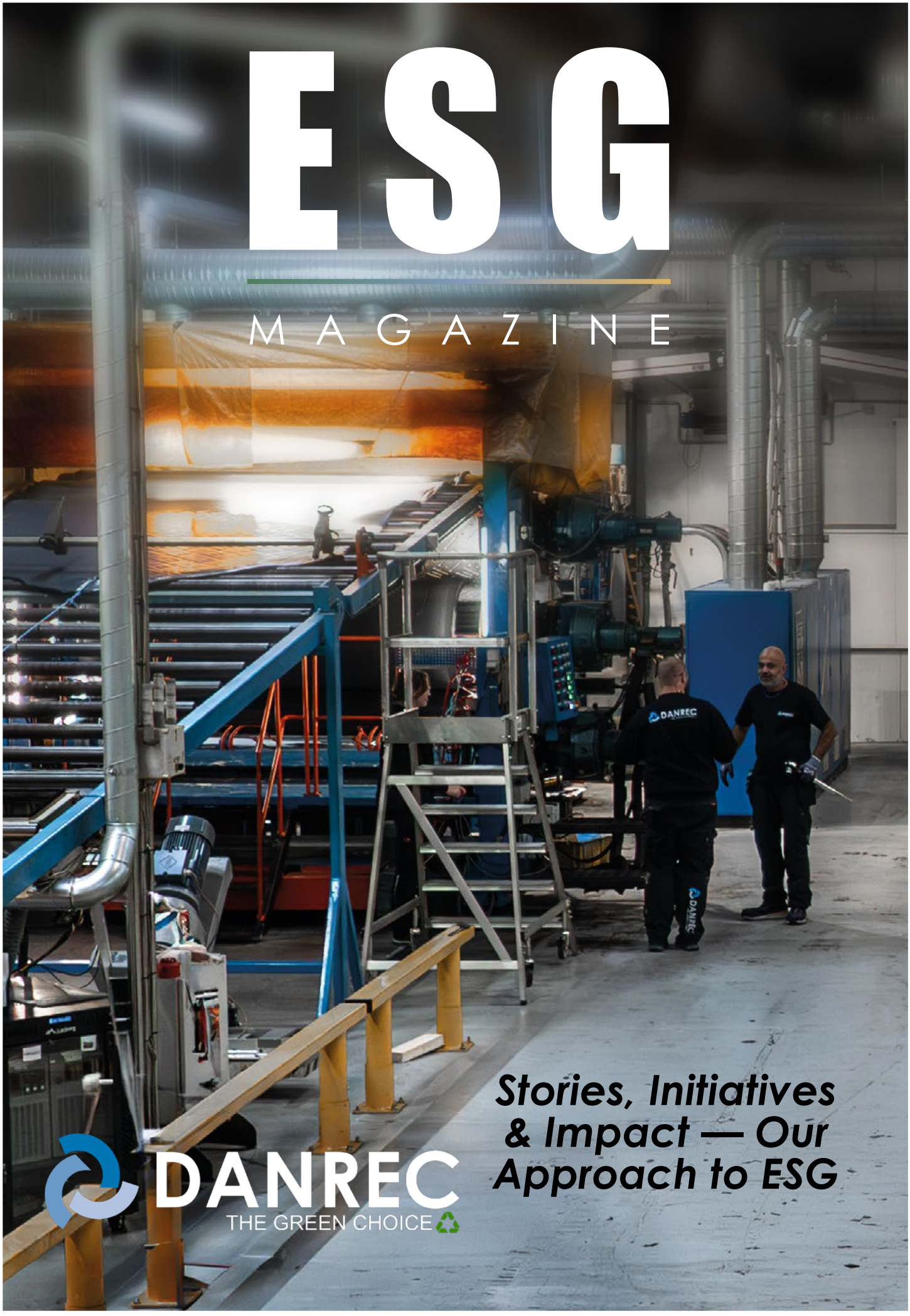
ESG

MAGAZINE



Stories, Initiatives & Impact — Our Approach to ESG

DANREC
THE GREEN CHOICE

SUSTAINABLE DEVELOPMENT MEANS MEETING PRESENT NEEDS WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN.

This is the definition of sustainability in the context of the UN Sustainable Development Goals (SDGs). The definition originates from the Brundtland Report, published in 1987. It is also the definition we apply in our company and in this magazine.

Why we publish DANREC's ESG Magazine

ESG is not only about figures and reporting requirements. It is about how we take responsibility in practice – for people, the environment and the business – and how ambitions are translated into action in everyday work.

That is why DANREC has chosen to communicate our ESG efforts in a magazine format. Here, there is room for stories, concrete initiatives and the people who contribute to the green transition every day. At the same time, the magazine provides a comprehensive overview of our approach to ESG.

The magazine is supplemented by an online universe, continuously updated with new stories, data and insights. In this way, our ESG communication is not a snapshot, but a living narrative of both progress and ambition.

For us, responsibility is continuous work. With this ESG Magazine, we aim to give customers, partners and other stakeholders a clear and honest insight into where we stand – and where we are heading.

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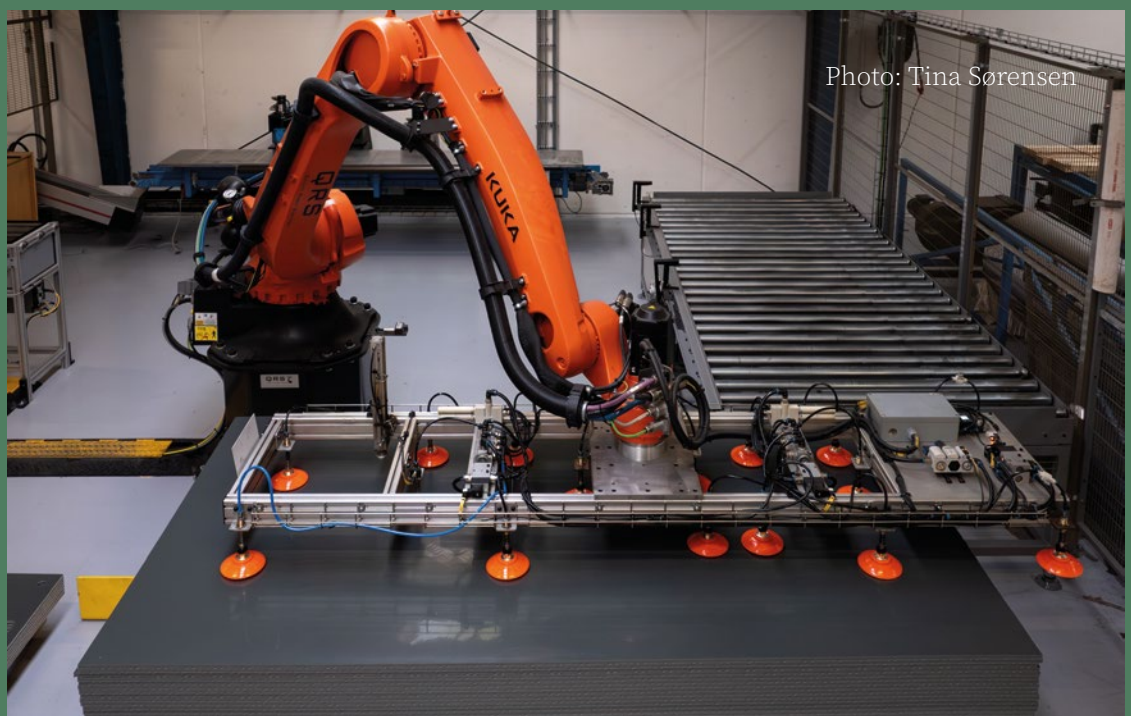


Photo: Tina Sørensen

"...we have built a business that proves sustainability is not a cost – it is a competitive advantage."

- Henrik Immerkær Ohm, CEO

Photo: Tina Sørensen

PREFACE

We generate millions from household plastic waste – while others still believe the green transition is expensive.

Ground protection mats. Boards you lay down so excavators and heavy machinery do not turn lawns, construction sites and fields into mud and wheel tracks. It does not sound particularly exciting.

And yet, here in Karup, I am reminded every single day just how wrong that assumption is.

DANREC produces ground protection mats. Full stop.

But we produce them from 100 percent recycled plastic. And we have built a business that proves sustainability is not a cost – it is a competitive advantage.

When I joined as CEO in 2021, DANREC had revenue of around DKK 30 million and 16 employees. Today, we have surpassed DKK 100 million, more than doubled our workforce and operate with a profit margin above 15 percent.

That is not a coincidence.

A story the almost came to a halt

DANREC was founded with great ambitions. In the early 1990s, the company was to become Denmark's first facility for sorting household plastic. With EU funding, German capital and commitments from municipalities, the factory in Karup was meant to become a green flagship.

It did not.

The plastic never came. Municipalities failed to deliver as promised. The factory stood ready – without raw materials. For more than a decade, plastic waste was imported from Germany, processed in Karup and sent back. It was costly, inefficient – and ultimately unsustainable.

In 2002, the German owners pulled the plug. Twenty-seven employees were laid off, and production stopped.

Three employees and one machine remained in a corner of the production hall. Three days a week, they produced plastic boards for agriculture. Not because of a grand strategy. But because customers remained. It was modest.

