

Sustainability Results

ESG Report

2024/25





About the Report

The report is prepared internally at BSM A/S (hereinafter BSM), CVR no. 10484448.

BSM is responsible for the content and structure of the report, including ensuring compliance with the applicable Danish and European legislation on ESG reporting (Environmental, Social & Governance).

The report has not been verified by an independent third party. We have endeavored to make the content as accurate as possible, but cannot guarantee full accuracy or completeness of the data used.

The content is defined and organized according to our double material ESG topics, which have been identified through a double materiality analysis.

The reporting is based on the best available data for the accounting year from May 1, 2024, to April 30, 2025. Unless otherwise stated, the primary key figures and statistical information come from our internal business systems.

Methods, data collection, focus areas, and report structure are continuously developed and improved, and this process will continue in the coming years.

For further information or questions regarding BSM's sustainability report, you are welcome to contact us via email at josefine@bsm.dk.

For more information about BSM and sustainability, please visit our website.

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Introduction

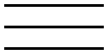
Foreword by the Director

We are BSM

Key Figures 2024/25

Our Business Model





Dear Stakeholders,

It is with great pleasure that we present this year's ESG report. At BSM, we are driven by the ambition to combine responsibility, growth, and innovation. Our goal is to evolve as a company in a way that benefits our customers, employees, and other stakeholders – while also contributing positively to the world we are part of.

The past year has been marked by a strong focus on consolidating and further developing the investments we initiated last year.

Our new ERP system is now fully integrated into the organization, providing us with a solid and future-proof data infrastructure. This system not only enhances our internal efficiency but also enables us to deliver the level of transparency and verifiable results expected by customers, partners, and authorities.

One of the most significant advancements this year has been the implementation of CO₂e traceability through our collaboration with Quantified Impacts. We can now measure and document our climate footprint in much greater detail, which allows us to provide our customers with precise and reliable product-level data. Many of our customers specifically request this insight for reporting, certifications, and life cycle assessments (LCAs), and we see it as a key responsibility to meet their needs.

Our efforts are based on international standards, including ISO 9001 and ISO 14001, which support our ongoing focus on quality and environmental responsibility.

That is why we continue to develop, upskill, and attract talent to ensure we have the capabilities required to drive the growth and innovation we aim for. We believe that growth and responsibility go hand in hand through an organization shaped by professionalism and social inclusion.

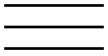
Our ambition is clear: We aim to build a company capable of delivering on economic, social, and environmental parameters alike. This requires us to stay curious, listen to our customers and partners, and continuously adapt to new demands and opportunities.

This year's financial result reflects the significant investments we have made to strengthen our business foundation and long-term competitiveness. These are long-term initiatives that are already beginning to show positive effects – but naturally take time to be fully realized. We are building on a history where strategic investments have been the driving force behind our development – and we are now ready to take the next step toward an even stronger position. It is a conscious and necessary decision to ensure we can scale our business and continue to deliver positive results over time.

The steps we have taken this financial year therefore represent more than internal improvements – they embody our ambition to be a company in constant development, combining growth with responsibility and innovation. We are confident that this combination will ensure BSM remains a strong and competitive player – now and in the future.



Steen Sørensen
Owner and Director at BSM A/S



We are BSM

Vision

Our vision is to set the standard for metal processing in Denmark – as an attractive workplace and as the preferred partner for both subcontracting and total solutions within metal and steel products.

Organization

We have a flat organizational structure, where there is a short path from idea to action. This allows for quick decisions and enables us to respond effectively to projects for our customers. The department heads act as a link between the organization and production and ensure that decisions are quickly implemented in practice.

BSM DNA

We unite integrity, responsibility, and a solution-oriented approach in everything we do. We meet challenges with a focus on solutions and see opportunities rather than limitations. We keep up with the times through development and investments in people, technology, and compliance. We create a flexible and dynamic workplace, where innovation and efficiency go hand in hand, and where everyone contributes to a strong and long-term future.

Vores værdier

Integrity



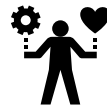
We create a workplace where well-being and balance between work and leisure are paramount.

Committed to quality



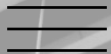
We act with integrity, keep our agreements, and respect each other.

Work-life-balance



We always strive for high quality in everything we do and seek continuous improvements.





Key Figures 2024/25



Gross Profit
29,7 mio kr.



Employees
51



Annual Growth
-3,4 %



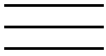
Earnings Before Tax
-1,1 mio. kr.



Board Members
3

*Owner & Chair of the Board
Steen Sørensen & Tina Hylleberg Sørensen*

*Board Members
Steen Sørensen
Tina Hylleberg Sørensen
Mikkel Hylleberg Sørensen*



Our Business Model

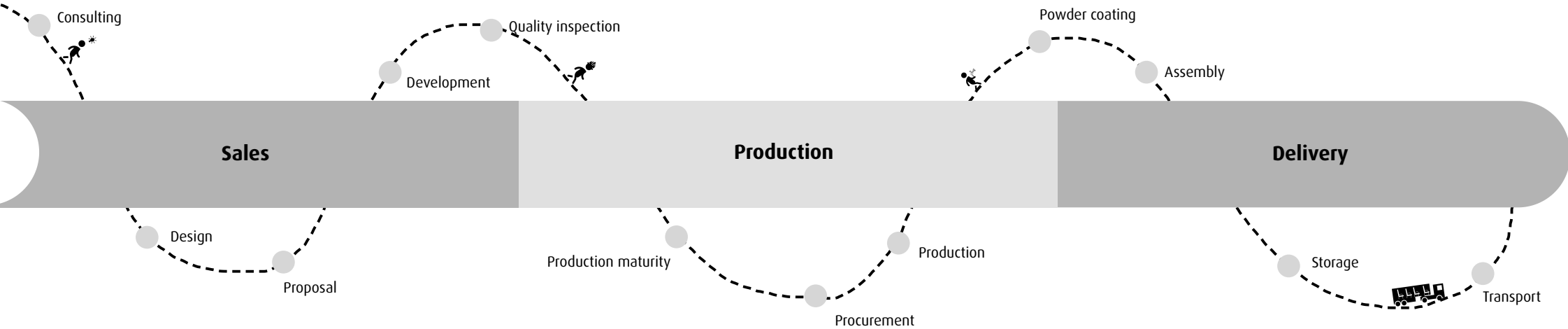
We offer a complete value chain, where we take responsibility for the entire process from consulting and design to production, assembly, and delivery. This means that our customers only need one partner – and can be assured that quality, schedule, and budget are adhered to.

We always start with a close dialogue and professional consulting, so together we find the best solutions. After that, we prepare designs and offers, which form the basis for a tailored project process. Our experienced team is responsible for development, purchasing, and quality assurance, and we ensure that the product is thoroughly tested and matured for production before we initiate it.

In our production, we combine technology, craftsmanship, and experience. We have our own powder coating, which provides flexibility and full control over finish and durability. After that, assembly follows, another quality check, and warehouse management, so we can deliver a solution that is ready for use. With our own logistics and transport, we ensure that the products arrive on time and in good condition.

Throughout the entire process, we work towards one goal: to create value for our customers. We combine precision, quality, and efficiency with a solution-oriented approach.

