year 2023. This report provides insight into our initiatives, results, and progress in environmental, social, and governance areas. Our commitment to sustainability is part of our company's values and vision, and we strive to improve our practices and create a positive impact on society and the environment.

In 2023, we continued to integrate sustainability into various aspects of our business. We conducted a double materiality assessment to identify the most material ESG areas for QUPAQ and our stakeholders. This process has helped us focus our efforts on the areas where we can make the most significant difference.

Our ESG strategy is built on three main pillars: environment, social responsibility, and good governance. We aim to set ambitious goals to reduce our CO2 emissions, improve working conditions for our employees, and strengthen our governance structure. We have established a range of KPIs to systematically monitor our progress and ensure we achieve our goals.

One of our key focus areas is reducing our environmental footprint. We will adopt specific reduction targets for our scope 1 and 2 emissions and work on calculating our scope 3 emissions to get a complete picture of our overall environmental impact. We are also dedicated to improving our resource consumption and reducing waste in our production.

In the social area, we are working to create an inclusive and diverse workplace where all employees feel valued and respected. We believe that diversity is a strength that fosters innovation and creativity, and we are committed to creating a work environment where different perspectives and ideas can flourish.

Good governance is crucial to our success, and we have established strong governance structures to ensure we meet our ESG commitments. Our leadership team is responsible for promoting necessary actions and initiatives for sustainability, and we have set up an ambassador group to ensure employee involvement across the organization.

We recognize that external expectations for sustainability will continue to evolve, and we are committed to continuously improving our ESG performance and reporting practices. We will continue to communicate our progress and results to our stakeholders and work closely with them to create a more sustainable future.

Thank you for your support and commitment to our sustainability journey.

Sincerely,
Christian Bols


## About This Report

This ESG report (Environmental, Social, and Governance) provides an overview and understanding of our initiatives, results, and progress in sustainability for the fiscal year 2023.

The report is prepared in accordance with relevant ESG reporting standards, including the Danish Financial Statements Act §99a and the UN Sustainable Development Goals (SDGs), reflecting our commitment to transparency and accountability in managing the environmental, social, and governance issues most relevant to our business and stakeholders.

The data and information in this report cover the period from 01-01-2023 to 31-12-2023, unless otherwise stated. The report includes both qualitative and quantitative information to provide a comprehensive understanding of our ESG impacts and how we manage them.

All reported data is internally validated. In preparing this report, we have involved stakeholders to ensure it reflects the issues most relevant to our operations and the communities we operate in, as we are committed to continuously improving our ESG performance and reporting practices.

## The History of **QUPAQ**

| | |
|---|---|
| Carsoe A/S was founded by Carsten Trudslev and Søren Ibsen | **1993** |
| Intech International A/S was founded by Leif Andersen | **1999** |
| Carsoe A/S initiated the development and production of denesters | **2005** |
| Intech International A/S moved to a new factory in Brønderslev | **2006** |
| Carsoe A/S launches the ANYTRAY denester | **2007** |
| Intech International A/S began the development of INTRAY | **2012** |
| Intech International A/S obtained their first Intray patent. Now the group holds 10 patents | **2013** |
| Intech International A/S commenced the production of INTRAY | **2013** |
| Intech International A/S expanded the company in Brønderslev with 3500 square meters | **2017** |
| Solix acquired Carsoe A/S | **2018** |
| Intech International A/S acquired Damgaard Automatik A/S | **2019** |
| Solix acquired Intech International A/S and consolidated tray dispensing from both companies into one integrated company | **2021** |
| The production of ANYTRAY is relocated in Brønderslev | **2022** |
| The new consolidated company was named **QUPAQ** | **2022** |
| QUPAQ sets the world record in denesting trays with a total of 1,094 denested trays in 60 seconds | **2023** |

22.39%

Female employees

77.61%

Male employees

79

Number of employees

226.97

tCO2e

Total GHG emissions across scope 1 and 2

2.19

Total recordable injury rate

Injuries per 200,000 work hours

8.75

Near-miss frequency rate

Injuries per 200,000 work hours

INTRODUCTION

# QUPAQ at a Glance

QUPAQ is the world's leading company in the development, design, and manufacturing of reliable and hygienic products for automating the packaging process in food production.

