



VETAPHONE

ESG REPORT

2024

CONTENTS

	page
01 Introduction to Vetaphone A/S	03
02 Some words from the CEO	03
03 Why ESG?	04
04 Vetaphone ESG and method	04
05 E - Environmental	05
06 S - Social	08
07 G - Governance	09
08 ESG score and future aspects	10

01 INTRODUCTION TO VETAPHONE A/S

Vetaphone A/S, founded in 1951 by Verner Eisby and his wife Grethe, began as a small, entrepreneurial venture in the town of Kolding, Denmark. Verner's deep technical knowledge, combined with an innovative mindset and a solid understanding of business and sales, quickly propelled the company forward. Initially based in a modest workshop on Låsbygade, the growing demand for Vetaphone's cutting-edge surface treatment technology led to a relocation to a larger facility at Fabriksvej 11, where the business truly flourished.

Under Verner's leadership, Vetaphone expanded its operations beyond Denmark and began making its mark on the global stage. However, with Verner's passing in the early 1990s, the company faced a pivotal moment in its history. His son, Frank, assumed the role of CEO and was soon joined by his brother, Jan. Together, they built on their father's legacy, driving Vetaphone into a new era of growth and international success. Today, in 2024, Vetaphone has evolved from humble beginnings to become a global player in surface treatment technology, employing 80 people and serving clients across the world.

02 SOME WORDS FROM THE CEO



Vetaphone's long-term management strategy has always been rooted in a strong commitment to environmental and social responsibility. This is reflected in how we sell, manufacture, and develop equipment for our customers. Achieving our strategic goals depends on having motivated employees, fostered within a positive and inclusive company culture. We focus on continuous social engagement for our employees and actively contribute to both local and national social initiatives.

FRANK EISBY, CEO

WHY ESG?

Throughout the company's evolution, responsible business practices have remained a central tenet of its philosophy. Vetaphone has long recognized the importance of acting with accountability and integrity in its operations, and this ethos aligns closely with the Environmental, Social, and Governance (ESG) principles. The company acknowledges that as businesses grow, so too does their responsibility towards society and the environment. Vetaphone fully supports the European Union's initiative to encourage transparency and sustainability in corporate conduct.

While Vetaphone is not legally obligated to produce an ESG report until 2026, we believe it is our duty to be proactive in this area. We recognize the increasing influence that businesses have on global societal trends, the climate, and the well-being of all stakeholders, including employees, clients, board members, and the local community. By preparing this 2024 ESG report, we aim to lay a strong foundation for future efforts and to be at the forefront of responsible business practices.

Vetaphone is committed to making a positive impact both within Denmark and globally. As we move forward, we will continue to prioritize transparency, sustainability, and ethical

VETAPHONE ESG AND METHOD

Vetaphone recognizes that companies differ greatly in their operations, from production to transportation, data management, and workforce dynamics. As such, ESG reports must be tailored to the unique nature of each business. For Vetaphone, as a production company, our primary focus is on the environmental ("E") aspect, while we also place a strong emphasis on social responsibility ("S"), ensuring fair treatment of employees and maintaining a positive role within the local community. Governance ("G") is equally important, as it forms the foundation for both our environmental and social initiatives.

To assess our performance, we have employed the internationally recognized [Ecovadis database](#), where we reported our data across Scope 1, 2, and 3 emissions. This methodology allows us to track our environmental impact while providing transparency to both suppliers and clients. Our overall Ecovadis score of 56, on a scale of 1 to 100, is considered "good" and aligns with the average for similar companies. We are pleased with this tool as it not only enables us to measure our current progress but also serves as a benchmark for future improvements.

As a Danish company operating within the European Union, Vetaphone fully complies with all relevant EU regulations and standards. This includes strict adherence to laws governing safety, employment practices, production quality, environmental protection, and product standards. Our commitment to meeting these high standards ensures that our operations align with best practices in sustainability, employee welfare, and product integrity. By maintaining this compliance, Vetaphone not only upholds its legal obligations but also reinforces its commitment to responsible business practices.

In this report, we are proud to share positive results across the ESG spectrum, while also identifying areas for growth. The report serves as a valuable tool for viewing the company through a broader lens—beyond just financial performance—emphasizing Vetaphone's role in society, the environment, and governance

E – ENVIRONMENTAL

Vetaphone recognizes the crucial role that companies play in addressing environmental challenges, and we are committed to minimizing our environmental impact across our entire value chain. Understanding our carbon footprint is essential to this effort, and we measure our emissions using the Greenhouse Gas Protocol, which classifies emissions into three categories: Scope 1, Scope 2, and Scope 3.