Our broad experience, strong supplier network, and dedicated employees enable us to deliver everything from unique special tasks to larger series solutions. We are more than a supplier – we are a partner who stands by your project from idea to reality.





2

Sustainability in BSM

A World in Change

Analysis as *basis* - Action as *goal*

Double Materiality Assessment



A World in Change

We move in step with development

Based on the EU's CSRD, we are developing our ESG practices and actively contributing to the UN's Sustainable Development Goals and the green transition.

The UN's 17 Sustainable Development Goals

The UN's 17 Sustainable Development Goals have created a global framework for action across nations, businesses, and civil society. The goals address planetary and social challenges that require action to ensure a sustainable future. The goals to which we are most likely to contribute meaningfully through our ESG work are highlighted in the respective ESG themes.

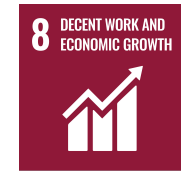
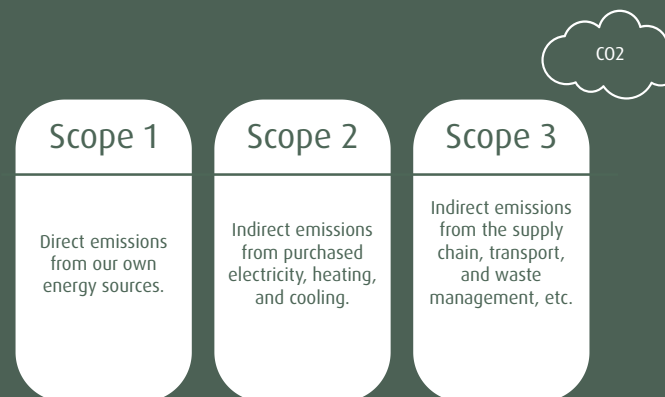
EU ESG Reporting

In the EU, ESG legislation under CSRD has come into effect, and we are already experiencing the impact in the value chain. CSRD expands, formalizes, and tightens the requirements for companies' reporting on non-financial matters, while ESRS standardizes ESG reporting in the EU under CSRD. We prepare voluntary CSR reporting to stay ahead of the requirements and expectations that are gradually placed on SMEs (small and medium-sized enterprises). This approach gives us a relevant and comparable picture of BSM, as CSRD serves as an operationalizable tool for business development with clearly formalized reporting data points that are relevant to our company.

The GHG Protocol

In connection with our climate accounting and reporting, we use the GHG Protocol, an international standard for measuring and reporting greenhouse gas emissions. The protocol uses CO₂e, or CO₂ equivalents, which convert greenhouse gases to a comparable basis. Our goal is to achieve a complete CO₂e account, which we are actively working towards.

In connection with our ESG report 2024/25, we have prepared our climate account using the Business Authority's tool, Climate Compass, which is based on the GHG Protocol. It is a complex process, and we continue to expand the data foundation in the coming years. With our new ERP system, we gain access to more precise primary data, allowing us to gradually build a more complete and accurate climate account.



Analysis as a *basis* - Action as a *goal*

In 2024, we conducted our first double materiality assessment with input primarily from internal stakeholders. Since then, the analysis has formed the basis for our sustainability strategy. This year, we have chosen to revise the analysis based on last year's results and adapt it with a particular focus on making it more concrete and useful as an active tool in day-to-day operations.

In this year's double materiality assessment, we decided to revisit last year's work and compare it with the concrete initiatives we have implemented over the past year. This approach has provided us with a more nuanced foundation to assess where we stand today and how we can use the analysis more actively moving forward. Therefore, we have chosen to compile and conclude the essence of the analysis into tangible focus areas. This allows us to create a common internal understanding across departments while providing external stakeholders with a clearer insight into our priorities and work. In this way, the DMA functions not only as a reporting tool but as a practical guideline that strengthens our sustainability strategy in everyday operations.

Collective Involvement – From BSM to the Outside World

In this year's double materiality assessment, we have taken a step further by involving more external stakeholders. Whereas last year's work primarily focused on internal ESG goals, we have now involved selected customers whose perspectives have given us valuable insight into what is perceived as most material in relation to us.

We have chosen this approach to initially work more focused while simultaneously developing the right methods and processes. In the longer term, our goal is to expand involvement to more and broader groups of external stakeholders within 3-5 years. By combining their input with our own analyses and experiences, we have created a solid foundation that has given us a more nuanced understanding of which ESG topics are most material – both from a business perspective and in relation to the needs and expectations of our stakeholders.

Our Future Focus Areas

The process began with clarifying and adjusting last year's points, where some were divided into smaller topics during the scoring phase to achieve a more nuanced evaluation. Subsequently, these topics were summarized into seven areas that we identified as double material.

To create greater clarity and managerial direction, the seven areas were then condensed into three overarching focus areas:



Responsible Operations and Resource Use



Confidence, Well-being and Development



A Transparent and Responsible Value Chain

These are the three areas that will be presented and form the basis for our work in the coming years.

BSM's Impact on People, Society, and the World

Emissions, pollution, resource consumption, and waste can contribute to climate change and impact, while working conditions can affect social circumstances and local environments.

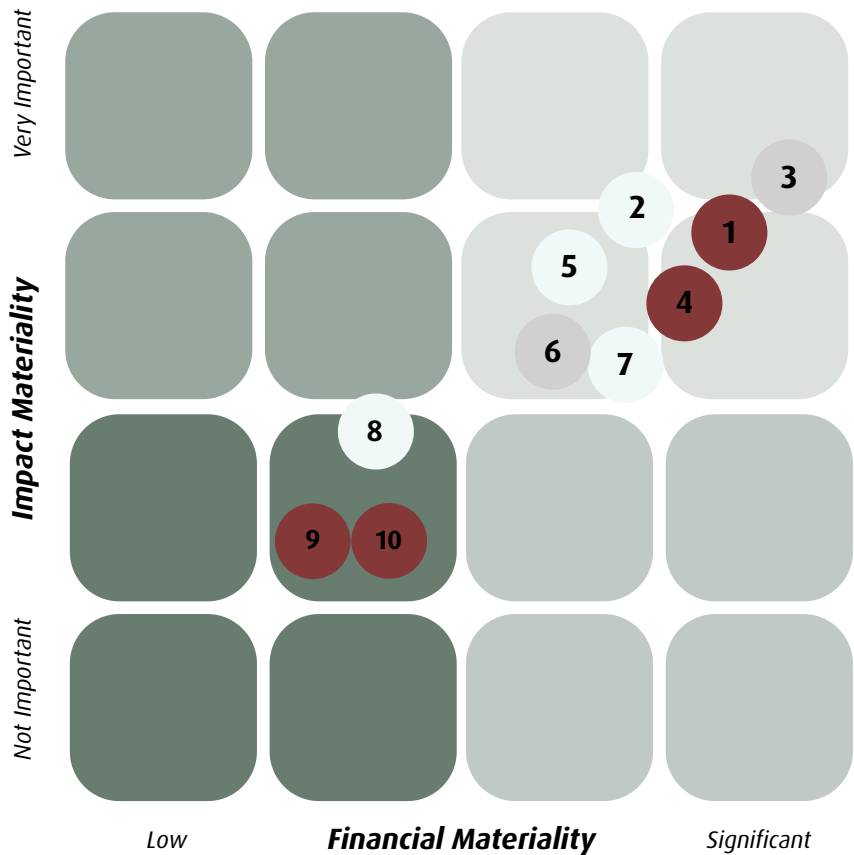


The Outside World's Impact on BSM

Legislation can influence market conditions, social movements can demand better working conditions, and more frequent extreme weather events can affect supply chains.