But it kept DANREC alive.

When time had stood still

When I took over nearly 20 years later, it was clear the company had survived – but not evolved.

No one had occupied the CEO's office since 2002. Folders and archives bore witness to an organisation at a standstill. There was almost no IT, no structure and no shared direction.

DANREC's keyfigures 2025

Turnover (mDKK)	Number of employees	Earnings (mDKK)
102,4	34	15,8

But there was a product with potential. Production that could be scaled. And a business already circular – without using the word.

That is where the work began.

We modernised processes. Invested heavily in production. Built a professional sales organisation with local presence in export markets. And we made a clear decision: DANREC should prove you can manufacture in Denmark – and make money doing it.

Green business - black on the bottom line

Today, around 80 percent of our production is exported. We sell through distributors and building supply chains across Europe. Demand is growing, and we continue to invest.

In new production lines.
In process optimisation.
In robotics and automation.
And in data and AI where it creates real value.

If you want to manufacture in Denmark, there are no shortcuts. You must constantly invest in efficiency, quality and scalability. It is not easy. But it works.

At the same time, we invest in our green foundation. We produce using 100 percent recycled plastic. We are self-sufficient in green electricity through our own solar panels and energy contracts. And we document our footprint – not for appearances, but for management.

Our ambition is clear:
DANREC must become Denmark's greenest manufacturing company.

The future lies in Karup

My goal is that within five years we will surpass DKK 200 million in revenue. Not by moving production abroad – but by expanding it here in Karup.

That means more investments.
More machines.
More automation.
And more local jobs.

Let others continue telling the story that the green transition is expensive, complicated and dependent on subsidies and excuses.

We do it differently.
We manufacture in Denmark.
We recycle plastic waste.
And we make money from it.

Henrik Immerkær Ohm
CEO DANREC A/S

Photo: Tina Sørensen

“...we made a clear decision: DANREC should prove you can manufacture in Denmark – and make money doing it.”

- Henrik Immerkær Ohm, CEO

THE SDGS - FROM GOALS TO ACTION

At DANREC, the Sustainable Development Goals are part of everyday life – and part of the decisions made in production, in the office and in collaboration with customers and suppliers.

For us, it is not about covering as many goals as possible, but about choosing those where our efforts create real impact – and where actions make a tangible difference.

We have chosen to focus on these four goals:
- Good Health and Well-being (3)
- Affordable and Clean Energy (7)
- Decent Work and Economic Growth (8)
- Responsible Consumption and Production (12)

> *For us, sustainability means taking responsibility where we can truly make a difference. The SDGs help us stay focused – but it is action that counts.*
> - Henrik Immerkær Ohm, CEO

SDG 3: Good Health and Well-being

Well-being as a prerequisite for results

A healthy working life is not a side benefit – it is a prerequisite. At DANREC, we therefore focus on both physical and mental well-being. Small initiatives such as group walks, fruit schemes and health checks go hand in hand with broader measures like health insurance, workplace assessments and respect for work–life balance.

Our goal is clear: to be a workplace where employees want to stay – and where absence is prevented through well-being rather than crisis management.

"*Well-being is not something you decide once a year. It requires daily attention and a culture where there is room for people and diversity,*" says Samantha Brander, QHSE/ISO & Procurement at DANREC.

SDG 7: Affordable and Clean Energy

Energy with responsibility

Energy consumption is always central in a manufacturing company – and an area with significant potential. DANREC has already taken major steps by establishing a solar park that covers a substantial share of the company's electricity use. At the same time, the surplus heat from production is used to heat the administration building.

Our ambition goes further: expanding the solar park, transitioning fully to certified renewable energy and gradually phasing out gas heating are all part of the long-term plan.

This is not only about CO_2 reduction, but also about resilience, energy security and responsible operations.

SDG 8: Decent Work and Economic Growth

Decent working life – long term

At DANREC, we believe healthy workplaces create sustainable businesses. We therefore work systematically with equal conditions, fair employment and an inclusive culture where skills and commitment matter more than gender, age or background.

Investments in new technology have reduced monotonous and physically demanding tasks in production and provided employees with more varied and meaningful working days. This strengthens both the working environment and quality – and contributes to stronger teams and higher retention.

SDG 12: Responsible Consumption and Production

Circular thinking in practice

Responsible consumption is at the core of DANREC's business. With a recycling rate of over 90 percent of the company's waste, strong results have already been achieved – but the work does not stop there.

For us, responsible production means thinking long term in both operations and processes. We maintain our machinery to extend its lifespan and invest in new equipment when it makes sense. At the same time, we continuously optimise processes to keep the use of electricity, raw materials and auxiliary materials at an absolute minimum.

Our products are made from 100 percent recycled plastic and are designed to be recyclable themselves. Through our buy-back scheme, we take responsibility for materials – even after use. Responsible production also means transparency and informed consumption. We therefore work systematically with CO_2 footprint per product, supplier requirements, material documentation and Environmental Product Declarations as an integrated part of our environmental management under ISO 14001.

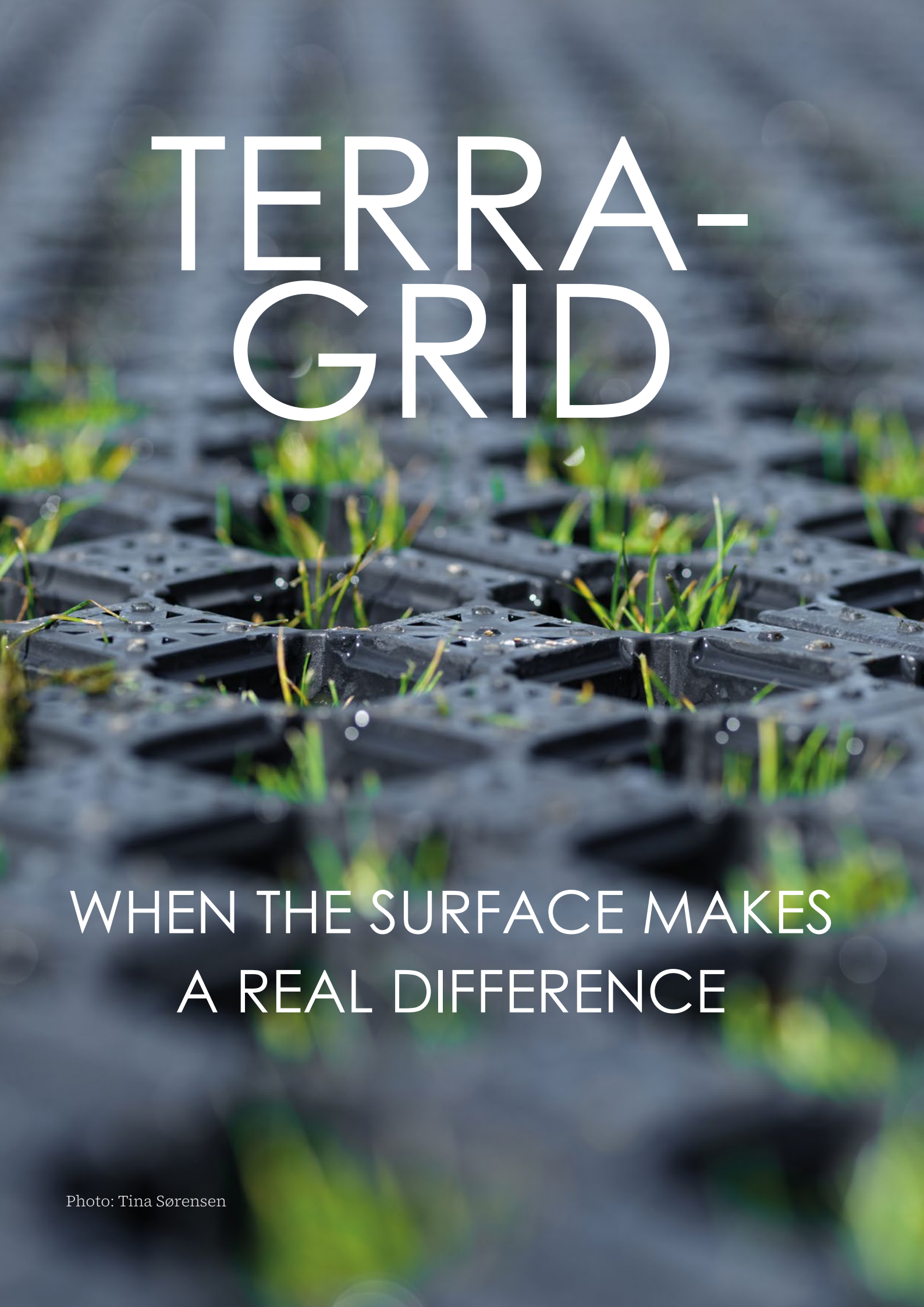
From goals to action – every day

The SDGs provide a shared language and direction. But at DANREC, they are first and foremost a working tool – not a checklist. Our initiatives evolve, ambitions grow stronger and new opportunities arise.

What matters most to us is that sustainability does not become a separate project, but an integrated part of the business.

From goals to action – from action to real change.