Scope 1 refers to direct emissions from sources that are owned or controlled by Vetaphone, such as company vehicles or fuel combustion in production. In Vetaphone's case, these emissions are minimal due to our operational setup. We do not engage in heavy manufacturing processes that would typically generate significant direct emissions, and our production facilities operate efficiently with minimal reliance on fossil fuels.

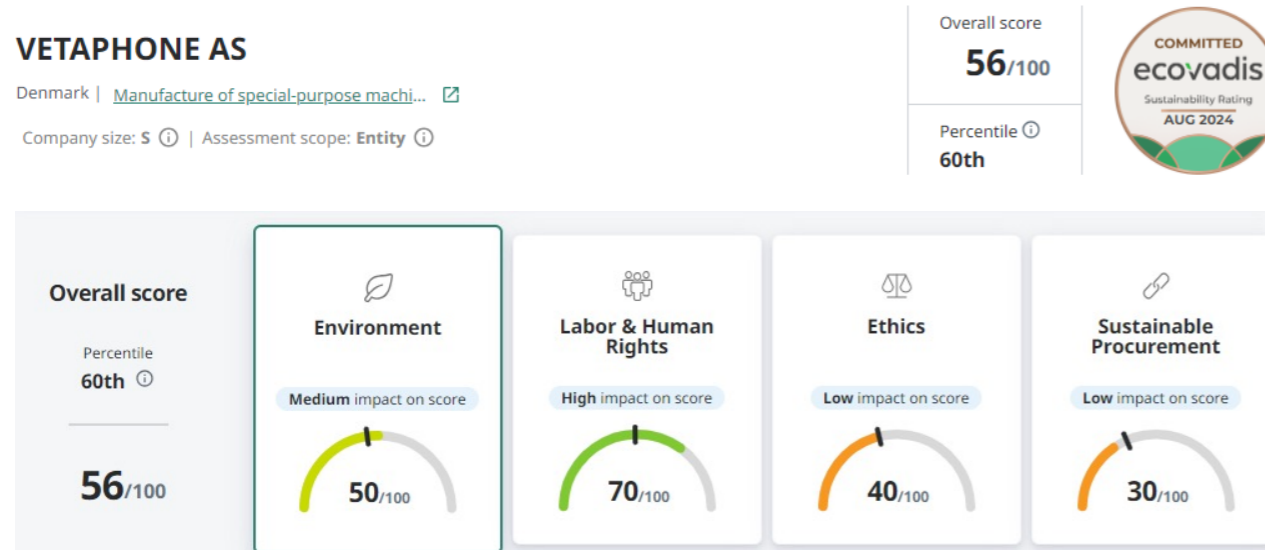
Scope 2 accounts for indirect emissions from the consumption of purchased electricity, heat, or steam. Similar to Scope 1, our production phase uses minimal electricity and water, resulting in a small carbon footprint from indirect energy consumption. This is largely due to the nature of our manufacturing process, which does not rely heavily on energy-intensive equipment. Additionally, we implement efficient energy practices to ensure that our electricity use is optimized for sustainability.

However, the most significant challenge for Vetaphone lies in Scope 3 emissions, which account for approximately 95% of our total carbon footprint. Scope 3 emissions include all indirect emissions that occur across our supply chain, such as transportation, logistics, and the use of our products by customers. Given the nature of our business, which involves the global shipment of products and extensive interactions with suppliers and clients, managing Scope 3 emissions poses a substantial challenge.

Although these emissions fall outside of our direct control, we are fully committed to working collaboratively with our partners to reduce them. This includes engaging with suppliers to explore more sustainable transportation options, enhancing our online technical support services, and increasing the use of virtual meetings and non-physical sales operations to reduce the need for travel. By pursuing these strategies, we aim to make meaningful progress in reducing our Scope 3 emissions over time.

While Vetaphone’s current environmental performance is considered satisfactory, particularly in Scope 1 and 2, we recognize the importance of continuous improvement. We remain dedicated to developing and implementing strategies that will help us reduce our overall environmental impact, and we will actively seek out new opportunities to enhance our sustainability efforts.