Innovation is in our DNA, which is reflected in our broad product range consisting of the following innovative technologies:

**INTRAY** - the global leader in electric tray denesting,
**ANYTRAY** - the global leader in pneumatic tray denesting.

We take immense pride in being pioneers in both technologies and the quality they deliver. We always strive to innovate and optimize them, maintaining our position as the world's leading company in this market.

For us, quality is the essence of what QUPAQ represent. This applies not only to the products we deliver but also the collaborations and relationships we establish with customers, partners, and employees.

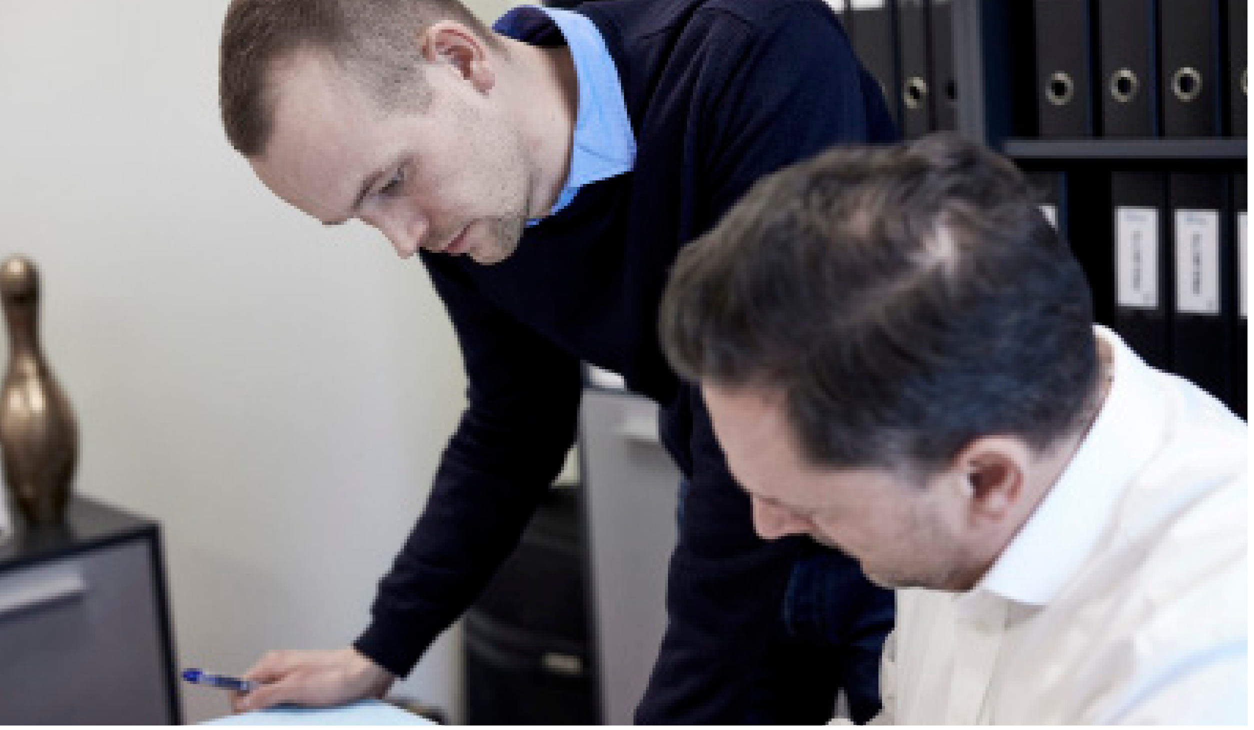
We firmly believe that diversity among our employees is a strength, and we are committed to creating an inclusive workplace where diverse perspectives, genders, backgrounds, experiences, and ideas come together to foster a dynamic and innovative environment.