Double Materiality Assessment

In the illustration to the left, our double materiality matrix is shown, where all ESG topics are assessed based on both impact and financial materiality. To the right are the topics that are double material and that we will continue to work with in this report, as well as the topics that are not double material.



Double Material ESG Topics

Environmental

Responsible Operations & Resource Use

2 Climate Change

ESRS E1

We will reduce our impact on the climate by counteracting climate change and greenhouse gas emissions as well as optimizing energy use.

5 Resource Consumption

ESRS E5

We will optimize our resource utilization and efficiency, our resource inflow and outflow, as well as waste management.

7 Pollution

ESRS E2

We continue our responsible management of air pollution and problematic substances.

Social

Confidence, Well-being & Development

1 Safe and Healthy Work Environment

ESRS S1

We will continue to work for the safety, health, and professional development of our employees.

4 Attractive and Developing Workplace

ESRS S1

We will further develop even better and more inclusive working conditions and strengthen our employees' job security.

Governance

Transparent & Responsible Value Chain

3 Digitalization and Secure Data Sharing in the Value Chain

ESRS G1

We will continue to focus on digitalization and data sharing in the value chain to ensure transparency.

6 Responsible Supplier Management

ESRS G1

We will further develop our responsible supplier management and map opportunities for sourcing materials with a lower climate footprint.

Not Double Material ESG Topics

8 Transition to Circular Economy

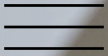
ESRS E5

9 Diversity

ESRS S1

10 Engagement in Local Communities

ESRS S3



3 Environmental Impact

Environmental Impact status

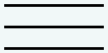
Our emissions

Energy and Air pollution

Combating Climate Change

Problematic substances

Waste and Resource consumption



Environmental Impact

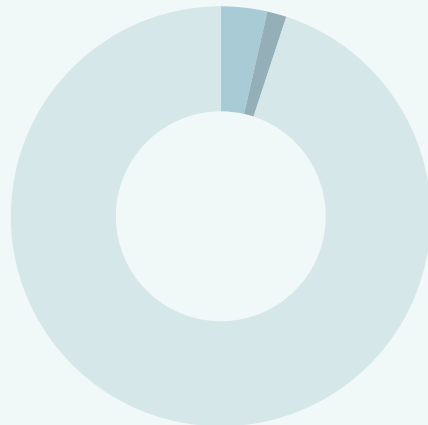
2024/25 Status

→ See more Environmental Data page 28

Total 4.567,05

tons Co₂e for BSM in 2024/25

Percentage distribution of Co₂e emissions distributed by scopes

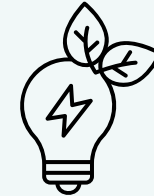


■ Scope 1 (3.56) ■ Scope 2 (1.49) ■ Scope 3 (94.94)



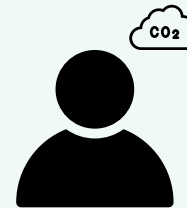
96,17%

Waste percentage for actual recycling



53,8%

Renewable energy trading for electricity in 2024/25*



89,55

Ton Co₂e per employee



38,4%

The share of gas production that is green gas in 2024/25**

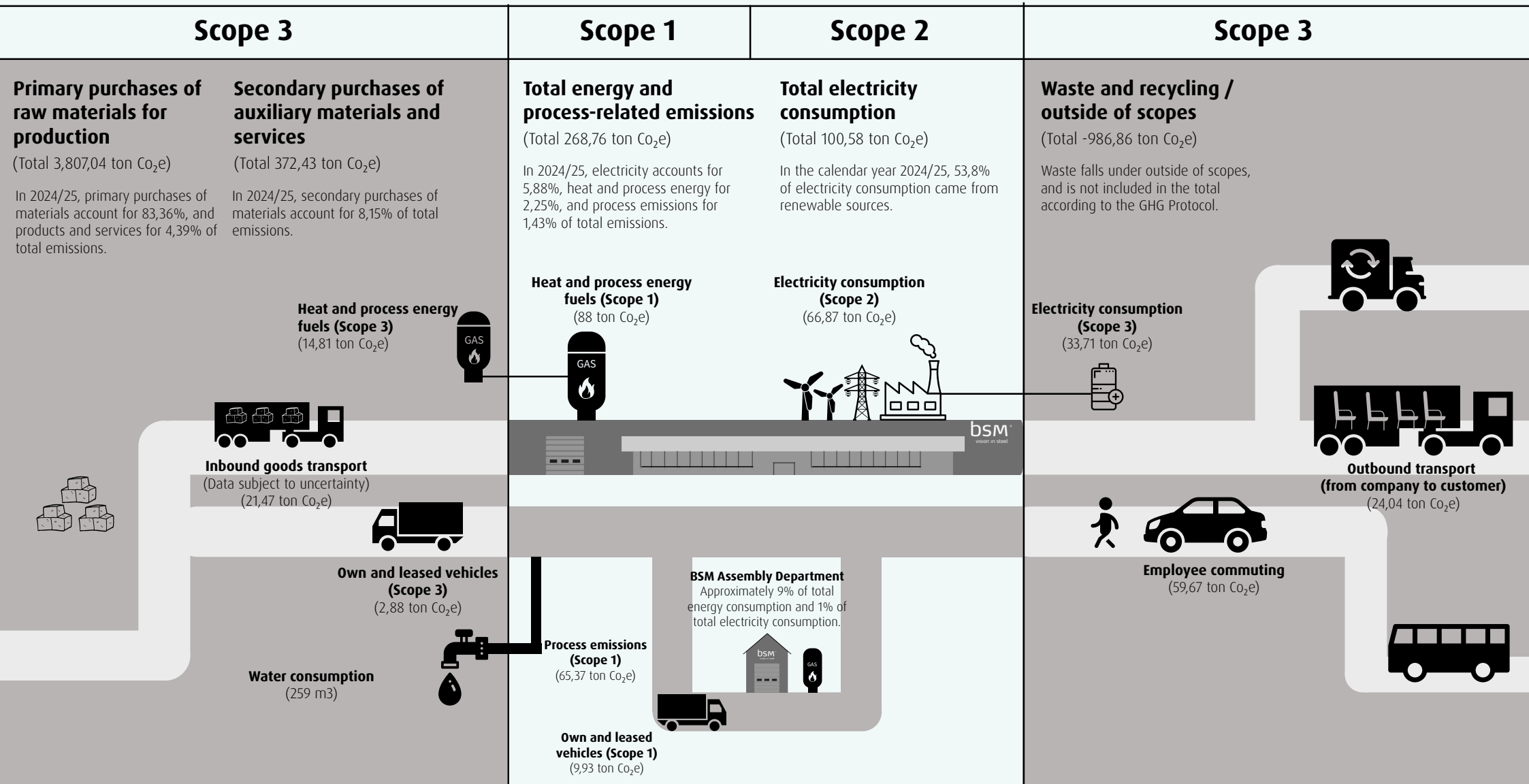


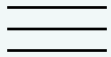
*Energi Danmark has a declaration for customers who do not purchase guaranteed green electricity, including BSM. In 2024, the share of purchased electricity from renewable energy sources was 53.8%

**The share of green gas for the calendar year 2024/25 is 38.4% of gas production according to Energinet.dk

Our Emissions

The illustration provides an overview of a selection of BSM's significant emissions. The data is sourced from our climate accounts for the 2024/25 financial year, prepared using the Climate Compass tool.