Photo: Tina Sørensen



TERRA-GRID

WHEN THE SURFACE MAKES A REAL DIFFERENCE

Photo: Tina Sørensen

In April 2025, we acquired the German company novus:HM and with it the production and sales of the grass and ground reinforcement system Terra-Grid.

Terra-Grid fits naturally into DANREC's portfolio. It is a solution that combines functionality, durability and environmental consideration – and makes a real difference where ground conditions are otherwise a challenge.

Stability without sealing nature

When surfaces need to support traffic, vehicles and people, the typical solution is asphalt or concrete. With Terra-Grid, we follow a different principle: stabilising the ground without sealing it.

Terra-Grid E®35 is a grass and ground reinforcement system that provides an even and stable surface while preserving natural drainage and vegetation growth. Rainwater can infiltrate, the soil can breathe, and green areas remain green – even under heavy load.

> *When solutions are placed directly in nature, quality is also an environmental responsibility. Terra-Grid is designed to last – without leaving a trace.-*
> Henrik Immerkær Ohm, CEO

Quality as environmental responsibility

Not all plastics are the same. In solutions placed in direct contact with soil and groundwater, material choice is critical. Terra-Grid is manufactured from 100% recycled plastic and is RAL-GZ 806 certified. This means, among other things, that the material has been tested for strength, durability and – importantly – that it does not release ecotoxic substances into soil or water.

For us, quality is therefore not only about lifespan and load-bearing capacity, but also environmental safety. When products fail, it is


Photo: Tina Sørensen


Photo: Tina Sørensen

not only an operational issue – it can also pose a risk of plastic pollution. That responsibility is one we take seriously.

Proven strength – in practice

Terra-Grid E®35 has a load-bearing capacity of up to 160 t/m² and is designed to withstand frost, UV radiation and significant temperature fluctuations. Integrated expansion joints ensure long-term stability, even under changing weather conditions.

Today, the system is used for everything from parking areas and access roads to events, campsites and airfields. Terra-Grid has, among other things, been used to establish temporary parking areas with capacity for several hundred cars – quickly, efficiently and without permanent impact on the landscape.

Follow the example of the Canton of Bern

The mobility provider Swissbility needed a quickly deployable, cost-effective and environmentally responsible solution to create space for 250 cars on a green area in Switzerland – with an expected usage period of five years. A total of 4,480 m² of Terra-Grid E®35 was installed.

As the previous parking area was no longer in use, a temporary alternative was required that could be operational within days, required minimal ground preparation, allowed full rainwater infiltration and could be removed without trace after five years.

Terra-Grid E®35 proved to be the ideal solution for Swissbility's requirements: investment costs up to 80% lower than traditional asphalt or concrete surfaces, combined with a modular system enabling significantly shorter construction times and flexible adaptation if capacity needs change.

Its excellent permeability reduces the need for complex drainage systems and facilitates regulatory approvals. At the same time, the material's 100% recyclability ensures a responsible environmental footprint.

A circular solution – long term

Terra-Grid is modular, durable and requires minimal maintenance. If individual elements need replacement, this can easily be done and the material reused. The solution is therefore circular – not only in its raw material, but throughout its entire life cycle.

For us, it is an important ESG principle that solutions do not merely appear sustainable on paper, but also perform in reality – year after year.

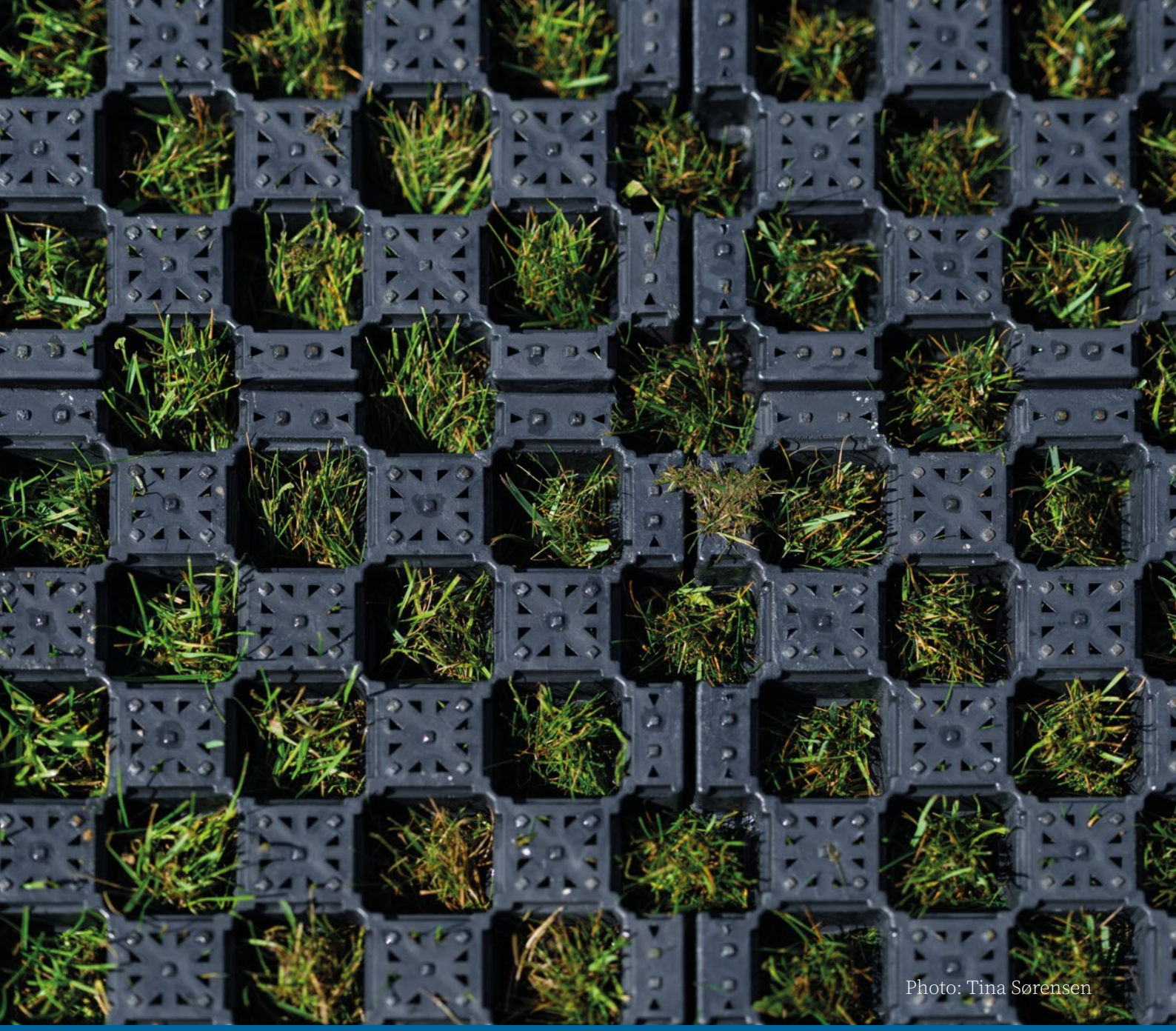


Photo: Tina Sørensen

We are RAL-certified – but what does that mean?

A RAL certification means that a product, service or company complies with strict and continuously monitored quality and safety standards defined by RAL Deutsches Institut für Gütesicherung und Kennzeichnung in Germany. The certification is one of the most recognised quality marks in Europe and stands for reliability, transparency and long-term performance.

A RAL certification is not a one-time approval. It requires ongoing compliance with clearly defined technical standards and regular independent inspections. This ensures that certified products and services maintain a consistently high level of quality over time. The process also involves comprehensive documentation, testing and strict production controls.

A RAL mark signals to customers, partners and authorities that a product or service has been tested and documented according to high industry standards. It also reflects a company's commitment to quality, sustainability and consumer protection.

RAL
GÜTEZEICHEN
PRODUKTE AUS
RECYCLING-KUNSTSTOFFEN

ALWAYS PERFECT LANDING CONDITIONS

Photos: Texel Airport

At many airfields, grass runways are an important part of the infrastructure. They are flexible, natural and gentle on the surroundings – but also vulnerable to weather, load and seasonal variations.

With Terra-Grid E®35, we offer a solution that reinforces grass-based runways, enabling year-round use – without compromising drainage, vegetation or the natural appearance.

Extended season and increased operational reliability

Terra-Grid E®35 stabilises the sub-base and reduces the risk of mud, rutting and uneven surfaces – even during periods of rain and changing weather. This allows airfields to increase opening days and maintain safe operations for most of the year – including winter months when runways would otherwise be closed.

At the same time, the high load-bearing capacity enables operation at full Maximum Take-Off Weight (MTOW), including heavier aircraft. The firm, even surface reduces rolling resistance during take-off, potentially contributing to lower fuel consumption in the take-off phase.

Documented performance improvement

At airfields, CBR (California Bearing Ratio) and CBI (Clegg Bearing Index) are used to assess ground strength and stability. Low values indicate weak soil and limited load-bearing capacity.

Terra-Grid functions as a geogrid that locks the sub-base material in place and distributes

of Terra-Grid can increase the effective CBR/CBI by two to three times, depending on soil conditions.

The result is stronger, more reliable runways and lower construction costs – even on subgrades with limited natural bearing capacity.