We believe that a trusting relationship built on honesty and respect is crucial for both our customers' and our own success.

Our quality commitment and mission revolve around delivering reliable, hygienic, and efficient solutions for tray denesting and tray handling, enabling our customers to replace costly manual labor with automated solutions.

For our customers, this means they can rely on us, as our reliable, market-leading technologies and expertise guarantee a safe, simple, and profitable product solution.





## QUPAQ's **Business**

QUPAQ is a market leader in food denesting. Our business model is centered around innovation, customer collaboration, and global presence, enabling us to deliver high-quality and innovative solutions to the food industry.

We invest significantly in development to create advanced solutions that meet our customers' needs. This includes both hardware and software integrated into food production lines to automate and improve packaging processes. We work closely with our customers to understand their specific requirements and deliver tailored solutions that contribute to their success.

Our strong international presence and export of products contribute to the company's growth and strengthen our position in the global market. We have a well-organized supply chain that ensures timely and high-quality delivery of raw materials and components, enabling efficient production and delivery of finished products to our customers.

We aim to integrate sustainable processes into our business model by building on our core principles of innovation, customer collaboration, and global presence. This includes responsible sourcing, reducing environmental impact, and ensuring good working conditions throughout our supply chain. By doing so, we strive to create a more sustainable and responsible company that delivers value to both our customers and society.

ESG AMBITIONS

## Our ESG **Strategy**

In 2023, we continued to work on our ESG strategy to improve our environmental, social, and governance performance. QUPAQ has a clear ambition to develop a qualitative strategy that meets the quality requirements of both top management and other stakeholders. This is ensured through collaboration with external consultants whose expertise forms the basis of our strategy and objectives. Our approach to our ESG strategy and future work is illustrated in the green box below.

The expectation is that we will update our baseline year for climate accounting in scope 1 and 2 in 2025, which will form the basis for monitoring future emissions. This will enable us to adopt specific reduction targets for scope 1 and 2 emissions. We will also calculate our scope 3 emissions to get a complete picture of our overall environmental impact. Additionally, we will prepare for upcoming requirements for Science Based Targets.

Furthermore, we will focus on governance principles and ensure good governance at all levels of the company. Our key areas include reducing CO2 footprint, strengthening the supply chain, and improving working conditions for both employees and partners.

Communication of our ESG strategy, both internally and externally, is crucial to creating awareness and engagement among our stakeholders. This will include the publication of annual ESG reports, participation in ESG initiatives, and collaboration with stakeholders to strengthen our ESG performance.

We will regularly measure and report our progress towards our ESG goals and success criteria. This will include periodic monitoring of ESG performance, comparison with other companies, and publication of updated ESG reports to document our progress and ensure increased transparency.

### Ambitions

- Monitor and prepare for customers' requirements and their ESG strategies continuously.
- Monitor requirements imposed on similar industries to respond to the same demands.
- Calculate CO2 baseline in scope 1 and 2 and monitor emissions thereafter.
- Adopt reduction targets for scope 1 and 2 emissions.
- Calculate scope 3 emissions.
- Create a detailed roadmap for future ESG work.
- Measure waste in production and find improvement measures.
- To ensure a systematic approach to our ESG work, we will develop a roadmap in 2024 that describes the necessary actions to reduce our environmental footprint.

ESG AMBITIONS

# Double Materiality **Assesment**

In 2023, we began a process to formalize our sustainability activities in line with applicable regulations and quality requirements. The first step in this process was to conduct a double materiality assessment based on the ESRS standards, enabling us to identify the most significant areas of sustainability.

QUPAQ's ESG ambassador group evaluated all relevant aspects of the company and value chain, identifying a range of issues within ESG. Each issue was then prioritized based on its severity and importance to key stakeholders and QUPAQ, as illustrated in the figure below.