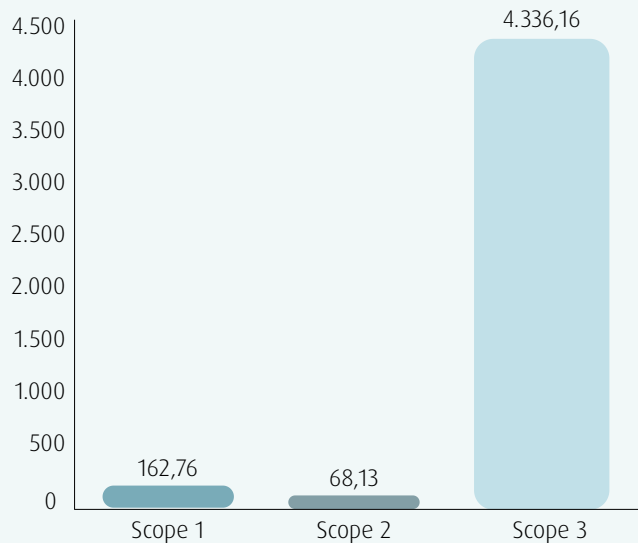


Combating Climate Change

Responsible Operations and Resource Use

Our total emissions still stem from production processes, transportation, and the use of raw materials – especially steel and aluminum. In 2024/25, we are working purposefully to reduce our climate footprint and actively contribute to mitigating climate change.

BSM's total CO₂ emissions in tons distributed by scopes from the Climate Compass for the accounting year 2024/25



Strategy for Emission Reduction

Our approach is based on three main elements: energy efficiency, increased use of renewable energy, and transportation solutions with lower CO₂ impact. In 2023/24, we conducted internal calculations of our Scope 1, 2, and 3 emissions for production, the office, and the assembly building in Bjerringbro, Denmark.

The data work follows the GHG protocol and the Climate Compass, so we can reduce Scope 1 and 2 as well as systematically strengthen the collection of Scope 3 data from suppliers and transporters. In this way, we get a more complete picture of the climate footprint from our total activities.

Focus on Scope 3 and Data Quality

While we have targets for Scope 1, 2, and 3, Scope 3 remains the most challenging category. Therefore, we prioritize expanding both the scope and quality of our data. We see a digitized approach to ESG work as crucial for creating effective processes and a stronger decision-making basis.

Scope 1 primarily comes from gas consumption and company cars, while Scope 2 relates to purchased electricity. To ensure targeted reduction, we will initiate work in 2024/25 to develop a comprehensive climate and environmental policy that sets the framework for future initiatives.



Combating Climate Change

Responsible Operations and Resource Use

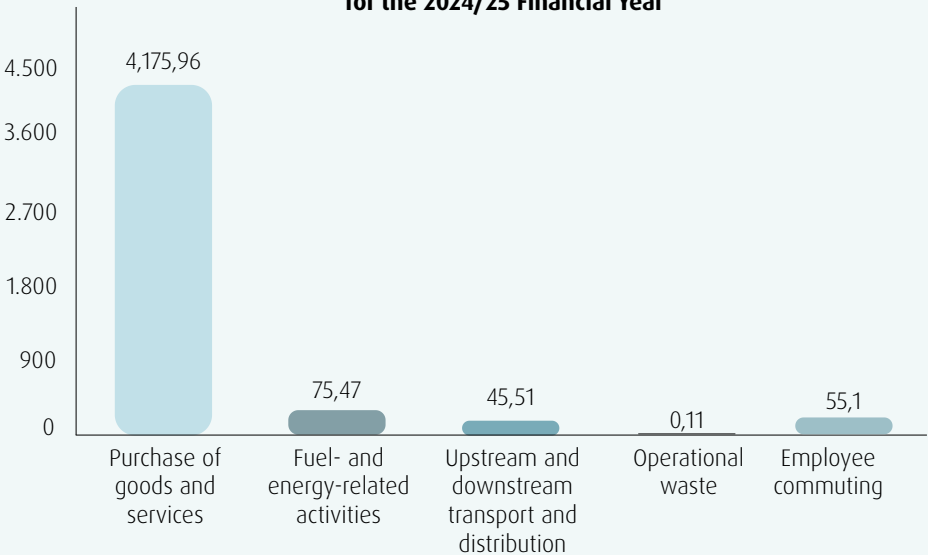
Environmental Management and Risk Handling

We address environmental risks through our ISO 14001-certified environmental management system, which currently covers our own production. In the coming years, we will expand the system to include more stakeholders in connection with our climate accounting using the Climate Compass. Mapping emissions across the entire value chain is a central element of this effort.

Currently, our data foundation is fragmented in several areas and at times limited. Therefore, we are continuously working to improve data quality, expand access to reliable information, and thereby enhance the credibility of our climate reporting.

In 2024/25, we developed a comprehensive climate and environmental policy. Since then, we have worked to follow and implement the policy in order to ensure a systematic reduction of emissions throughout the entire organization and value chain.

**BSM's CO₂ Emissions in Tonnes Distributed Across Scope 3
Categories from the Climate Compass
for the 2024/25 Financial Year**



Last Year's Targets

1. Develop a climate and environmental policy in 2024/25.
2. Actively work to phase out natural gas as a heating energy source.
3. Collaborate across our value chain to map Scope 3 emissions with the goal of reducing Scope 3 by 25%–42%.
4. Partner with Quantified Impact from 2024 to manage and digitize CO₂ data.
5. Enable CO₂ calculations and display of direct CO₂ figures for each production order during 2024/25.

Climate Goal

- Work towards a 42% reduction of Scope 1 emissions by 2030.

Status 2024/25

1. Our climate and environmental policy has been developed and is available on our website.
2. We have investigated alternatives to natural gas for heating and obtained concrete offers.
3. We have mapped internal emissions for Scope 1, 2 and 3 for our production, office, and assembly operations in Bjerringbro.
4. We have entered into a collaboration with Quantified Impact, which has enhanced the accuracy of our CO₂ calculations.
5. This collaboration has made it possible to calculate and specify direct CO₂ values for each individual production order.

Climate Goal

- We continue to pursue the target of a 42% reduction in Scope 1 emissions by 2030 by continuing the initiatives we launched this year.

Targets 2025/26

1. Strengthen the mapping and quality of Scope 3 data in collaboration with suppliers.
2. Actively work with supplier management and purchasing strategies that integrate ESG requirements. Through this, ensure that suppliers representing at least 80% of purchased goods are covered by a signed Code of Conduct.

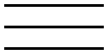
Climate Goals

- Work towards a 42% reduction of Scope 1 emissions by 2030
- Work towards a 25%–42% reduction of Scope 3 emissions by 2030.