Texel Airport – green runway with high load capacity and rapid implementation

A recent example is Texel International Airport in the Netherlands, where changing weather patterns over several years created challenges for the grass-based main runway 21–03. Heavy rainfall – both in the late season and during summer cloudbursts – led to repeated (partial) closures and a decline in flight operations.

Despite a lava aggregate top layer installed in 2003, the bearing capacity was no longer sufficient to ensure stable operations under load. A long-term solution became necessary.

Several scenarios were analysed, including major reconstruction and asphalt paving. However, a traditional asphalt solution did not align with the airport's long-term vision, where sustainability and environmental respect play a central role. The goal instead was to create a green runway with high load capacity and minimal environmental impact.

After thorough research, Texel International Airport selected Terra-Grid from DANREC. The solution is made from 100% recycled plastic and combines high load capacity with an open, permeable structure. After installation, the runway retains more than 50% grass coverage, preserving the soil's natural ecosystem and supporting continued biological activity.

> *Terra-Grid provides stable grip and safe operation – even during heavy braking and wet conditions.*

Installation began on 27 October and was carried out directly on top of the existing grass runway – without prior ground preparation. The panels were laid and clicked together, then gently rolled into the top layer to ensure stability and proper integration with the grass.

By 7 November, the work was completed. In total, 36,000 m^2 of Terra-Grid were installed in just ten working days, thanks to close cooperation between the contractor, airport users, volunteers and the Texel Airport team.

The result is a reliable runway capable of withstanding heavy rainfall, reducing closures and ensuring stable operations – without compromising landscape or sustainability ambitions.

Technical strength with respect for the surroundings

Terra-Grid E®35 has a documented load capacity of up to 160 t/m^2 and is designed to withstand frost, UV radiation and significant temperature fluctuations. Integrated expansion joints accommodate ground movement and ensure long-term stability.

The system is permeable and does not seal the surface. Water can infiltrate naturally, and grass continues to grow through the structure. The runway retains its natural appearance – without compromising drainage or soil structure.

> *Used for more than 25 years and manufactured from recycled plastic – Terra-Grid combines operational reliability with environmental responsibility*

Quality, certification and responsibility

When solutions are installed directly in nature and in safety-critical infrastructure, material choice and documentation are essential. Terra-Grid E®35 is made from recycled plastic and is RAL-GZ 806 certified.

The certification sets strict requirements for materials, environmental impact and physical performance. Products must not release ecotoxic substances into soil or water and are tested for strength, durability and resistance to weather and load.

For us, this is an important part of our ESG commitment: ensuring that solutions are not only technically effective, but also environmentally safe – in both the short and long term.

A solution that performs – in practice

Terra-Grid is currently used on more than 100 runways worldwide and demonstrates how functionality, operational reliability and environmental responsibility can go hand in hand.

For airfields, this means fewer closures, stable operations and a solution that respects both the landscape and the demands of modern aviation.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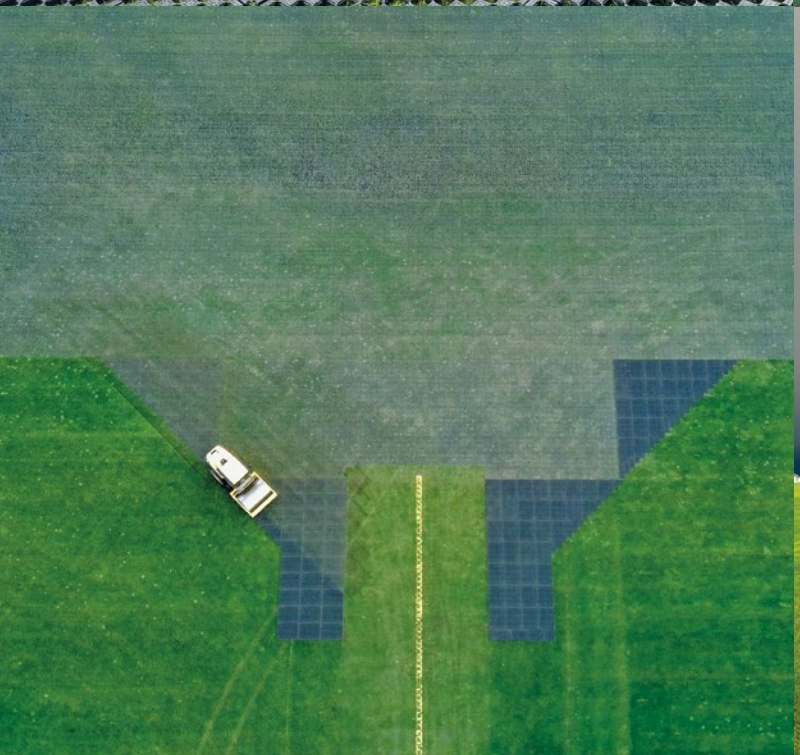


ARTIFICIAL INTELLIGENCE CREATES VALUE FOR EMPLOYEES

Helix is new at DANREC, but unlike other employees, Helix requires neither salary nor breaks. Helix is a robot – an AI-powered agent created to support the fibre laser in production. The result is better workflow, less downtime and fewer interruptions for employees.

Several times a week, Paw Sørensen Vogensen used to wake up to his phone ringing.

On the other end was a colleague needing technical support. As Head of Marketing – and especially Head of Technology – Paw is the person colleagues turn to when technology causes problems.

But his phone no longer rings at all hours. The reason is Helix – a patient and pedagogical AI agent that enables employees to solve issues themselves when they arise.

"AI handles routine tasks and acts as a tool to support our employees, so they can spend their time on something more valuable. Many think of artificial intelligence as something complex and over-engineered, but it's great to use it in a very practical way and actually create something that adds value for employees," says Paw Sørensen Vogensen.

Fed with manuals

The idea of using AI in production arose when Paw Sørensen Vogensen, as part of his further education in AI, needed to develop an exam project.

He chose to build a support client for the fibre laser used in production. The fibre laser engraves logos and customer names onto products. Paw himself wrote the original training manuals for the laser – partly because he was the one receiving the calls when production stopped at three in the morning due to fibre laser issues.

"Besides being frustrating to wake up at night, it's also unpleasant for the employee calling about what often turns out to be a simple issue," he explains.

Helix is software trained on the manuals Paw has developed and refined over his four years at DANREC.

"The first manuals were very technical, but when people struggled to understand them, I rewrote them to be more pedagogical," he admits. Helix has also been trained on Panasonic's manuals and instructed to communicate clearly and simply.

"Not everyone is technically inclined, so explanations need to be straightforward," says Paw Sørensen Vogensen.

Can't bake pizza

Helix is programmed to generate short step-by-step guides to resolve problems. Employees can also interact with it directly. Since Helix recognises all error codes, simply entering the code is often enough to receive a solution. This reduces production interruptions and

minimises downtime when machines would otherwise be stopped.

The name Helix was chosen by the AI itself.

"I thought it was fun to let it name itself. It suggested options and ended up choosing Helix," Paw says.

In the production hall, the AI has been well received. It has even been trained in various emergency scenarios. In case of fire, Helix sensibly advises switching off the main power supply and calling the fire brigade.

However, the robot has its limits. It is coded exclusively to assist with work-related fibre laser issues.

"If you ask it how to make a good pizza, it politely explains that it was designed only to help with Panasonic fibre lasers," Paw points out.

More AI in Karup

Paw Sørensen Vogensen is already developing a whole family around Helix. The ambition is to expand AI into other areas of production and administration to simplify order handling and production planning.

"AI is not about replacing employees. By introducing automation, we create the opportunity to grow without placing additional pressure on our staff – because they can use their time more efficiently," he emphasises.

DANREC's AI efforts have also attracted attention beyond the production hall in Karup. The company won the Quality Award of the Year 2025, partly for the implementation of the AI agent.

It has now been a year since Helix entered the company – and it has been a success. Also for Paw's sleep.

"I honestly can't remember the last time I got a night-time call," he laughs.

Photo: Tina Sørensen

WE PROFIT FROM THE GREEN TRANSITION

Text: Vibeke C. Larsen

Photo: Tina Sørensen

Old plastic bags, used ice-cream tubs and empty shampoo bottles get a new life when DANREC recycles the plastic into DAN-Board sheets sold across Europe. The company in Karup has proven that it is possible to be both profitable and green.

Når en tysk hausfrau – eller hausmann – har klemt When a German hausfrau – or hausmann – squeezes the last drops from a curry ketchup bottle and sorts it correctly into the plastic container, that bottle is transformed into granulate and reborn as a DAN-Board sheet from DANREC.

All DANREC ground protection mats and grass reinforcement sheets are made from 100% recycled plastic, and 95% comes from household waste. DANREC is living proof that caring for the environment and generating profit can go hand in hand.

"You can earn good money from the green transition. We are growing and can sell even more. A typical industrial company has a profit margin of 5–6%, while ours is above 15%," concludes DANREC's CEO, Henrik Immerkær Ohm.

From his office at the factory in Karup, loud drilling and hammering reveal that a new production line is under construction. Five years ago, the company had two production lines. When the new facilities are completed later this year, DANREC will operate four.

