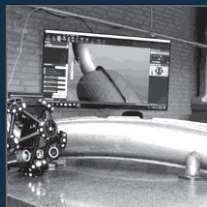
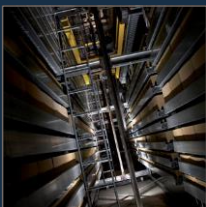


**Johs Pedersen a/s** 

# CO<sub>2</sub> EMISSION

## 2019 - 2023



## JOHS. PEDERSEN - CO<sub>2</sub> EMISSION 2023

In 2022 we became a member of the ScienceBasedTarget initiative (SBTi). The SBTi is working to ensure an overall reduction of the CO<sub>2</sub> emission from companies worldwide. You will be able to find more information about the reasons behind joining the SBTi on our website [www.johspedersen.com](http://www.johspedersen.com),

To reach our SBTi goals we continuously follow the development in our CO<sub>2</sub> emission. Among other things we make a yearly report calculating on the CO<sub>2</sub> emission of the factory. We work on different initiatives which will reduce our joint CO<sub>2</sub> emission in Scope 1&2 with 46% in 2030 from 2019. Besides this we also work determinedly to reduce our CO<sub>2</sub> emission in Scope 3 in a way, so our emission is reduced compared to the increase in our activities. This leaves room for us to grow while we keep a focused effort on reducing our CO<sub>2</sub> emission.

Our CO<sub>2</sub> emission is affected by the strategic sale of part of the train division here in 2023. Due to this change, we have re-calculated the CO<sub>2</sub> emission for 2019 and calculated the CO<sub>2</sub> emission for 2023 for Johs. Pedersen without this part. In this way the CO<sub>2</sub> emission is calculated based on the activities that the company will encompass in the future.

The CO<sub>2</sub> emission for 2019 vs 2023 is shown in the figures below. In the next part the development in our CO<sub>2</sub> emission is presented for the individual scopes.



	2019		2023		2019 vs. 2023	
	Ton CO <sub>2</sub>	Share of emission	Ton CO <sub>2</sub>	Share of emission	Tons CO <sub>2</sub>	% change
Scope 1	217	11%	182	12%	- 35 <sup>2</sup>	- 16%
Scope 2	84	4%	45	3%	- 39 <sup>1</sup>	- 46%
Scope 1&2	301	15%	227	15%	- 74 <sup>1</sup>	- 25% <sup>2</sup>
Scope 3	1.726 <sup>1</sup>	85%	1.267 <sup>2</sup>	85%	- 459	- 27% <sup>3</sup>
Total	2.027	100%	1.494	100%	- 533	- 26%

Main categories	CO <sub>2</sub> e in Tonnes (scope 1+2+3)	Share of emission	CO <sub>2</sub> e in Tonnes (scope 1+2+3)	Share of emission	Tonnes CO <sub>2</sub> e	% change
Energy & processes	598	30%	268	18%	-330	-55%
Primary and Secondary purchase	1.381	68%	1191	80%	-190	-14%
Transportation	47	2%	34	2%	-13	-28%
Waste & re-cycled	0	0	0	0	0	0%
Sold goods	0	0	0	0	0	0%
Total	2.027	100%	1494	100%	-533	-26%

INDEX – figures	CO <sub>2</sub> e in Tonnes (scope 1+2+3)	Share of emission	CO <sub>2</sub> e in Tonnes (scope 1+2+3)	Share of emission	Tonnes CO <sub>2</sub> e	% - wise change
No. of employees	100		95		-	-5%
CO <sub>2</sub> per mio. DKK turnover	100		69		-	-31%
CO <sub>2</sub> per m <sup>2</sup>	100		74		-	-26%

## CO<sub>2</sub> EMISSION FOR 2019

**Scope 1;** This part amounts to 217 ton CO<sub>2</sub> (10.7% of the total CO<sub>2</sub> emissions) and consists primarily of emissions from fuels for heating and welding gases. **Scope 2;** This part amounts to 84 ton CO<sub>2</sub> (4.1% of the total CO<sub>2</sub> emissions) and is defined by emissions in connection with the consumption of electricity. **Scope 3;** This part amounts to 1,726 tons (85.2% of the total CO<sub>2</sub> emissions) and consists of emissions in connection with raw material production, especially steel, and emissions from purchase of welding gases.