Verdensmål

- Our initiatives support SDG 13 on climate action and SDG 17 on partnerships.





Energy and Air Pollution

Responsible Operations and Resource Use

Approach and management of impacts

As a metal processing company, our production has a relatively high energy consumption, especially in the welding department and laser cutting. We systematically work to understand and optimize our production efficiency and reduce energy consumption per produced unit. Our approach includes energy efficiency improvements and the installation of systems for collecting and analyzing live energy data from production equipment, installations, and facilities.

In the area of air pollution, we focus on emissions from processes such as laser cutter, paint booths, welding and grinding. We use filtration systems, continuously monitor them, and perform maintenance and inspections to ensure that emission levels comply with legislation and best practices. Our emergency response team is trained and ready to handle accidents and spills.



Last year's objectives

1. Collaborate to implement software for collecting and analyzing live energy data on production equipment, installations, and facilities.
2. Investigate the potential and extent of the transition to renewable energy.
3. .Increase the share of renewable energy.
4. .Contribute to the establishment of external training in Green Welding for welders.
5. Explore options for paint systems with less climate impact.

Climate Goal

- The share of renewable energy constitutes at least 50% in 2027.

Status 2024/25

1. We have entered into a collaboration with DS Energy on the implementation of software for collecting and analyzing live energy data on production equipment, installations, and facilities.
2. We have investigated the extent of the transition to renewable energy. As a result of dialogues with advisors and utility companies, political measures indicate that investment in alternative heating is not profitable, as Danish gas is expected to be almost 100% biomethane by 2030.
3. Opportunities for solutions to increase the share of renewable energy have been mapped, but nothing has yet been initiated due to the political measures towards 2030, as mentioned above.
4. In the fall of 2024, we participated in the EU project "Greenweld," which develops sustainable welding training by integrating green skills and modernizing the industry for the green transition.
5. We have obtained quotes from various suppliers for less climate-impacting paint systems. This is still in process.

Climate Goal

- We continue the goal of renewable energy constituting at least 50% in 2027.

Objectives 2025/26

1. Strengthen mapping and quality of Scope 3 data in collaboration with suppliers.
2. Actively work with supplier management and procurement strategies that integrate ESG requirements.Ensure that suppliers for at least 80% of purchased goods are covered by a signed Code of Conduct.

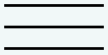
Climate Goals

- Reduce Scope 2 emissions by 42% by 2030.
- Ensure that the share of renewable energy constitutes at least 50% in 2027.

Sustainable Development Goals

- Our initiatives support Sustainable Development Goal 7 on sustainable energy and Sustainable Development Goals 3, 13, and 17 through minimizing air pollution and collaborating with suppliers and partners on more sustainable processes.





Problematic Substances

Responsible Operations and Resource Use

Access and Management of Risks

Problematic substances are chemicals and materials that can pose health and environmental risks. With us, purchased materials may contain such substances, and therefore we have clear guidelines for responsible handling in production.

As a metal processing company, we comply with strict compliance policies and continuously work to minimize environmental impact and health risks. We monitor processes to reduce emissions of harmful substances.

Irresponsible handling of problematic substances can harm employee health, the environment, and incur additional costs. Therefore, we screen new chemicals for risks and only collaborate with recognized suppliers who meet high standards for quality, safety, and environmental responsibility. This ensures a proactive approach to health, safety, and the environment.



SPOTLIGHT

Pilot Project in Collaboration with HOLMRIS B8

In 2024, BSM conducted a pilot project in collaboration with HolmriskB8, focusing on reducing the carbon footprint of selected products. HolmriskB8 was chosen as a partner because they have a strong focus on sustainability and actively work to reduce their environmental impact.

The project consisted of three workshops, where we worked with CO₂e calculations, LCA training, and integration of reduction measures into our processes. Along the way, we identified a number of concrete opportunities to reduce the carbon footprint through design adjustments, material selection, and optimized production methods.

The results showed, among other things:

- ▶ Reduction potential of 18–32% of the carbon footprint of the analyzed products.
- ▶ Several of the measures had a positive effect on the cost price

The pilot project strengthened the collaboration with HolmriskB8 and provided valuable experiences that can be used in the development of future solutions.

Last year's objectives

1. Commit several suppliers to comply with our Code of Conduct.

Status 2024/25

1. We have committed several suppliers to comply with our Code of Conduct, which has strengthened our control over the quality, safety, and environmental responsibility of materials.

Waste and Resource Consumption

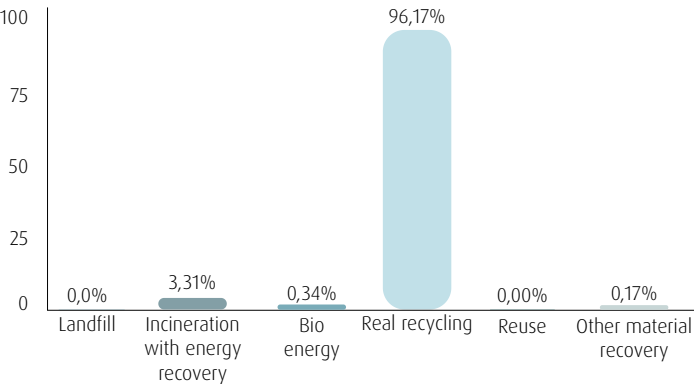
Responsible Operations and Resource Use

Approach and Management of Impacts

We are working purposefully to reduce our environmental footprint through optimized resource use, less waste, and increased recyclability. More than 83,36% of our total emissions come from purchases, and therefore we focus on minimizing material consumption per order, starting from the design phase and in close dialogue with customers and suppliers.

We use ISO 9001 for systematic management of resources and continuous improvement, while ISO 14001 integrates environmental management into operations, including waste reduction, energy optimization, and recycling of by-products. Our ERP system supports efficient resource utilization and quality control. Supplier management and employee training ensure responsible use and handling of materials.

BSM's CO₂ emissions in tons distributed by Scope 3 categories from the Climate Compass for the accounting year 2024/25



Last year's objectives

1. Afdæk muligheder for at øge andel af genanvendt materiale i samarbejde med kunder og leverandører.
2. Afdæk muligheder for at minimere materialeforbrug på den enkelte ordre i samarbejde med kunder.
3. Reducere spildprocent.
4. Reducere affaldsmængde.
5. Identificere nye måder at genbruge og genanvende vores materialer i produktionen.
6. Fastholde genanvendelsesprocent på over 90%.

Climate Goals

- 🌍 Work towards an appropriate reduction of Scope 3 by between 25-42% in 2030 (depending on requirements from product owners).
- 🌍 Reduce waste quantity by 5% in 2026/27.

Status 2024/25

1. We have mapped which suppliers for primary material purchases have the opportunity to deliver material with lower CO2 emissions, as well as how it will affect the price.
2. In collaboration with HolmrísB8, we have developed a case where we work on reducing the material and how it will affect price and quality.
3. We have reduced the waste percentage by 19.3%.
4. We have reduced the waste quantity by 90,025 kg by mapping opportunities and increasing focus on resource costs.
5. In the past year, we have not explored the possibilities for recycling our materials in production. This is a goal to map in the next accounting year.
6. We have maintained a recycling rate of over 90%, specifically 96.17%.