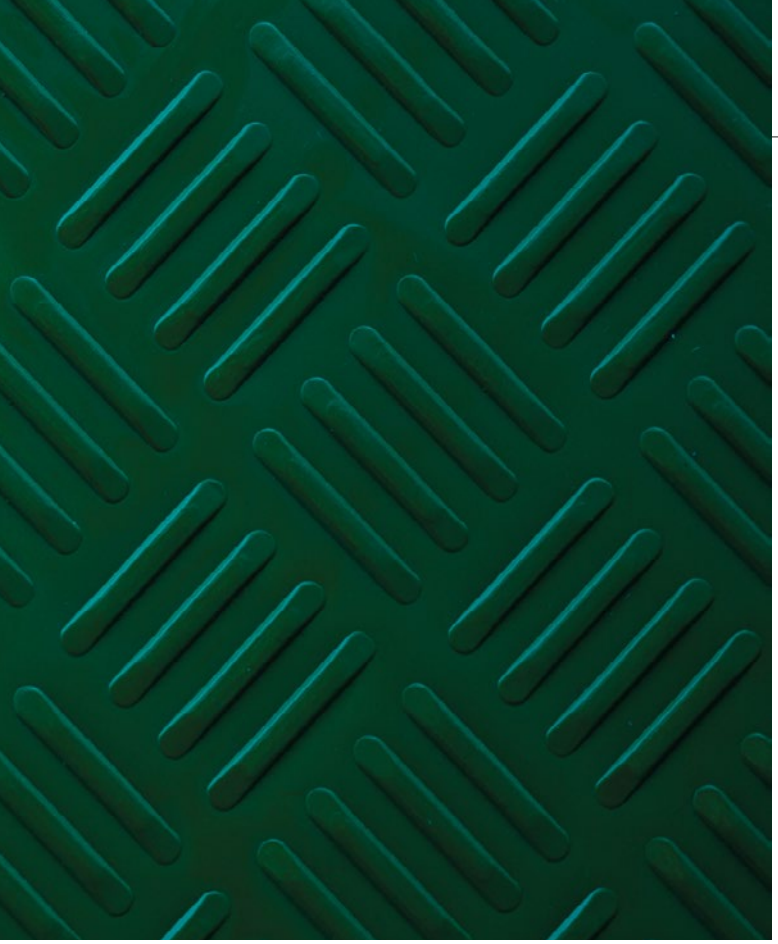
Ahead of its time

DANREC was the first factory in Denmark built to receive plastic waste for sorting and recycling. The company was founded in 1992 by the German company ARAN Holding with EU funding. The agreement was that municipalities would supply plastic waste to be converted into recyclable granulate. The road to success, however, was long – DANREC was ahead of its time.

"Agreements had been made with municipalities to deliver plastic, but in the early 1990s none of them were sorting household waste," says Henrik Immerkær Ohm.

DANREC therefore had to import recycled plastic from Germany. Work volumes were modest. The company had only three production employees working three days a week and a Swedish director visiting every second week, while accounting was handled from Germany.

Besides producing granulate, the company had one machine for making smooth plastic sheets



used for agricultural feed boxes. Production was so limited that the German owners considered closing the Danish operations.

A bestseller is born

The turning point came when the agricultural sector began requesting ribbed sheets to place under feed boxes so piglets could not push them around. DAN-Board Classic was born – and remains a bestseller today.

"We also gained a permanent director and a more professional approach," says Henrik Immerkær Ohm, who joined DANREC as CEO in 2021.

From agriculture, DAN-Board expanded into contractors and DIY chains, and in 2018 DANREC entered the German market. Revenue was DKK 36 million in 2020 and reached DKK 102.4 million in 2025.

Plastic from 150,000 citizens

While recycling is now seen as a strength, it was different in the early years.

"In the past, using recycled materials was almost something to be embarrassed about. Today, it is something we emphasise," says Henrik Immerkær Ohm.

DANREC uses more than 8,000 tonnes of recycled plastic annually. Since each citizen consumes approximately 50 kilos of plastic per year, production corresponds to the consumption of around 150,000 citizens. Most granulate comes from Germany, Belgium and Italy, some from Norway and very little from Denmark.

"We tend to believe Denmark is a leader in the green transition because of our wind turbine success story, but we are actually the worst country in the EU at sorting household waste," he notes.

Difficult to sort household waste

Henrik Immerkær Ohm moved to Germany in 1992 and immediately learned to sort waste. That same year Germany introduced nationwide sorting. Unlike Denmark, Germany uses a unified system across the country – a system now adopted in Poland, Austria and Switzerland, making recycling far easier. In Denmark, each municipality has developed its own system.

"I don't understand why Denmark didn't look to Germany, with 30 years of experience, and adopt their system instead of letting 98 inexperienced municipalities create their own," he emphasises.

In Denmark, plastic is collected as a mixed fraction, but no facility is large enough to process it fully. In Esbjerg, plastic is pre-sorted before being sent abroad for further processing, while a smaller facility in Mariager converts plastic into granulate.

"Household waste is difficult to sort because it contains many different types of plastic and various contaminants – even metal. It requires specialised facilities," explains Henrik Immerkær Ohm.

Only recycled plastic

Although DANREC must import granulate, recycled plastic remains the more cost-effective option, as virgin material is significantly more expensive.

"We never use virgin plastic. It's a principle – and it's simply more expensive. Even though recycled plastic must be cleaned, granulated and transported

Photo: Tina Sørensen

from Germany, it is still cheaper than buying new material," he emphasises.

Part of the explanation is that consumers help finance recycling.

"As consumers, you pay for waste collection, and that money follows the material through the system. We all pay for the waste we generate – and that's a good model," he says.

Grass reinforcement for runways

In 2026, DANREC will expand its range with a ground protection mat featuring structure on both sides. The company has also invested in a German business producing grass reinforcement systems.

Grass reinforcement is used, among other things, for grass runways, enabling aircraft to land and take off in wet conditions.

"It's a simple product, but quality and durability requirements are high. You don't land a €50 million aircraft on a surface that doesn't perform. And the product must not release heavy metals or other harmful substances into the soil," says Henrik Immerkær Ohm.

The system was developed by a German engineer who worked on it for 20 years before retiring and selling his invention to DANREC.

"His wife thought it was time to focus on the grandchildren. He was a typical engineer – not the best salesperson. We have now applied our sales organisation and brought the product to market," says Henrik Immerkær Ohm.

The grass reinforcement is made from 100% recycled plastic from German households and fits naturally into DANREC's portfolio.

Modern technology ensures efficient production

The company in Karup employs 35 people and continuously seeks new ways to optimise workflows. The latest initiative is the implementation of an AI agent that assists production staff with rapid fault diagnosis and troubleshooting, preventing downtime.

"Unlike our competitors in the East, we operate an extremely efficient production setup, which we continuously invest in while using modern technology to eliminate unnecessary tasks," says Henrik Immerkær Ohm.

Four to five years ago, around 30 tonnes of waste were sent for incineration. Today, the figure has been significantly reduced. DANREC has improved sorting and recycling in both production and administration and reuses its own production scrap plastic.

"If we can sell our waste or give it away for recycling, we prefer that to sending it for incineration," he emphasises.

Denmark's greenest manufacturing company

Since early 2023, DANREC has had a clear objective of being a green company.

"We want to lead the way because the climate matters to us – and we work with recycled plastic. Beyond environmental responsibility, it shapes our identity. Our ambition is to become Denmark's greenest manufacturing company," says Henrik Immerkær Ohm.

From 1 January 2026, DANREC will source all energy from green sources – including its own solar park, covering approximately 20% of the electricity consumption, and a wind farm near Ikast.

"We will reach our goal of being CO_2-neutral with zero waste. It may seem insignificant whether we sort our waste or not, but if everyone does it, it makes a difference. Sometimes you have to lead by example – then hopefully others follow," he notes.

Waste volumes have already been significantly reduced, and the goal is for all waste to be recycled – from surplus plastic in production to coffee grounds from the kitchen.

"We will reach our goals, and I hope our employees are proud to work in a company that leads the way," says Henrik Immerkær Ohm.

Photo: Tina Sørensen

Photo: Tina Sørensen

SPACE FOR THE FUTURE
- DANREC INVESTS IN LONG-TERM GROWTH

Photo: Tina Sørensen

In 2025, DANREC took another important step towards the future by investing in a new commercial plot of 16,951 m² in Karup – directly adjacent to the company's existing site.

The land was originally subdivided in 1980 by the former Karup Municipality but had remained unused for decades. After extended and constructive negotiations with Viborg Municipality, an agreement was reached during 2025, and as of 1 November 2025, DANREC officially became the owner of the site.

Fully utilised facilities

With the latest acquisition, DANREC now operates on a total area of 52,270 m². Approximately 15,000 m² is used for the company's solar park, while around 7,500 m² is dedicated to production, storage and administration.

The existing buildings and production facilities are now fully utilised – a clear sign of growth and the need for additional capacity.

Production, storage and green energy

The new plot therefore provides a solid and long-term foundation for DANREC's continued development. Although the final use has not yet been determined, concrete plans for the area are expected to be prepared during 2026.