## CO<sub>2</sub> EMISSION FOR 2023

**Scope 1;** This part amounts to 182 tones (12.18 % of the total CO<sub>2</sub> emissions) and consists primarily of emissions from fuels for heating and welding gases. **Scope 2;** This part amounts to 45 tones (3.0% of the total CO<sub>2</sub> emissions) and is defined by emissions in connection with the consumption of electricity. **Scope 3;** This part amounts to 1,267 tons (84.8% of the total CO<sub>2</sub> emissions) and consists of emissions in connection with raw material production, especially steel, and emissions from purchase of welding gases.

### DEVELOPMENT IN THE CO<sub>2</sub> EMISSION FROM 2019-2023

Overall, CO<sub>2</sub> emissions have decreased across all three scopes. The reasons for this development are explained below, addressing both the actual and relative changes. We analyze both perspectives because our goals for scope 3 consider the increased level of activity so that it leaves room for us to grow while we keep a focused effort on reducing our CO<sub>2</sub> emission.

In Scope 1 and 2, where we have committed to a total 46% reduction in 2030 compared to 2019 looking at the actual development. Have the reduced our emissions with 74-ton<sup>1</sup> Co<sub>2</sub> and that is a 25%<sup>2</sup> reduction compared to 2019. The primary reasons for these changes are a lower consumption of welding gases and that the supplied market electricity in Denmark has become less CO<sub>2</sub> emitting.

The reduction in Scope 1 emissions is 16%<sup>1</sup>, with a total of 35<sup>2</sup> tons while there is a 6,52 % increase in turnover for the same period. Considering the linear development compared to activity level, this equates to a 21%<sup>3</sup> decrease. The relative reduction in CO<sub>2</sub> emissions is mainly due to the use of welding gases. Efforts are being made to achieve an absolute reduction by minimizing the use of welding gases in the future as much as possible. Additionally, other factors affecting Scope 1 and 2 emissions are being evaluated for potential reductions. One significant project under way is the conversion of the heat source to district heating, which is expected to positively impact CO<sub>2</sub> emissions.

For Scope 2, we have succeeded in reducing our electricity consumption by 39<sup>1</sup> tons while emissions from Danish electricity are continuously reduced. This means we have reduced our emissions by 46%<sup>2</sup> and for the same period considering the linear development compared to activity level, we look at a decrease of 50%<sup>3</sup> from 2019 to 2023.

In Scope 3, we have decreased from 1,726<sup>1</sup> tons of CO<sub>2</sub> to 1,267<sup>2</sup>tons of CO<sub>2</sub>. The decrease is 27%<sup>3</sup> and following the linear development compared to activity level, we look at a decrease 31%<sup>4</sup>. It is important for us to look at the relative reduction considering the growth in revenue as this is how we have committed our goals towards 2030.

When examining the overall development, we observe a reduction in both the actual figures and the relative calculations, with a total decrease of 26%<sup>1</sup> in actual numbers and 31%<sup>2</sup> in relative development.

The calculation of CO<sub>2</sub> emissions is an ongoing process and some of the figures are based on qualified estimates in cases where we are unable to obtain the actual quantities. We are continuously looking into the possibilities of producing valid data for the mapping of our CO<sub>2</sub> emissions.

The table below shows the actual development in our CO<sub>2</sub> emissions from 2019 to 2023, as well as calculation of the expected CO<sub>2</sub> emissions based on the increased activity level in 2023. Assuming this had evolved linearly and mentioned as the relative development.

INDEX - figures	Scope 1	Scope 2	Scope 1 & 2	Scope 3	Total
2019	100	100	100	100	100
2023	84	54	75	73	74
Linear development compared to activity level	107	107	107	107	107

Development	Scope 1	Scope 2	Scope 1 & 2	Scope 3	Total
Actual development	-16 % <sup>1</sup>	-46 % <sup>2</sup>	-25 % <sup>1</sup>	-27 % <sup>3</sup>	-26 % <sup>1</sup>
Development relative to activity level	-21 % <sup>3</sup>	-50 % <sup>3</sup>	-29 %	-31 % <sup>4</sup>	-31 % <sup>2</sup>

