

UN Global Compact Communication on Progress

November, 2021

DAFA

DAFA A/S 2020/2021

November 11, 2021

In 2010 DAFA A/S joined UN Global Compact, the world's largest initiative for corporate social responsibility.

DAFA A/S is a privately owned Danish production company with more than 80 years of experience. DAFA develops, manufacture and deliver a wide range of sealing, absorption, and protection products and total solutions for the construction and industrial sectors.

Profit, planet, and people matter to DAFA. Our ambition is to become even more sustainable in our business decisions, processes, and stakeholder relationships. We aim to have a sound balance in our responsibilities towards the environment, social impact, and our governance.

DAFA cares about its employees, and they are the most important assets of business success. Every year DAFA organizes different activities to show

appreciation of employees' efforts and their dedication to DAFA. The company has a safety policy, staff policy, and management guidelines, and a collaboration committee has been established to improve collaboration across functions.

As we develop our company into a more globalized business operation, we need to include our ethical standards in a global perspective. The UN Global Compact provides us with a framework that enables us to do so in a formalized manner and demonstrate our continuing commitment to advance the ten principles of the Global Compact in both policies and business operations.

Steen Bødtker
Group CEO, DAFA

Initiatives

This is our 12th UN Global Compact Communication of Progress.

The key initiatives completed since the last COP have been:

- DAFA has developed a sustainability strategy named 'DAFA Go Green', this to adapt to the Danish Climate law goal of 70% reduction of greenhouse gas emissions by 2030.

The sustainability goals towards 2030 have been set out as shown below with reference to the year 2019:



50% reduction of CO2 by 2025 by production hour



100% renewable energy consumption by 2030



90% local sourcing of raw materials by 2025



50% of our waste is recycled by 2030



40% of DAFA's products contain recycled materials by 2025



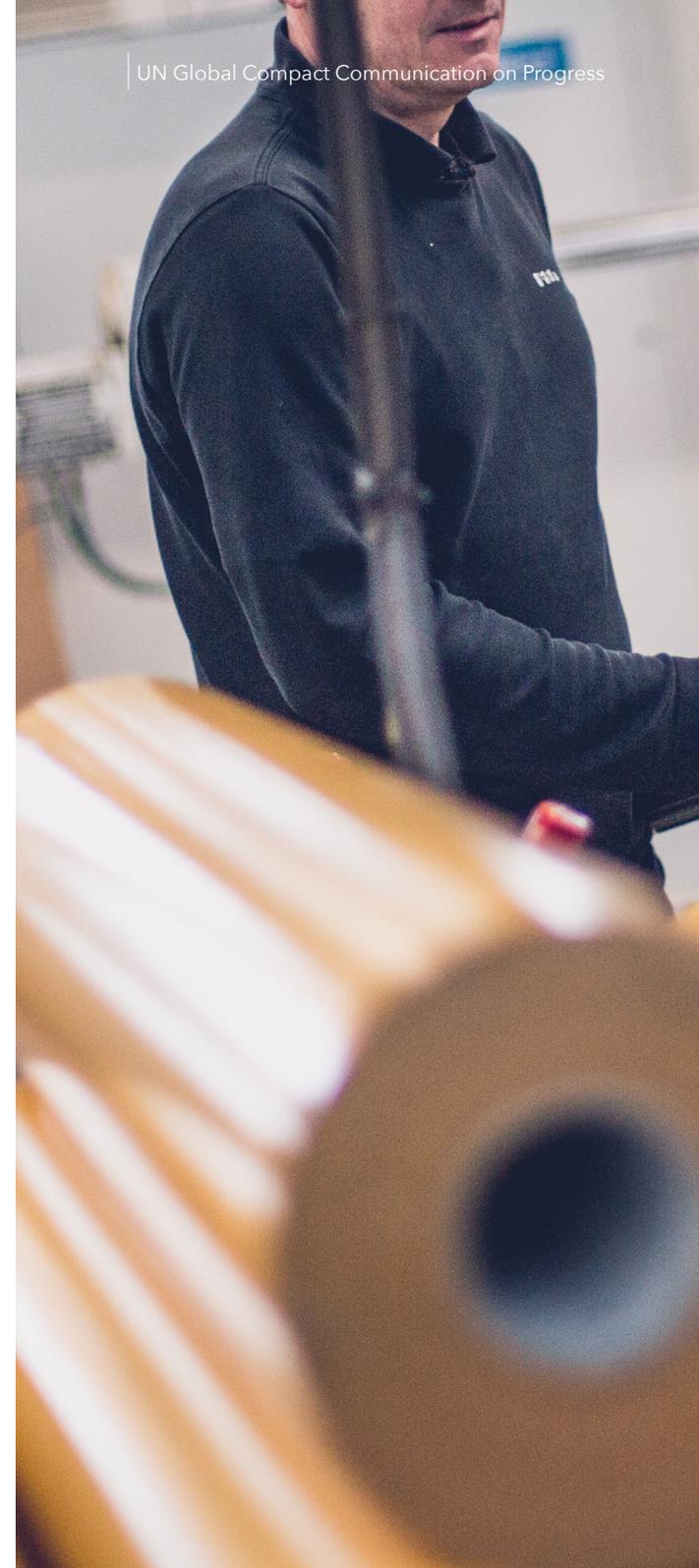


Initiatives

- A new way of stacking our goods, which optimizes the space during transportation and reduces our carbon footprint.
- Introduce active Waste Management in the manufacturing and innovation processes, based on the waste hierarchy set by EU. The future goal is to lift the lower fractions of the hierarchy to support the circular economy further.
- To increase the part of the waste being recycled and/or reused the following actions were implemented:
 - *The installation of a machine used for granulating excess foam, so it takes up less space during transportation to the recycling site*
 - *Increased recycling of paper used in administrative processes*
 - *Disposable tableware made of plastic has gradually been phased out*
 - *Enhanced recycling of waste by collaborating with local networks*
 - *The use of material declarations and recycling codes on our products is gradually enhanced*

Initiatives

- To support and document DAFA's progress with the principles of ESG (Environmental, Social, Governance), the key figures recommended by UN Global Compact have been adopted. The key figures are listed on the next page.
- Besides the ESG key figures, DAFA also focus on contributing to society by financially donating to: "Families with cancer-affected children" and the Danish Cancer Society "Knæk Cancer" campaign.



ESG key figure overview

DAFA A/S key figures

	Unit	Goal (2021)	2020	2019
Environment				
CO2e, scope 1	Tonnes	-	57	94
CO2e, scope 2	Tonnes	-	344	331
Energy consumption	GJ	-	6.098	6.414
Renewable energy share	%	-	*	*
Water consumption	m3	-	1956	2171
Social				
Full-time workforce	FTE	-	129	127
Employee turnover ratio	%	10	12,3	18,2
Sickness absence	Days per FTE	4	3,5	4
Customer retention ratio	%	80	76,8	80,2
Governance				
Board gender diversity	%	25	25	25

* renewable energy share by solar cells panels could not be calculated however it is assessed to be equal to 8% reduction of the electricity consumption or 5% of the CO2e, scope 2



Future initiatives

For the next period DAFA will set out initiatives to consolidate sustainability throughout the global sites:

- Formalize a CSR policy for DAFA Group covering human rights, labor, environment, and anti-corruption.
 - Whistleblower directive set out by EU will be implemented in DAFA. If DAFA's Code of conduct is breached it is possible for every employee and business partners to report this into an anonymous and encrypted platform.
 - Recycled materials substitute traditional materials in a selected range of DAFA's products
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- Train the employees in the Ten Principles of Global Compact. This was postponed due to COVID-19 restrictions.
 - Further development of professional and personal skills through the DAFA Academy.

Future initiatives

- Develop Environmental Product Declarations (EPD) for our products when possible. This to ensure that DAFA's sustainable solutions for buildings can be the preferred choice for DGNB sustainability certified constructions.
 - Collection of rainwater and reuse in production processes to minimize the consumption of drinking water.
 - Endeavour supplier partnerships, which have a focus on reused and/or recycled raw materials. This to further reduce our carbon footprint.
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- Merging of certificates to one DAFA Group and assuring that best practices of business management, and governance will be rolled out at all our sites.



Sustainability happens in collaboration

DAFA constantly aims for improvements in the whole organization, and we believe that it is our responsibility to handle the impacts from our improvements correctly. We are very aware of our limited size seen from a global perspective, but we know we make a difference in our local business area.

By using UN Global Compact as our overall guideline, we will extend our sustainable business ethics while striving to become a more global company.

We look forward to communicating our progress in the years to come.