A natural step would be the expansion of production and storage facilities in Karup. At the same time, parts of the land could support further development of DANREC's solar park, which already covers approximately 20% of the company's electricity consumption and actively contributes to more sustainable operations.

An investment focused on the future

One thing, however, is certain: the land was not acquired to remain unused. It was purchased with a clear long-term perspective – development, investment and continued growth in Denmark.

> *If we want to continue producing in Denmark, we must be willing to invest with a long-term perspective. This purchase is part of that decision.*
> - Henrik Immerkær Ohm, CEO

Photo: Tina Sørensen

NOTHING GOES TO WASTE

In 2025, DANREC invested in a new grinder as part of the ongoing upgrade of our machinery. The investment is a concrete step in our work to ensure more resource-efficient and circular production – where raw materials are fully utilised and waste is minimised.

The grinder enables us to recycle all production offcuts as well as defective boards. The material is shredded into small plastic pieces, which are then melted down and fed directly back into the production of new boards. In this way, the plastic never leaves the loop.

"The new grinder has made a noticeable difference in everyday operations. Noise levels are lower, creating a better working environment in production," says Carsten Henriksen, Production Manager, DANREC.

High capacity – lower energy consumption

The new grinder has a capacity of up to 1,000 kg of plastic per hour and replaces older equipment with significantly lower efficiency. Compared to the previous solution, it reduces energy consumption by approximately 33% while also operating at a substantially lower noise level.

This means we can handle unavoidable production waste more efficiently and with less impact – both in terms of energy use and the working environment.

A concrete contribution to our ESG targets

The investment in the new grinder supports several of our sustainability goals. It directly

contributes to keeping plastic waste below 1% and strengthens our ambition of achieving 95% recycling of total waste volumes within the coming years.

At the same time, the grinder demonstrates how continuous optimisation and investment in more energy-efficient equipment play a central role in our ESG efforts.

Sustainability reporting helps us identify improvement areas – and translate them into concrete actions in production.

Small improvements with significant impact

Although a grinder may seem like a technical detail, it is an important element in our overall production setup. It is precisely through targeted investments like this that we combine high quality, operational efficiency and responsible resource use in practice.

The new grinder is therefore not just a machine – but another step towards a more efficient, circular and future-proof production.

Photo: Tina Sørensen

ARAN - DANREC's German owners

STABILITY AND RESPONSIBILITY – FOR PEOPLE, THE ENVIRONMENT AND BUSINESS

Text: Vibeke C. Larsen

DANREC is part of a large German family – ARAN Holding. The name means "home" in Frisian and reflects the Group's DNA: to create stability and take responsibility for relationships, financial performance and the environment. These values form the core of DANREC.

Environment, people and business

These are the core values of the German company ARAN Holding, of which DANREC is a part. The name means "home" and originates from Frisian, spoken in northern parts of the Netherlands and northwestern Germany.

"Environmental responsibility and business development go hand in hand. They are not driven by short-term trends, but by a fundamental belief that economic growth and responsible resource use must support one another," says Henrik Immerkær Ohm.

ARAN Holding is led by Adolf Hilmer. Early on, he recognised the value of recycling and waste reduction, and over the years the holding company has invested in advanced technologies and solutions that reduce environmental impact.

"The goal is to combine environmental responsibility with economic growth – thereby taking responsibility for both the present and future generations," adds Henrik Immerkær Ohm.

As a natural part of the Group's values and responsibilities, ARAN Holding also sets high environmental and social standards for its partners and suppliers.

A high degree of autonomy

ARAN Holding is based in Bad Schwartau near Lübeck and owns more than 30 small and medium-sized companies in Germany and Denmark. These operate within three main areas – recycling and environmental solutions, real estate development, and technology and services.

The portfolio ranges from waste collection and landfill operations to the production of chemical membranes, holiday home rentals – and the production of ground protection boards made from 100% recycled plastic at the factory in Karup. DANREC was founded in 1992 – the same year Germany began sorting household and construction waste, while Denmark at that time recycled only cardboard, paper and bottles and incinerated the rest.

"ARAN saw the opportunity to build an industry around recycling household waste. When EU development and production funds were made available to Denmark, the Germans established a factory in Karup," explains Henrik Immerkær Ohm.

Today, the Group in Germany supports DANREC with functions such as finance and IT – while daily operations remain highly autonomous.

"We share a strong value foundation across the Group, but each company has a high degree of independence. The ownership model is built on trust and short decision-making processes," says Henrik Immerkær Ohm.

A long-term perspective

DANREC's financial results – with revenue of DKK 102.4 million in 2025 – demonstrate that ARAN Holding's vision of combining economic growth with environmental responsibility is achievable. DANREC aims to become Denmark's greenest manufacturing company by achieving CO_2 neutrality and reducing waste across the entire organisation.

"Across the Group, companies work systematically to reduce resource consumption, minimise waste and lower CO_2 emissions. This includes improving energy efficiency, using renewable energy and developing durable, recyclable solutions designed for a long lifespan," explains Henrik Immerkær Ohm.

Over the years, ARAN Holding has evolved alongside the market – without compromising its core values.

"This allows us to develop long-term with a focus on responsibility, quality and solutions that benefit the environment and last for many years – where stability and change go hand in hand," emphasises Henrik Immerkær Ohm.

Photo: Tina Sørensen

Photo: Tina Sørensen

15 years at DANREC

SALES TO THE CORE

Text: Vibeke C. Larsen

From fax machines and dusty carpets to a modern company in growth. In January 2025, Jes Eifler celebrated his 15-year anniversary as a sales representative at DANREC.

How did you get the job at DANREC?
– Since I was 10 years old, I've been selling bicycles and burned CDs. I trained in the fashion industry and owned a clothing store in Holstebro, which I sold in 2007. When I applied for the job, I was 20 years younger than the other applicants – yet DANREC chose to give me the opportunity.

How do you remeber your first days?
– I was given a computer and a phone and placed alone in an office with a fax machine. I remember thinking: "What have I signed up for?" Then I started looking for customers in the Yellow Pages.

I created a website and a laminated catalogue, which I designed myself in PowerPoint. In the beginning, I was also responsible for printing invoices and calculating salaries.

Why have you stayed for 15 years?
– The director thought I was the type who would leave when things got tough. That made me determined to prove him wrong. I'm sales to the core.

Since then, I've built a strong network in Denmark and internationally. I have a theory that when you do business with people you genuinely like, things work better. And I'm constantly challenged as we continue to grow – and we've definitely pressed the growth button.

Why are you good at your job?
– I've always been told I'm a good salesperson, even though on paper I'm the opposite. They say a good salesperson speaks 20% of the time and lets the customer talk the rest. I'm the other way around – I talk 80%, and the customer is lucky if he gets 20%. But I think customers appreciate that I bring humour and plenty of self-irony.

How has DANREC developed during your time?
– Before Henrik Immerkær Ohm became CEO, DANREC was a bit behind the times – almost sending out mail by carrier pigeon, because not much had been invested in the company. When Henrik joined, we first removed the dusty carpets and curtains and modernised the company across the board.

How would you describe DANREC as a workplace?
– DANREC is innovative, humorous and ambitious. We have fun while taking our work seriously.

What has working at DANREC given you personally?
– I've grown with the role while the company has grown over the years. My family and friends send me pictures when they see competitors' ground protection boards, just to tease me. Those pictures wake up something in me – because I want to be the best.

What don't your colleagues know about yo?
– I spend most of my spare time coaching 43 U13 boys in football.

20 years at DANREC:

I WAKE UP HAPPY AND GO TO WORK

Text: Vibeke C. Larsen

Lars Engberg Madsen celebrated his 20-year anniversary as a production employee at DANREC in September 2025. When he started, there was only one person per shift. Today, Lars works alongside two colleagues on the day shift.

How did you get the job at DANREC?
– I had been working as a temporary employee at Karup Air Base for about a year. When the assignment ended, my union gave me the phone number of the director at the time. I had never heard of DANREC, but I got the job right away.

How do you remember your first days?
– Producing boards from recycled plastic was new, and it was exciting to see how we poured granulate into the machine and large boards came out. Back then, we ran three shifts with one person per shift.

When we moved into our current production facilities, there were only two of us in production – one on the night shift and one during the day

Why have you stayed for over 20 years?
– There is always something new happening. Even though the basic production remains the same, the machinery has been renewed over the years. For many years, I worked nights. It could be a bit lonely working alone, but we had two production lines, so there was always enough to do and the time passed quickly.

After suffering a blood clot, I moved to the day shift and now work three 12-hour shifts on Thursday, Friday and Saturday. I'm very satisfied with that. We are three people per shift, and I work with great colleagues.

What makes you a good colleague?
– I try to stay in a good mood, talk to everyone and do my job properly.

Photo: Tina Sørensen

How has DANREC developed during your time?
– When I started, we had only one production line. Now we have three, and a new one is on the way. We have added more products, so there is constant development. After Henrik Immerkær Ohm became CEO, we became a more modern company.

Previously, we carried around notebooks to record errors or damage. Now we simply enter it into the system, and it is corrected immediately.

How would you describe DANREC as a workplace?
– DANREC is a good workplace that does a lot for its employees. We have parties and Christmas celebrations, and we are celebrated on our birthdays. At Christmas, we receive gifts, and we have health insurance. A new canteen and new changing facilities are also being built. Employees are appreciated here.