The key stakeholders considered were customers, employees, and the public. It should be noted that the assessment of their priorities was provided by the ambassador group and not by the stakeholders directly, based on input received through dialogues, for example, with employees and owners. The ambassador group considered the issues' impacts on the environment, people, and society.

Through our work with the double materiality assessment, we have been able to identify and understand where our company has the greatest impact on society and the environment. This process has been crucial in selecting the SDGs most relevant to us.

| | Not Material | Material | Very Material | Critical |
|---|---|---|---|---|
| Critical | | | | (E) Resource inflows incl. use |
| Very Material | (G) ESG governance<br>(E)(S)(G) Reputation & competitve advantage | (S) Internal social policy | (G) Anti-bribery & anti-corruption<br>(S)(G) Training & education | (S) Product safety |
| Material | | | (E) Energy & emissions<br>(E) Circularity & lifetime<br>(S)(G) Supplier management | (S)(G) Company culture<br>(S) Diversity, equity, & inclusion<br>(G) Whistleblower |
| Not Material | | (E) Waste management | | |

(E) Environmental (S) Social (G) Governance

## The Framework that We Use

The United Nations' 17 Sustainable Development Goals (SDGs) constitute a global agenda to address the most pressing challenges the world faces, including poverty, inequality, climate change, and environmental degradation. At QUPAQ, we are committed to contributing to this agenda by focusing on the SDGs where we can make the most significant positive difference.

ESG AMBITIONS

# Selection of **SDGs**

In 2023, we conducted a double materiality assessment based on the standards to identify the areas where our company has the greatest impact on society and the environment. Based on this analysis, we have selected the SDGs most relevant to QUPAQ. Our selection process involved a thorough assessment of our impact and potential for positive change, resulting in a focus on the following four SDGs:


### Decent Work and Economic Growth

We strive to create a good working environment for all our employees, which is crucial for achieving economic growth. We promote entrepreneurship, creativity, and innovation through development-oriented policies, product development, knowledge sharing, and collaboration with educational institutions.


### Reduced Inequality

Equal opportunities are essential for our employees to thrive and perform their best. By embracing inclusion and equality, we create a work environment and company culture that retains and attracts qualified employees.


### Responsible Consumption and Production

Our responsibility begins in the design phase of our products. We work to minimize our environmental impact through sustainable production practices and promote responsible consumption by developing resource-efficient products. We reduce waste, promote recycling, and encourage conscious consumption.


### Climate Action

We take climate change seriously and work purposefully to reduce our environmental footprint. We implement innovative methods and support initiatives that combat climate change.

# Our Work with ESG

As a result of conducting a double materiality assessment in 2023 and selecting the SDGs most relevant to our company, we have established KPIs to systematically monitor our efforts and results in each of the selected areas, ensuring we can measure our progress and adjust our strategies as needed. This way, we can work purposefully towards making a concrete and lasting difference. We will continue to work on finding specific targets for each of our KPIs and develop them further if needed.

## Decent Work and Economic Growth

**Goal: Continuously improve health and safety by reducing work-related accidents to one and achieving a well-being score above the industry average.**

- NMIR and reduction of time for problem resolution.
- TRIR (Total recordable incident rate).
- GAIS score.

## Equality and Diversity

**Goal: Accommodate workforce diversity and reduce gender diversity.**

- Minimum time allocated for students (hours).
- Hiring of trainees (numbers).
- Percentage of the same gender in the workforce.

## Product Lifecycle

**Goal: All new products and new deliveries from existing product catalogue, must have specified disassembly instructions in the product documentation by 2024.**

- Percentage of the total number of products.
- Percentage of recycled raw materials used in products.
- Percentage of product components that are recyclable.