In the following section, we will present key environmental performance indicators, including water usage, electricity consumption, and CO2 emissions, to provide a clear and transparent view of our environmental impact.



KPI

This table shows calculations of key figures for number of full-time employees in the company, net turnover and square meters.

KPI Calculation	Ton CO2e
CO2e per employee	179,87
CO2e per mill. DKK Net turnover	0,09
CO2e per m2	5,47

Case story – From gas to electricity: Reducing Global CO2 Emissions Through Innovation

At Vetaphone, we work closely with our customers to help them reduce their CO2 emissions by encouraging more sustainable production practices. One key way we do this is by enabling a shift in surface treatment technology, which plays a crucial role in the packaging industry.

Packaging materials must be surface-treated to ensure products are properly preserved, reducing food waste, and to allow for important information—like content details, barcodes, and batch numbers—to be printed on the packaging. Traditionally, there have been two main methods of surface treatment:

- 1. Gas/Flame Surface Treatment:** This method involves burning gas to create a flame that treats the packaging material, preparing it for the next stage in the process. However, this method generates a significant amount of CO2 emissions.
- 2. Electrical Surface Treatment:** This more modern approach uses an electric spark to achieve the same results, but with a much lower environmental impact. The energy required for this process can come from renewable sources like wind or solar power, and the small amount of ozone it generates can be filtered and safely converted back into oxygen.

By helping our customers transition from gas-based surface treatment to electrical surface treatment, we enable them to significantly reduce their CO2 emissions. Although this reduction is not directly reflected in Vetaphone’s own emissions figures, the impact on global CO2 levels is considerable.

As we continue to innovate and improve our technology, Vetaphone is committed to educating the industry about these more sustainable practices. We are in the process of developing a Vetaphone Academy to help companies make the switch, furthering our goal of reducing emissions not just within our own operations, but across the industry as a whole.

At Vetaphone, we firmly believe that the strength of our company lies in the well-being and satisfaction of our employees. Our commitment to maintaining a positive and supportive work environment is rooted in a long-standing culture that dates back to the founding of the company by Verner and Grethe Eisby. Over the years, this culture has been nurtured and expanded by Frank and Jan Eisby, creating a unique atmosphere characterized by transparency, innovation, and a highly sociable tone.

As a Danish company, Vetaphone complies fully with Danish and EU regulations regarding employee rights, wages, and working conditions. We take great pride in ensuring that all employees are treated fairly, with competitive compensation and benefits, and we adhere strictly to the highest standards of workplace safety. The flat hierarchy within Vetaphone fosters open communication across all levels of the organization, from the CEO and board to managers and employees, enabling a collaborative and inclusive environment.

Employees at Vetaphone are valued as the most critical component of the company's success. We recognize that their dedication, skills, and creativity have shaped the company into what it is today. To support this, we prioritize professional development and social well-being. Vetaphone offers various social events throughout the year such as Friday get-togethers, Christmas parties and birthday celebrations, which contribute to a sense of community and belonging. These events are held in an informal setting, reinforcing our inclusive and approachable company culture.

Beyond compliance and social events, Vetaphone is dedicated to promoting diversity and inclusion within the workplace, ensuring equal opportunities for all employees. We are committed to fostering a work-life balance, offering flexibility where possible, and maintaining a work environment where employees feel safe, respected, and supported.



I grew up in a small countryside town called Gårslev. I attended primary school up to 9th grade and then moved to secondary school, but I struggled with my dyslexia at school.

I always wanted to be a baker – it was my dream job, which I started when I was 16 as an intern. The internship and school lasted four years, which I enjoyed but it was hard because baking is mostly night work, and you must work every second weekend. Eventually, the night hours took a toll, so I chose to go travelling. When I came home I needed a job, which is when I found Vetaphone.

I started in the Production Department initially assembling ceramic part.

I have since worked in different departments, but that's how it is in production - you help where you are needed. I enjoy moving around as I get to chat with different colleagues, and no two days are the same, so it's never boring. It's so different from night hours and weekend work. Vetaphone offers freedom with responsibility.

PERNILLE KJELDEN, PRODUCTION



I was born in a small town called Smidstrup in Denmark. My school was close to where we lived, and when I was 12 I started working in a hair salon. To earn more money, I helped a friend deliver newspapers and when I turned 16, I started work in a restaurant.