Climate Goals

- 🌍 We continue the work towards an appropriate reduction of Scope 3 by between 25-42% in 2030 (depending on requirements from product owners).
- 🌍 We continue with the goal of reducing waste quantity by 5% in 2026/27 in relation to revenue.

Objectives 2025/26

1. Identify new ways to reuse and recycle our materials in production.

Climate Goals

- 🌍 Work towards an appropriate reduction of Scope 3 by between 25-42% in 2030 (depending on requirements from product owners).
- 🌍 Reduce waste quantity by 5% in 2026/27 in relation to revenue.

Sustainable Development Goals

We assess that our initiatives in 2024/25 will enable a meaningful contribution to Sustainable Development Goal 12 on responsible consumption and production as well as Sustainable Development Goal 17 on Partnerships for the Goals.





4 Social Impact

Social Responsibility 2023/24 Status

Safe and healthy working environment

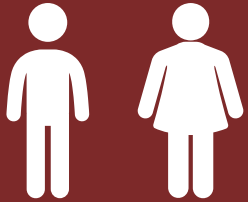
Attractive workplace





Social Responsibility

2023/24 Status



85% 15%

Gender distribution

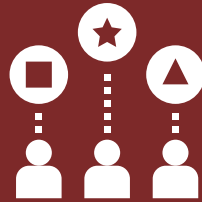
51 employees in
2024/25



4

Apprentices

Represent 10%* of
the production
workforce



14

Employees

with a cultural
background other
than Danish



3

Reportable
workplace
accidents



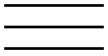
2

flex job
employees



95,2 %

Attendance rate



Our Employees

Confidence, Well-being and Development

Approach and Management of Impacts

Safe and Healthy Work Environment

We work purposefully to create the framework for a safe, secure, and healthy work environment, where both physical and mental well-being are in focus. Our work is based on our Health & Safety policy and is supported by close collaboration with an external occupational health advisor, who contributes with specialized knowledge and best practices.

We have a proactive approach to the work environment, where we systematically identify and evaluate impacts and risks through our work environment organization (AMO). By working on both risk prevention and improvements in processes, we ensure that accidents and work-related illnesses are prevented. At the same time, we create a culture of continuous learning and improvement.

As part of our efforts, we have invested in technology, including welding robots and bending aids for edge pressing, which reduce physical strain and minimize the risk of workplace accidents. The work environment is integrated into our strategy on par with quality and the environment, and we are therefore purposefully working towards implementing ISO 45001 to anchor a systematic and certified approach to occupational health management.

Attractive Workplace

We also want to be an attractive workplace with high well-being, flexibility, and a healthy work-life balance. For us, it is about more than safety – it is also about creating the framework for engagement, development, and community.

We offer fair pay and conditions, flexible working hours, and opportunities for further education. We work for an inclusive culture with a focus on diversity, and we have incorporated these values into our employee handbook.

Well-being and community are supported through initiatives such as the staff association, lunch arrangements, social events, and internal communication via HR platform and information screens. We hold ongoing performance reviews with a focus on well-being, development opportunities, and skill building.

We see our employees as a central part of BSM's sustainable development. Therefore, we want our ESG initiatives to strengthen both pride in the workplace and the feeling of contributing to a greater societal value.

SPOTLIGHT

Internal Training

at BSM

At BSM, we see employees as the most important resource in the work of ensuring accountability, quality, and long-term value. In the past year, we have therefore conducted an internal training program that focused on ESG and quality over three weeks.

The purpose was to strengthen the understanding of how environmental, social conditions, and good corporate behavior are closely linked to the professional quality of our work. The training included, among other things, drawing understanding and measurement techniques, as solid groundwork is crucial for a good result.

In addition, employees improved their knowledge of the application of ISO 9001 and ISO 14001, and how the standards contribute to our daily processes and to our long-term development.

With the program, we ensure that all employees share a common understanding of ESG, quality, and the environment – thereby supporting our ambition to create value for customers, employees, and society.



Attractive Workplace

Confidence, Well-being and Development

SPOTLIGHT

From BSM to Kilimanjaro

Philip in Afrika

In 2024, our welding apprentice had the opportunity for a five-week internship in Tanzania. The trip provided both professional experiences and personal development.

In Tanzania, Philip gained insight into a completely different way of working. At local workshops, Toyota pick-ups were converted into safari vehicles with simple means and great creativity. Without advanced machines, it was about thinking in solutions, being resourceful, and finding new ways – experiences that have given Philip a new perspective on his trade.

The trip offered not only professional insights but also strong cultural encounters. Philip was impressed by the energy and sense of community he experienced in the local community and learned a lot from standing on his own in a completely new everyday life.

We are pleased to see how the stay has strengthened Philip's professional confidence and given him new skills that he now brings back to BSM. For us, the journey shows how international experiences can open horizons – both for the individual and for us as a company.



Last Year's Goals

1. Start implementing ISO 45001.
2. Conduct an employee well-being survey within the financial year 2024/25.
3. Increase employee participation in social events.

Social Goals

- ☆ Become ISO-45001 certified in 2025/26.
- ☆ Apprentices make up 10% of the workforce in production in 2026/27.

Status 2024/25

1. We have postponed this goal to 2025/26.
2. In the summer of 2025, we conducted an employee well-being survey and expect to implement it during the next financial year.
3. We have worked to increase employee participation in social events by involving and listening to employees' own wishes for events and focusing on those who usually do not participate.

Social Goals

- ☆ We continue the work to become ISO-45001 certified in 2026/27.
- ☆ Today, apprentices make up 9.8% of the workforce, and we continue the goal of 10% in 2026/27.

Goals 2025/26

1. Continue the work on implementing ISO 45001.
2. Conduct employee well-being survey.

Social Goals

- ☆ Apprentices make up 10% of the workforce in production in 2026/27.

Sustainable Development Goals

- 🌐 We assess that our initiatives in 2025/26 will enable a meaningful contribution to Sustainable Development Goal 3 on Health and Well-being as well as Sustainable Development Goal 8 on Decent Work and Economic Growth.



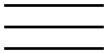


5

Governance

Corporate Behavior

Responsible Supplier Management



Corporate Behavior

A Transparent and Responsible Value Chain

Basis for Responsible Management

The ESG work allows us to strengthen and further develop our existing responsible corporate governance, which under CSRD is referred to as good business practice. In this section, the already established and integrated initiatives that form the foundation for responsible management and operations in BSM are described. These measures are both concrete guidelines and a promise to act with integrity and to be a reliable and responsible company – both in Denmark and internationally.

Code of Conduct

We are committed to conducting BSM with responsible business behavior and responsible supplier management. Therefore, we have established a process for distributing our Code of Conduct to suppliers, which ensures responsible practices and ethical behavior throughout the value chain. Going forward, the process will be strengthened through ESG initiatives. Our Code of Conduct covers, among other things, child labor, freedom of association, human rights, anti-discrimination, anti-corruption, working environment, working hours, fair wages, environmental considerations, and business integrity. We expect our suppliers to meet these requirements.

Whistleblower Scheme and Ethics

We have established a whistleblower scheme and accompanying policy that allows for anonymous reporting of irregularities. The scheme is available to employees, customers, and suppliers and is intended to ensure that any violations of legislation or internal guidelines are handled correctly. The whistleblower policy can be found on our internal HR platform BSM2people and on our website.