## Collaboration and Resource Consumption

**Goal: Establish a Scope 3 baseline and subsequent reduction roadmap by 2025. Once the baseline is established, specific targets can be developed.**

## Climate Action (Scope 1 & 2)

**Goal: Reduce scope 1 & 2 emissions to follow SBTi. Commitment to be validated in 2025.**

- Total scope 1 & 2 emissions (tons $CO_2e$).
- Total energy consumption (Mwh).
- Share of electricity consumption covered by guarantees of origins or green certificates by 2025.

## Resource Consumption and Emissions

**Goal: Calculate and map our resource consumption from packaging materials by 2025.**

- Kg wood.
- Kg plastic.
- Kg cardboard.

We are dedicated to achieving these goals through sustained commitment from all levels of the organization. Our initiatives to reduce energy consumption and resource emissions are part of our commitment to creating a more sustainable future for both our company and the planet.

# ESG Governance

## MANAGEMENT GROUP

- C-level.
- Overall ownership and responsibility.
- Responsible for ESG strategy.

## HEAD OF ESG

- Coordination of initiatives.
- Follow-up on progress to MG.
- Preparation of reporting.

## ESG AMBASSADOR GROUP

- Employee involvement across departments.
- Ensure anchoring throughout the organization.

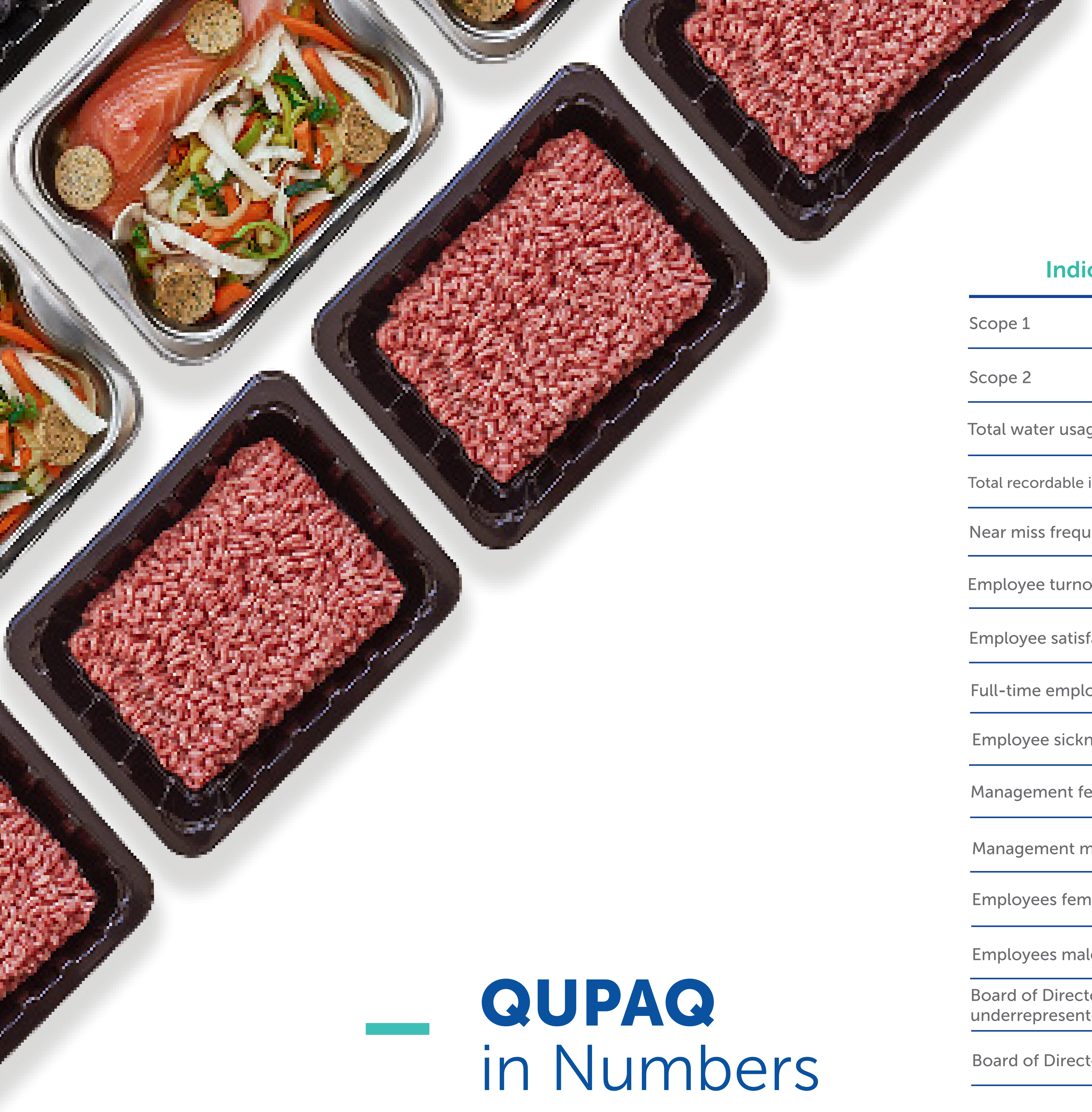
ESG at QUPAQ is anchored by the board and the top management body. Owner-ship and responsi-bility for promoting necessary actions and initiatives for sustain-ability are distributed among the executive management team. The management aims to establish a strong ESG strategy that focuses on addressing ESG risks and opportunities while creating business value.