During my internship my boyfriend and I moved into an apartment and at 21 I fell pregnant. Fortunately, I was able to finish my internship, and we subsequently had a second daughter. However with two small children, I found work tricky to manage resulting in a period of sick leave.

After recovering, I began working at a private care home and after a year I started my own day care centre but sadly I found this very stressful and after two years my mental health took a decline.

Due to personal circumstances, in 2021 I had to move into an apartment and during this time I was diagnosed with cancer which involved surgery, chemo and radiotherapy. That was tough – just getting the body and mind used to the fact that a lot had changed so suddenly.

I was on sick leave when I spoke to my brother who has worked at Vetaphone for many years. He said the company invites people on sick leave to come in for work experience. I was fortunate to be offered a place and started with two hours, three days a week. One year on, I'm up to 25 hours a week and look after accounting emails to and from customers. I have a good mix of computer work and practical work, which is nice when I start to feel 'brain strain'!

BETINA NYDAHL, FINANCE

In summary, Vetaphone's social responsibility is driven by a deep respect for the people who make up our organization. Our employees are not only our most valued resource but the foundation of the company's continued growth and innovation.

G – GOVERNANCE

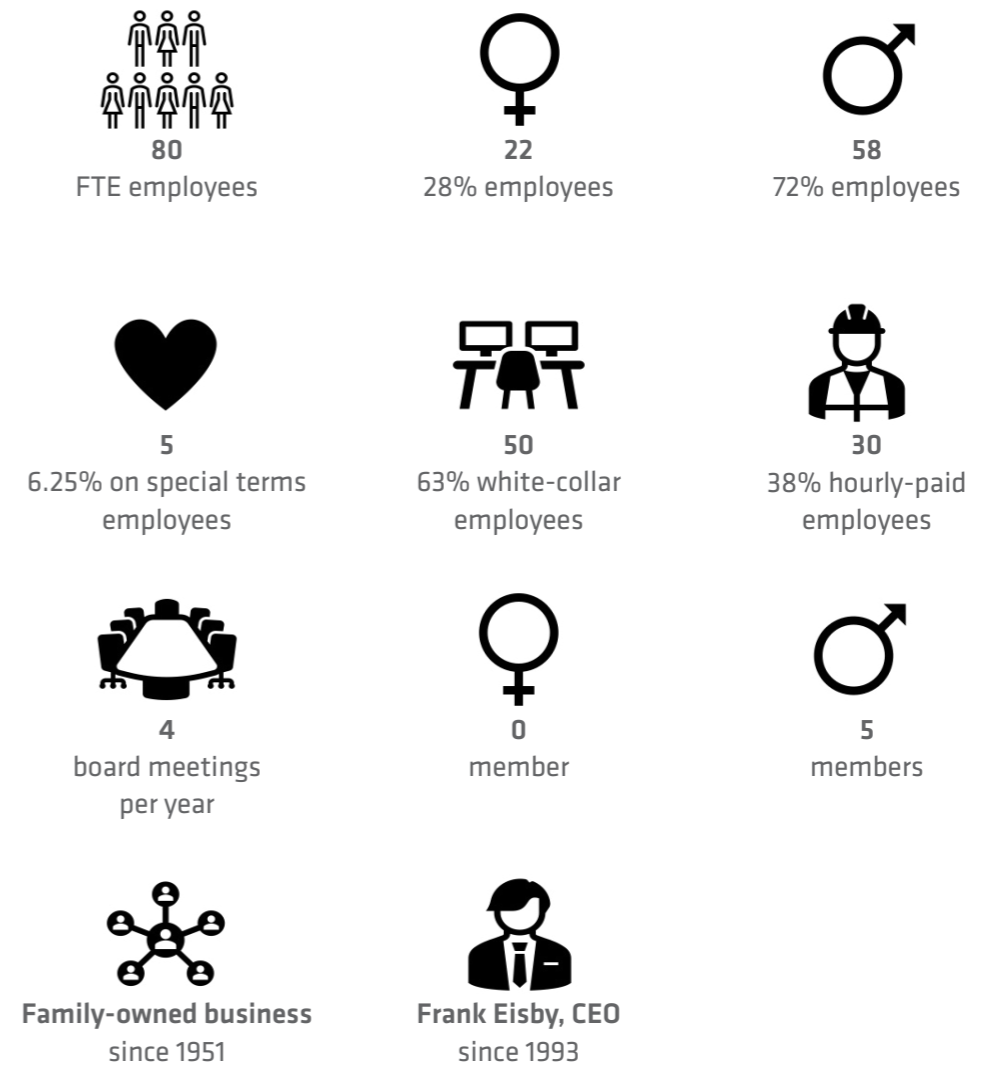
At Vetaphone, strong governance is fundamental to maintaining our company’s culture, ensuring ethical conduct, and driving sustainable growth. As a family-owned business, the Eisby family remains deeply involved in guiding the company’s future, upholding the values and traditions set by our founders, Verner and Grethe Eisby. The family’s commitment to maintaining these principles is reflected in their representation on the board, where one family member holds a seat, ensuring the continuity of Vetaphone’s heritage and culture.