Personal Data and Information Security

Handling of personal data is done confidentially and with integrity in accordance with applicable legislation, including GDPR. Protection of data and customer privacy is crucial for maintaining trust and credibility. We continuously invest in cybersecurity to protect our systems from threats and ensure data integrity.

Governance and Digital Development

Governance and digitalization play a central role in ensuring transparency and credibility in our ESG work. The implementation of a new ERP system strengthens our ability to collect and analyze data, providing better insights into production, ESG performance, and decision-making across the organization. Digitalization is continuously prioritized and supports our competitiveness as well as our ability to deliver the products and services that customers demand.

ISO Certifications

Our ISO 9001 and ISO 14001 certifications have significantly strengthened the organization by creating better oversight of competencies, development needs, and critical know-how. The certifications are central to the development of BSM in terms of management, quality, environmental considerations, and production processes. In 2025/26, we will continue the implementation of ISO 45001 in occupational health and safety management, which will contribute to a safe and healthy working environment.

Responsible supplier management

A Transparent and Responsible Value Chain

Approach and management of impacts

Responsible supplier management is a central part of our business practice. We prioritize buying locally and regionally within the EU, where possible, to reduce transport-related environmental impact and support local areas. Our procurement policy is anchored in our business strategy and Code of Conduct, which establishes clear guidelines for ethical business behavior, sustainability, and quality.

Through active dialogue and collaboration with suppliers, we ensure compliance with our standards. Our Code of Conduct constitutes the foundation for supplier management and includes principles for ethical behavior, human rights, working environment, environmental considerations, and business integrity. By integrating these principles into procurement processes and supplier agreements, we reduce the risk of improper practices in the value chain.

We have focused on reducing the carbon footprint from our material purchases. This allows us to identify products with lower CO₂ impact, make better decisions, and simultaneously offer our customers more sustainable alternatives.

SPOTLIGHT

Collaboration with



With the ambition of making climate data more accessible for both customers and the organization, BSM initiated a collaboration with Quantified Impacts in 2024 – a platform that helps manufacturing companies calculate and communicate climate impact.

From January 2025, BSM can now provide climate figures directly on invoices. Prior to the implementation, employees underwent a competency program in Q4 2024, which has strengthened the organization's knowledge and ability to actively use climate data in dialogue with customers. The focus is to use the figures to create real reductions and support customer decisions.

Quantified Impacts currently serves as a knowledge partner for BSM in sustainability and plays a central role in addressing increasing customer and market demands.

- ▶ As a result of the collaboration, we have had climate figures on invoices via QI's platform since January 2025.
- ▶ We have strengthened our competencies in using climate data to create reductions.
- ▶ The collaboration ensures that we meet current and future requirements in sustainability.

Climate impact has become yet another parameter that customers can base their decisions on.

Last year's objectives

1. Clarify which suppliers can provide CO₂ data.
2. Strengthen supplier relationships with increased focus on Code of Conduct and ESG.

Status 2024/25

1. We have identified which suppliers can provide CO₂ data, and which are in the process of doing so.
2. We have used several resources to increase focus on suppliers with sustainable transition high on the agenda. Here we have, among other things, worked on having them sign our Code of Conduct.

Objectives 2025/26

1. Continue to strengthen supplier relationships with increased focus on Code of Conduct and ESG.
2. Ensure that at least 80% of purchased goods are covered by a signed Code of Conduct.
3. Continue to collect more primary data to strengthen the quality and efficiency of data management.



Sustainable Development Goals

Our initiatives support Sustainable Development Goal 13 on climate action and Sustainable Development Goal 17 on partnerships.



6 ESG Data

Emission accounting practices for Scope 1, 2 and 3

Environmental Data

Social Data

Governance Data

Emission accounting practices for Scope 1, 2 and 3

Methodology and Tool for the Climate Account

We have prepared this year's climate account using Klimakompasset, a calculation tool based on the GHG Protocol, developed by the Danish Business Authority in collaboration with the Danish Energy Agency and with support from the Industry Foundation. Data have primarily been collected from our own systems and are mainly based on activity-based data combined with generic emission factors from Klimakompasset. In cases where activity-based data were not available, we have used monetary data, and in some instances, specific emission factors from suppliers have been applied.

This methodology provides a comprehensive overview of our emissions across Scope 1, 2 and the most relevant Scope 3 categories. The calculations depend on the data we input, and there may be uncertainties associated with the use of generic emissions, particularly for Scope 3 emissions. Therefore, the results should be regarded as a qualified estimate rather than a fully precise calculation. The account has not been verified by a third party but aims to provide a fair representation of our total emissions.

Data Quality

This year, for the first time, we have worked with our new ERP system, which provides more detailed and reliable data. This has allowed us to include more activities and sources in the accounting, which naturally increases the reported emissions. Last year's climate account is therefore considered a test, while this year's account serves as our forward-looking baseline. We will continuously strengthen the data foundation to deliver even more accurate figures in the future.

Scope 1

Scope 1 emissions have been calculated using the activity-based method. This means that emissions are determined directly based on the actual quantities of fuels consumed, including natural gas for heating, as well as other resources used in our own operations.

Consumption data has been sourced from our ERP system, and supplemented with relevant documentation such as invoices and supplier information.

Scope 2

Scope 2 emissions have been calculated using the activity-based method. This means that emissions are determined directly based on the actual consumption of purchased electricity used in the company's operations.

Consumption data has been obtained from our ERP system, and supplemented with information from relevant energy suppliers and associated invoices.

Scope 3

Scope 3 is the most complex area for data collection, as it covers our indirect emissions across the entire value chain.

We have made every effort to use activity-based data, and where possible, supplier-specific emission factors, in order to improve data quality. However, there are areas where we did not have access to sufficiently detailed data. In these cases, we have relied on monetary (spend-based) calculations, where emissions are estimated based on financial transactions.

Below, we briefly describe how data has been collected for the included categories, as well as the boundaries and limitations we have applied.

Emission accounting practices for Scope 1, 2 and 3

Category 1

Purchased Goods and Services

To calculate emissions in Category 1, we have used a combination of activity-based and monetary (spend-based) methods. The goal is to provide a fair and representative estimate of our procurement-related emissions, while balancing data quality and data availability.

This is the same approach we used last year, but with a particular focus on purchased goods used in our production, which account for 83,36% of our total purchases. For these goods, we have used activity-based data or supplier-specific emission factors whenever possible.

Data quality has been a key area of focus over the past year in connection with the implementation of our new ERP system. Going forward, we aim to further improve data quality in this area through the systems we have invested in.

The data is primarily sourced from extractions from our ERP system, and in some cases directly from suppliers. The emission factors are mainly taken from Klimakompasnet.

Category 2

Capital Goods

Emissions in Category 2 have been calculated exclusively using a monetary (spend-based) method. The calculation is based on our depreciation data for machinery and other fixed assets, and the emission factors are sourced from Klimakompasnet.

Category 3

Fuel- and Energy-Related Activities

Emissions in Category 3 have been calculated using the activity-based method. Where available, we have used specific activity data in combination with emission factors from Klimakompasnet.