# CO<sub>2</sub> EMISSION AND SCIENCE BASED TARGET COMMITMENT

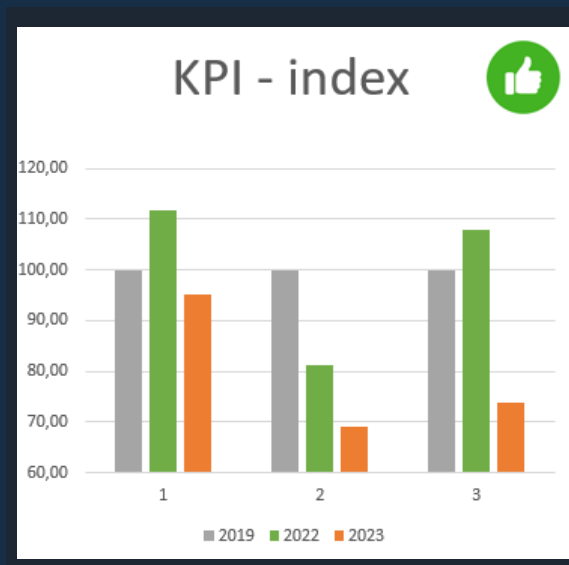
Overall figures for the development in CO<sub>2</sub> emissions from 2019 to 2023 in relation to our commitment to the ScienceBasedTarget initiative (SBTi)

Revenue has increased by 6,5 % from 2019 to 2023. Our commitment to SBTi:

1. Actual reduction of our emissions in Scope 1&2 by 46% from 2019 to 2030.
2. Relative reduction of our emissions in Scope 3, considering our activity level (measured through development in turnover). Hereby maintaining the opportunities to grow.

KPI - INDEX	Ton CO <sub>2</sub> e 2019	Ton CO <sub>2</sub> e 2022	Ton CO <sub>2</sub> e 2023
CO <sub>2</sub> per employee	100	112	95
CO <sub>2</sub> per mill. DKK turnover	100	81	69
CO <sub>2</sub> per m <sup>2</sup>	100	108	75

KPI – Ton CO <sub>2</sub>	Ton CO <sub>2</sub> e 2019	Ton CO <sub>2</sub> e 2022	Ton CO <sub>2</sub> e 2023
CO <sub>2</sub> per employee	34,94	39,00	33,19
CO <sub>2</sub> per mill. DKK turnover	44,06	35,80	30,48
CO <sub>2</sub> per m <sup>2</sup>	0,20	0,22	0,15

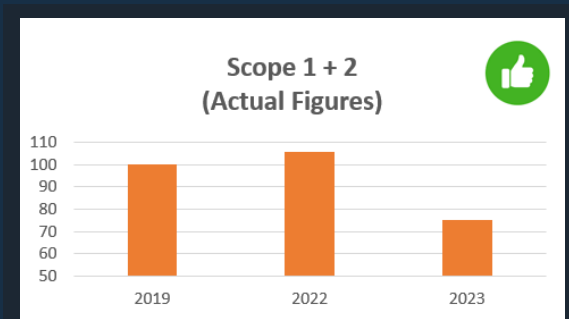


Looking at the development in CO<sub>2</sub> emissions from 2019 and 2023, there are some key figures that are important to keep in mind. In 2023, our activity level slightly increased, with turnover rising by 3 million since 2019 (index 107). Despite a 22.4% reduction in staff, CO<sub>2</sub> emissions per employee only decreased by 5%. However, we achieved a notable reduction of 13.58 tons of CO<sub>2</sub> per million DKK turnover. This demonstrates success in lowering CO<sub>2</sub> levels even with higher turnover and significantly fewer employees.

## Scope 1 + 2

From 2019 to 2023, CO<sub>2</sub> emissions decreased by 25%. Although we haven't met our SBTi target yet, this is considered as a positive development.

The primary reasons for these changes are a lower consumption of welding gases and that the supplied market electricity in Denmark has become less CO<sub>2</sub> emitting.



## Scope 3

The relative change in CO<sub>2</sub> emissions from 2019 to 2023 is a reduction of 31 percent less emissions than in 2019 (SBTi target - point 2).

The primary reasons for the reduction in scope 3 are that our supplier of welding gases offsets their emissions in scope 3. This corresponds to approximately 200 tons of reduction. In addition, lower machine investments and maintenance costs on the machines contribute to a reduction of approximately 250 tons of CO<sub>2</sub>. Conversely, we experience "only" a reduction of approximately 7% in our material consumption measured by quantity.