Vetaphone’s board of directors is highly engaged, with each member focusing on a specific area of the company, including technical operations, sales, production, accounting, and ESG. This approach enables the board to maintain close professional and social relationships with employees across all levels of the organization, from the management team to the workforce on the ground. The board’s commitment to fostering open dialogue and collaboration ensures that decisions are made transparently and in alignment with the company’s long-term goals.

One of the key challenges Vetaphone faces in governance is the issue of diversity, particularly in gender representation at the top levels of the organization. Currently, the CEO, director of sales, board members, and management team are all male. We acknowledge this gap and see it as a key area for improvement. As we look to the future, Vetaphone is committed to embracing the broader societal shift toward gender diversity, particularly in traditionally male-dominated fields such as engineering, technical production, and leadership roles in niche industries like ours. While this challenge remains, we are actively working to improve and diversify our leadership.

Vetaphone’s governance is built on the foundation of transparency, accountability, and a collaborative approach to leadership. We believe that strong governance not only enhances business performance but also strengthens the relationships between the board, management, and employees. Our governance framework allows us to remain agile and responsive, ensuring that we can adapt to challenges and seize opportunities while staying true to our values.

Facts about Governance 2023



08 FUTURE ASPECTS AND AMBITIONS

In 2023, Vetaphone achieved an overall ESG score of 56 from Ecovadis, which is considered good. While we are pleased with this outcome, our ambition is to further improve this score in the coming year, with a particular focus on several key areas of our environmental, social, and governance practices. These targeted areas will be outlined in the subsequent sections, as they reflect our ongoing commitment to increasing sustainability, enhancing our workplace culture, and ensuring robust governance.

Looking ahead to 2025, we have identified five specific bullet points where we aim to make measurable improvements. These initiatives will be critical in helping us raise our Ecovadis score and, more importantly, in driving meaningful progress within Vetaphone.

Our focus will remain on strengthening our collaboration with stakeholders, optimizing our operational processes, and embracing innovation to make a greater positive impact on both our industry and the global environment.

High	👤	Results	Insufficient reporting on labor and human rights issues	View
High	⚖️	Actions	No conclusive documentation regarding information security risk assessments	View
High	⚖️	Actions	No conclusive documentation regarding corruption risk assessments	View
High	🔗	Actions	No conclusive documentation on the integration of social or environmental clause...	View
High	🔗	Policies	Inconclusive documentation on sustainable procurement policies	View

Conclusion

We are proud to present this ESG report as it serves as a foundation for Vetaphone's ongoing journey towards greater corporate responsibility. This report not only offers us a tool to observe and assess our current standing but also provides a platform for discussion and improvement. It reflects our dedication to upholding our responsibilities toward the environment, society, and governance, both now and in the future.

At Vetaphone, we are committed to using this report actively, both internally and externally. For full transparency, this ESG report will be made publicly available on our website, shared through our social media platforms, and distributed to all clients and stakeholders. Additionally, we are pleased to provide a direct link to our Ecovadis score and the specific metrics that underpin it, which can be accessed [here](#).

Internally, this report will be presented at a social event for our employees, where we look forward to fostering discussions about our collective role in driving sustainability and responsibility. We welcome the input of all stakeholders—board members, clients, employees, and others—who wish to offer suggestions and ideas for how we can continue to improve and advance as a company.

Vetaphone remains dedicated to building on this foundation and evolving as a responsible and forward-thinking business. Together, we will continue to explore new ways to improve our ESG performance and positively contribute to the world around us.



www.vetaphone.com