What has working at DANREC given you personally?
– I wake up happy in the morning and go to work.

Photo: Tina Sørensen

Social keyfigures

Number of employees
34

Sickness absence
3,02%

Workplace accidents
1

Employee turnover
5,88%

Photo: Samantha Brander

QUALITY IN MOTION – DANREC WINS THE QUALITY AWARD 2025

At the end of November 2025, we received the Quality Award 2025 at the annual event of the Danish Society for Quality. The award is presented to companies and initiatives that create documented value through focused and professional quality work – and it represents strong recognition of the development we have undergone in recent years.

For us, the award is not just an honour, but a recognition of the journey we have been on, where quality, technology and new workflows have been closely integrated.

When production never stops

We produce ground protection boards made from 100% recycled plastic in a continuous production setup. Here, quality is not an end product – it is an integrated part of everyday operations.

With a defect rate below 0.5%, we have reached a level that places us among the strongest examples of quality management in Danish industry. The result has not been achieved through isolated initiatives, but through persistence, data and a consistent effort to make quality measurable and operational.

Digitalisation, data and AI

A central part of our quality work is investment in digital workflows, automation and the use of production data. Among other things, our employees use an AI-based solution for rapid troubleshooting and stable operations. This reduces waste while ensuring consistent quality and more efficient resource utilisation.

The solutions are anchored in management, scalable and make it easier for new employees to become part of production quickly. Quality work therefore contributes not only to higher product quality, but also to a more robust and inclusive working environment.

> *We do not use AI for the sake of technology. We use it to make everyday work easier for our employees and to ensure stable quality in production.*
>
> - Paw S. Vogensen, head of IT & marketing

Quality as part of DANREC's ESG efforts

For us, quality and responsibility are closely connected. High and stable quality means less waste, better resource utilisation and more predictable production – all essential elements of our ESG work.

The Quality Award 2025 is therefore also recognition of how we work with governance, processes and continuous improvements as an integrated part of our business.

> *We have chosen to be frontrunners in AI, but with a clear purpose: to create more robust processes and provide our employees with better tools in their daily work.*
>
> - Paw S. Vogensen, head of IT & marketing

Motivated for the next step

The award has strengthened internal motivation and confirms that our investments in technology, employees and new ways of working are the right choices for the company.

For us at DANREC, this recognition is both motivating and perspective-setting – and a clear incentive to continue developing quality, efficiency and responsible production in Denmark.

Photo: Tina Sørensen

OPEN HOUSE – WHEN COMMUNITY AND CURIOSITY MEET

On September 6th 2025, DANREC opened its doors for Open House in Karup. Around 300 visitors – from local residents and families to partners and business contacts – stopped by to gain insight into our work with plastic, recycling and sustainable solutions.

For us, Open House was an opportunity to invite people inside, show who we are, and share our processes, our history and our ambitions for the future.

A day of open doors and open conversations

The day included guided tours of the production facilities, meetings with our employees and many questions about how we work with recycled plastic in practice. There was also room for fun and activities for the youngest visitors, including a bouncy castle, sandpit, competitions and games – and, of course, food, coffee and cake for all ages.

Seeing children and adults walk side by side through our facilities, and experiencing the strong engagement and curiosity from our guests, made the day truly special for us.

Local roots as part of our responsibility

As a manufacturing company in Karup, we are part of a local community – and we take that responsibility seriously. Open House is one way of giving something back by being transparent, accessible and in dialogue with those who live and work around us.

We experienced strong support and interest from both neighbours and partners, and the feedback and conversations from the day are something we carry forward.

> *As a manufacturing company in Karup, we are part of a local community, and we take that responsibility seriously. Open House is a way of giving back – by being transparent, accessible and in dialogue with those around us.*
>
> - Samantha Brander,
> QHSE/ISO & Procurement

Thank you for visiting – and for your support

We would like to extend a sincere thank you to everyone who stopped by and helped make the day a success. The enthusiasm and interest we experienced confirm that openness and dialogue are essential elements of how we run our business.

We look forward to continuing to develop our solutions – and to many more meetings with both the local community and our partners in the future.

Fotos: Samantha Brander

Environmental data that matters – *from ambition to documentation*

Photo: Tina Sørensen

A shared direction

At DANREC, we work with sustainability based on a fundamental understanding: responsible development means meeting today's needs without compromising the ability of future generations to meet theirs. This is the definition underlying the UN Sustainable Development Goals – and it also serves as a guiding principle for how we run our business. For us, responsibility, financial health and a strong working environment go hand in hand.

From ambition to action

Our ambition is clear: to minimise our environmental impact while building a robust and profitable manufacturing business. That requires more than good intentions. It requires data, transparency and a commitment to continuous improvement.

That is why we have invested in technology, systems and processes that enable us to measure, understand and act on our environmental data – from energy consumption and CO_2 footprint to waste, recycling and resource efficiency.

Data as a foundation for decisions

Today, we see ourselves as a proactive player on the sustainability journey. A shared commitment has been established across the organisation, and our data foundation has become stronger and more actionable. This provides a solid basis for decision-making, enables us to set concrete targets, monitor progress and document the improvements we achieve.

Because sustainability is not a final destination – it is a continuous process. With the right data, we can ensure that our ambitions translate into real change.

In the following pages, we present our key environmental data and performance indicators. The data provides a clear picture of where we stand today – and forms the foundation for the targets and improvements we continue to pursue.

Samantha Brander
QHSE/ISO & Procurement
Responsible for ESG and environmental data at DANREC

Overview

DANREC A/S
Vandværksvej 5, 7470 Karup J, Denmark

DANREC manufactures road plates, solid plastic sheets and grass and ground reinforcement systems made from 100% recycled plastic.

Key Figures 2025

Revenue (mDKK)
102,4

Number of employees
34

Profit (mDKK)
15,8

CO_2e Footprint per Produced Board (2025)

The CO_2e footprint is calculated for each board from raw material input to finished product ready for sale (cradle-to-gate). The calculation includes all significant activities and purchased materials related to production.

Emission factors are based on data from IDEMAT, the Confederation of Danish Industry and the Danish Climate Compass. The figures apply to boards produced in 2025.

Boardsize (mm)	Weight per board (kg)	CO_2e per board (kg)
1100 x 700 x 20	14.1	18.62
3000 x 1100 x 10	29.5	38.94
2400 x 1200 x 10	25.7	33.93
2000 x 1000 x 15	27.3	36.04

The CO_2e footprint varies depending on the board's weight and dimensions.

Environmental Impact and Resource Consumption (2025)

We have applied the most recent publicly available emission factors available at the time of preparing the climate report. If an emission factor is not available at the time of reporting, the emission factor from the previous year is used. To calculate total emissions, we use Klimakompasset.

The data used covers as many activities as possible, such as procurement, energy consumption, heating consumption, transport, operations, travel, and more. The figures cover the period from 1 January to 31 December 2025. The data basis is founded on our financial records, suppliers, and supplier invoices.

Parameter	Result
Electricity consumption (total)	5,185 MWh
On-site electricity production	1,022 MWh
Electricity sold to the grid	429 MWh
Water consumption	233 m^3
Gas consumption	38,126 Nm^3
CO_2e scope 1 (total)	53.57 tons
CO_2e scope 2 (total)	278.07 tons
CO_2e scope 3 (total)	4,794.26 tons
Total CO_2e emissions	5,125.90 tons
Waste (total)	195.27 tons
Hazardous waste	5.60 tons
Recyclable waste	180.58 tons
Recyclable share of total waste	92.5%

"Some may argue that it makes no difference whether we sort our waste or not. But if everyone does it, it truly makes an impact. And sometimes, you have to lead by example — hopefully, others will follow."

- Henrik Immerkær Ohm, CEO, DANREC A/S

CO_2e Emissions by Main Activity (2025)

Scope describes which greenhouse gas emissions are included and how they relate to the company's activities and responsibilities. Scope 1 includes direct emissions from the company's own operations. Scope 2 includes indirect emissions from purchased energy. Scope 3 includes other indirect emissions from the rest of the value chain.