The coordination of the various sustainability initiatives is carried out by the "Head of ESG." This position is placed under Finance, which is responsible for the com-pany's ESG reporting. The role's purpose is to collect data across the different departments in the organization and follow up on the progress of initiated proj-ects.

To ensure the anchoring of ESG throughout the organization, an ambassador group has been es-tablished. This group consists of representatives from the management group, Head of ESG, the Work and Environment group, and other employees. The purpose is to ensure employee involve-ment, as our employees are the most important resource for input on how we can make QUPAQ more sustainable.

The management has an ambition to report regularly on its ESG performance and will therefore establish an ESG reporting framework to ensure that the reporting is comprehensive and relevant to stakeholders. The reporting should include an overview of the company's ESG strategy and goals, a description of the ESG risks and opportunities identified by the company, and a description of the compa-ny's performance in various ESG areas, including environment, social justice, and governance.

External expectations for sustainability will continue to evolve, and although we are making pro-gress with our efforts, we are aware that our priorities will change, and our goals and reporting will develop over time.



# QUPAQ in Numbers

| Indicator | Unit | 2023 | 2022 |
|---|---|---|---|
| Scope 1 | Tons CO2e | 84,96 | No data to report on |
| Scope 2 | Tons CO2e | 142,01 | No data to report on |
| Total water usage | m3 | 432.69 | 504.68 |
| Total recordable incident rate (TRIR) | Per 200.000 WH | 2.19 | No data to report on |
| Near miss frequency rate (NMFR) | Per 200.000 WH | 8.75 | No data to report on |
| Employee turnover rate | % | 24.11 | 10.75 |
| Employee satisfaction survey | GAIS | No data to report on | No data to report on |
| Full-time employees (FTEs) | Number of employees | 79 | 87 |
| Employee sickness absence | Days | 447,28 | 642,61 |
| Management females | Per cent | 33,33 | 0 |
| Management males | Per cent | 66,66 | 100 |
| Employees females | Per cent | 22,39 | 18,89 |
| Employees males | Per cent | 77,61 | 81,11 |
| Board of Directors underrepresented gender | Per cent | 60 | 50 |
| Board of Directors males | Per cent | 40 | 50 |

QUPAQ

QUALITY QUANTIFIED

**QUPAQ**
Erhvervsparken 16
DK-9700 Broenderslev

P. +45 96 46 76 00
F. +45 96 46 76 01

qupaq@qupaq.com
qupaq.com