Category 4 & 9

Transportation and Distribution

(upstream & downstream)

Emissions are calculated using a spend-based approach for the transportation we arrange ourselves from us to our customers, while customer-managed transportation is not included. For the transportation of raw materials to us, we have prepared an estimate based on weekly deliveries combined with a spend-based estimate per trip.

Likewise, based on the data, it has been assumed that commuting to the company occurred five days a week. This category is therefore associated with some uncertainty.

Category 5

Waste Generated in Operations

Emissions are calculated based on data provided directly by our waste management provider, STENA. The data covers the quantities and types of waste we have disposed of or recycled. These data have been converted to CO₂e using emission factors from the Danish Climate Compass (Klimakompasnet).

Category 6

Business Travel

Emissions are calculated using a spend-based approach.

Category 7

Employee Commuting

Emissions are calculated based on a questionnaire in which all current employees have indicated their primary mode of transportation to and from work. The responses have been used to develop an annual estimate for commuting. The calculation is therefore based on assumptions about consistent travel patterns and average distances, which means the results are associated with a certain degree of uncertainty.

Category 8

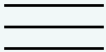
Leased Assets

(upstream)

Emissions are calculated using a spend-based approach and primarily cover our leasing agreements. The calculations are based on leasing expenses combined with emission factors from the Climate Compass (Klimakompasnet).

Delimitations

We have not included categories 10–15 in our accounting. This is primarily because we do not have sufficient data or insight into how the components we produce are further processed, used, or disposed of at the end of their life in the final products they are part of. Additionally, some categories have been deemed irrelevant to our business, such as category 14 (Franchises), since we do not operate franchise models.



Environmental Data

The data overview in the tables is based on the Danish Business Authority’s 21 ESG key figures and our climate accounts from the Climate Compass.

Enviornmental Data	Unit	2023/24	2024/25 <i>Baseline</i>
Total emissions Scope 1, 2 & 3	t Co₂e	3.878,7*	4.567,05
Emissions Scope 1 (total)	t Co₂e	211,00	162,76
Heat and process energy fuels (Scope 1)	t Co ₂ e	116,78	102,81
Process emissions (Scope 1)	t Co ₂ e	84,15	65,37
Own and leased vehicles (Scope 1)	t Co ₂ e	10,07	9,39
Emissions Scope 2 (total)	t Co₂e	99,69*	68,13
Emissions Scope 3 (total)	t Co₂e	3.567,98	4.336,16
Primary purchase of raw materials for production	t Co ₂ e	3.050,63	3.807,04
Materials (primary purchases)	t Co ₂ e	2.432,14	3.606,45
Products and services (primary purchases)	t Co ₂ e	618,49	200,59
Secondary purchase of auxiliary materials and services	t Co ₂ e	357,21	372,43
Transport (Scope 3)	t Co₂e	73,57	108,06
Own and leased vehicles (Scope 3)	t Co ₂ e	3,10	2,88
Employee commuting	t Co ₂ e	28,10	59,67
Inbound transport to company	t Co ₂ e	4,17	21,47
Outbound transport to customer	t Co ₂ e	38,28	24,04
Heat and process energy fuels (Scope 3)	t Co ₂ e	17,86	14,81
Electricity-related emissions (Scope 3)	t Co ₂ e	68,70	33,71
Total energy consumption	GJ	4.924,27	4.842,49
Water consumption	m3	173	259
Share of renewable energy	%	47	53,8
Share of renewable electricity	%	38	38,4
Total amount of waste	Ton	462,49	376,63
Waste recycling rate (actual recycling)	%	96,85	96,17

The total emissions for 2023/24 have been adjusted, as the previous calculation was erroneously based on market-based emission factors instead of location-based ones.

Social Data

Social Data is drawn from internal systems.

Social Data	Unit	2023/24	2024/25
Total number of employees (Gms. from virk.dk)	Antal	53	51
Number of full-time employees	Antal	49	45
Number of part-time employees	Antal	3	0
Number of apprentices and students	Antal	4	4
Number of flexible job holders	Antal	2	2
Employees with a different cultural background than Danish	Antal	14	12
Average age	År	40	39
Gender diversity in the organization	%	11	13,7
Gender diversity in the executive management	%	0	0
Gender diversity in other management levels	%	16,7	0
Employee turnover	%	23,5	23,5
Attendance rate	%	97,1	95,2
Sick leave	%	2,9	4,8
Work accidents	Antal	2	3
Salary difference between CEO and employees	Gange	1,28	1,43
Salary difference between genders (men have the highest average salary)	Gange	1,26	1,08

Governance Data

Governance data is sourced from internal systems. Policies are continuously being developed. All inquiries about policies should be directed to mathias@bsm.dk.

Governance Data	Unit	2023/24	2024/25
Members of the board	Antal	4	3
Gender diversity on the board	%	25	25
CSR Policy		Ja	Ja
Code of Conduct		Ja	Ja
Policy on ethics, anti-corruption, and bribery (included in Code of Conduct and CSR Policy)		Ja	Ja
Policy against sexual harassment and discrimination (included in Code of Conduct and CSR Policy)		Ja	Ja
Human rights policy (included in Code of Conduct and CSR Policy)		Ja	Ja
Child labor and forced labor policy (included in Code of Conduct and CSR Policy)		Ja	Ja
HR Policy		Ja	Ja
Data protection policy (included in Data Protection Policy)		Ja	Ja
GDPR Policy (included in Data Protection Policy)		Ja	Ja
Whistleblower scheme and policy		Ja	Ja
Reports via whistleblower scheme	Antal	0	0
Climate and environmental policy		Ja	Ja
Health and safety policy (included in Health and Safety Policy)		Ja	Ja
Supplier management/screening (conducted via e.g. ISO management system and Code of Conduct)		Ja	Ja

Reflections

ESG Report 2024/25

When we look back on the past year, one realization stands out clearly: The development towards a more responsible and sustainable business is not a straight path – and certainly not a quick one. It requires patience, perseverance, and a willingness to constantly adapt and learn along the way.

The year has been marked by changes, both large and small, and it is precisely in the changes that much of the learning lies. We have learned that responsibility is not just about systems and data, but very much about people. About engaging, informing, and creating ownership. This has been – and will continue to be – a crucial part of the work: To get the entire organization on board and make sustainability and quality something that is rooted in everyday life.

The past year has not only taught us something about where we are – but also about where we want to go. It has shown us the importance of transparency, collaboration, and open dialogue – both internally and with our stakeholders. For we believe that it is through shared understanding and shared responsibility that we can truly create long-term changes.

As we look forward to the coming year and beyond, we do so with humility – but also with optimism. We know that there is still much to learn and many steps to take. But we have also built a stronger foundation and greater insight on which we can build further. We will continue to improve, ask questions, and act proactively. It is this approach that will move us forward – not only as a company but as part of a larger movement towards a more responsible future.

Thank you for exploring our ESG universe.

The report reflects our progress, the current challenges, and our ambition for continuous improvement.

The ESG area encompasses complex issues that no one can solve alone. We are convinced that real change is created together, and we hope that the report can serve as a starting point for new dialogues and joint solutions.

If you have questions, input, or wish to explore our approach, you are very welcome to get in touch.

We look forward to hearing from you.

ESG Rapport

Period	May 1, 2024 to April 30, 2025
Method	The Danish Business Authority's ESG template.

Stay in touch with us.