Energy and Processes

	CO_2e scope 1+2+3 (tons)	Share of total (%)	CO_2e outside scope (tons)
Electricity	321.89	6.28	385.70
Heat and process energy	63.24	1.23	31.39

Procurement

Primary Procurement of Raw Materials for Production			
Purchase of materials in physical units	327.40	6.39	0.00
Physical units with supplier-specific emission factors	3,960.50	77.26	0.00
Products and services (primary procurement)	0.54	0.01	0.00
Total (primary procurement of raw materials)	4,288.44	83.66	0.00

Secondary Procurement of Auxiliary Materials and Services			
Purchase of physical products	3.46	0.07	0.00
Purchase of products in monetary units (DKK)	447.88	8.74	0.00
Total (secondary procurement)	451.34	8.81	0.00

Total procurement	4,739.78	92.47	0.00

Waste and Recycling

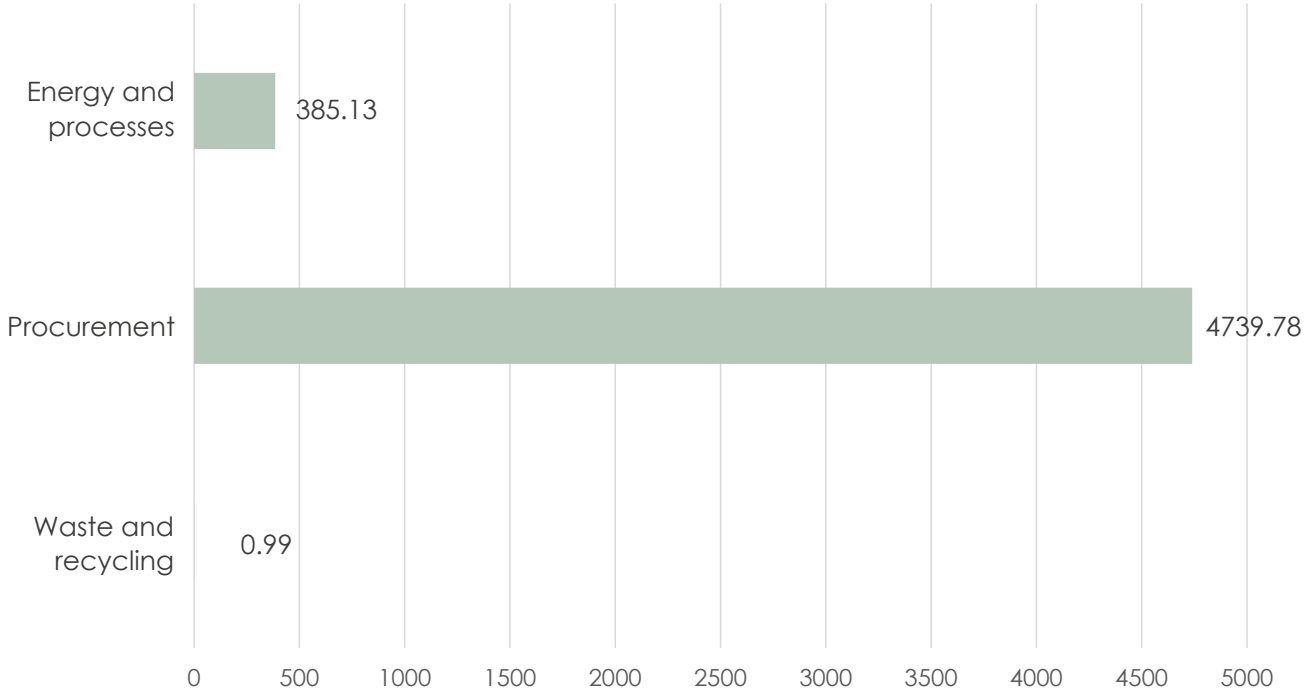
Waste	0.99	0.02	-172.51

Total

Total (location-based)	5,125.90	100	244.59
Total (market-based)	6,949.08	100	-92.36

CO_2e Emissions by Main Category (2025)

Emissions are stated in tons.



Environmental Management Reporting

Do you have an environmental policy?	✓
Do you have policies covering waste, water, energy and/or recycling?	✓
Does the Board monitor climate-related risks?	✗
Does Management monitor climate-related risks?	✓
Do you have a policy to reduce climate impact?	✓
Do you have a due diligence process for environmental matters and climate impact?	✓

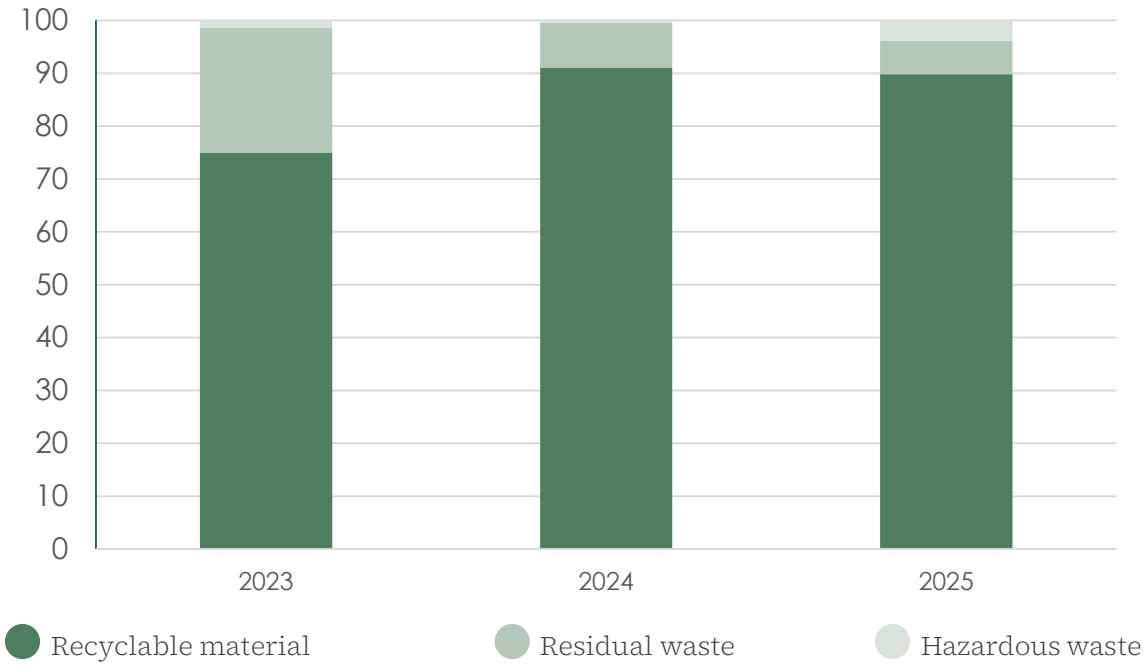
Waste Volumes and Distribution 2023–2025

Total waste volumes have increased during the period due to increased activity. The share of recyclable waste has remained at a high level. Waste volumes are presented in kilograms and percentages for the years 2023, 2024 and 2025.

Waste Volumes (kg)

Waste type	2023	2024	2025
Recyclable material	72,550	85,692	180,576
Residual waste	22,880	8,050	9,090
Hazardous waste	1,410	384	5,600

Waste Distribution (%)



Social Conditions

This section describes how the company takes responsibility for people within and around the organisation. It provides an overview of key frameworks and initiatives related to employees, working conditions and social considerations in the value chain.

The tables show how the company works with well-being, collaboration and decent working conditions as an integrated part of daily operations. The focus is on clear frameworks, mutual respect and responsible practices that support employee development and the company's long-term sustainability.

Social Reporting

	2022	2023	2024	2025
Full-time employees	22	31	32	34
Part-time employees (%)	4.76	3.23	3.13	5.88
Salaried employees	–	–	–	17
Hourly employees	–	–	–	17
Sick leave (%)	3.95	2.27	3.52	3.02
Workplace accidents	2	1	2	1
Employee turnover (%)	19.04	9.68	12.5	5.88
Gender pay gap (%)	0	0	0	0
Gender diversity in the organisation (%)	19.05	19.35	25	23.5
Gender diversity in management (%)	0	0	0	0

Social Management Reporting

Is the CEO also Chair of the Board?	✗
Is management formally rewarded for sustainability performance?	✗
Do you have a policy ensuring compliance with human rights?	✓
Do you have a policy to prevent gender-based harassment and discrimination?	✓
Do you have a working environment policy?	✓
Do you have a policy to prevent child labour and forced labour?	✓
Do you have a due diligence process for human rights?	✓
Do you have a whistleblower policy?	✓
Do you have a due diligence process for employee relations?	✓

Governance

A strong governance structure is essential for a credible ESG approach. The following tables provide insight into how the company's leadership is structured and organised, and how responsibilities, oversight and decision-making processes are anchored across the organisation.

The information shows how management works systematically with accountability, transparency and risk management, and how governance functions as an active driver of long-term sustainable development – not merely as a control mechanism, but as a strategic foundation.

Leadership and Governance Structure

Members of the Board	3
Gender diversity on the Board (%)	33
Attendance at Board meetings (%)	100
External Board members (%)	100
Employees covered by collective agreements (%)	100

Leadership and Governance Reporting

Do you have a Code of Conduct?	✓
Do you prepare and publish an annual sustainability report?	✓
Is sustainability data included in your reporting to authorities?	✗
Do you focus on specific UN Sustainable Development Goals?	✓
Do you set targets and report progress in relation to the SDGs?	✓
Do you work with risk management related to climate and financial impacts?	✗
Do you have a policy for ethical conduct and anti-corruption?	✓
Do you have a data protection policy?	✓
Have you taken steps to comply with GDPR regulations?	✓
Do you have a due diligence process for ethical conduct, anti-corruption and bribery?	✓

FROM MAGAZINE TO ONLINE ESG UNIVERSE

ESG is not something we publish only once a year. Our work evolves continuously, and new initiatives, data and insights are regularly added.

Follow our online ESG universe at: danrec.eu/esg

Since 2023, DANREC has documented the company's work with sustainability, responsible production and ESG.

If you are curious about how our ESG efforts have developed over time, scan the QR codes and read our previous ESG reports.

Scan and read 2023:

Scan and read 2024:

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