



DIATOM A/S
SUSTAINABILITY REPORT 2024

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SUSTAINABILITY REPORT

Diatom A/S

Diatom A/S has been engaged in the sale of technical materials, components, and equipment to all major industrial market segments in Denmark for over 60 years. Diatom operates in six business areas: Mechanical Fastening, Dispensing Technology, Polymer Technology, Lubricants, Filtration Solutions, and Flow. In addition to these business areas, Diatom also has three subsidiaries: Drifton, Dacos and Dia-Tech.

Diatom is a subsidiary of the Swedish industrial conglomerate Indutrade, renowned for its sales and development of high-tech components, systems and services. Indutrade operates through more than 200 subsidiaries with approximately 9,100 employees in over 30 countries.

Sustainable business conduct

Indutrade joined the UN Global Compact principles for corporate social responsibility in 2019, emphasizing their commitment to promoting the 17 Sustainable Development Goals and the corresponding ten principles regarding human rights, labor rights, the environment, and anti-corruption. Consequently, Indutrade and Diatom are dedicated to advancing these goals and principles within our business practices.

Carbon footprint report

At Diatom A/S, we work diligently to reduce our climate footprint, which is documented in an annual carbon footprint report. This report is prepared according to the internationally recognized Greenhouse Gas Protocol standard, and we utilize sustainability software from Worldfavor to collect data and measure our CO₂ emissions.

We have worked with climate reporting since 2019, when we started tracking our Scope 1 and 2 emissions. Since 2022, we have added parts of Scope 3 to our reporting each year.

Diatom's goal is to reduce Scope 1 and 2 CO₂ emissions by 50% and Scope 3 emissions by 25% by 2030, using 2023 as the baseline year.



2019
Indutrade joined
the UN Global
Compact



2019
First sustainability
report
(Scope 1 and 2)



2019
Strategy and
setting goals
2020 →
Energy efficiency
activities



2022 →
Expanding
sustainability
report (parts of
Scope 3)



Target 2030:
50% Scope 1 & 2
emission reduction,
25% Scope 3
emission reduction

SUSTAINABLE BUSINESS CONDUCT

Code of Conduct

Diatom A/S' Code of Conduct is based on Global Compact's 10 principles for corporate sustainability and OECD's guidelines for multinational enterprises. It provides guidance for our daily conduct, including care for the environment, health and safety, business ethics including anti-corruption, employee relations, human rights, and societal impact.

Whistleblower function

Our Whistleblower function allows employees, suppliers, partners, and subcontractors to report any deviations from our Code of Conduct.

Supplier Code of Conduct

Our Supplier Code of Conduct is a comprehensive set of guidelines for our suppliers and business partners. The code requires our suppliers to maintain a sustainable and ethical approach to their production. This means they must adhere to our standards for human rights, labor rights, environmental protection, and anti-corruption in their operations.



SUSTAINABLE DEVELOPMENT GOALS

How we work with the Sustainable Development Goals

At Diatom, we have selected five Sustainable Development Goals (SDGs) to guide our sustainability efforts, with a focus on the environment, people, and society. These SDGs include Goals 3, 7, 8, 12, and 13. Goals 3 and 8 focus on social well-being, while Goals 7, 12, and 13 address responsible resource consumption and climate action.

Take action to combat climate change and its impacts

13 CLIMATE ACTION



Ensure sustainable consumption and production patterns.

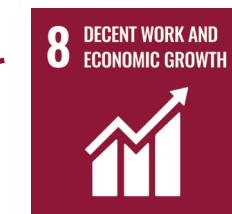
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensuring health and well-being for all ages is essential to sustainable development.



Ensure access to affordable, reliable, sustainable and modern energy for all.



Promote inclusive and sustainable economic growth, employment and decent work for all.

SDG 7: AFFORDABLE AND CLEAN ENERGY & SDG 13: CLIMATE ACTION



INTERNAL INITIATIVES

SDGs 7 and 13 focus on climate. We have set a target to reduce Scope 1 and 2 CO₂ emissions by 50% by 2030.

We have taken a number of concrete steps to reduce our climate impact:

- **Renewable electricity**

Since April 2023, electricity consumption has been 100% covered by GoO certificates from European wind turbines, ensuring power from renewable energy sources.

- **Electric vehicles**

All company cars are gradually being replaced with electric vehicles between 2023 and 2030 to reduce CO₂ emissions. In 2021, a charging station was installed and made available to both employees and visitors to support the choice of sustainable transport.

- **LED lighting**

Only LED lighting is used in office areas to minimize energy consumption and CO₂ emissions.

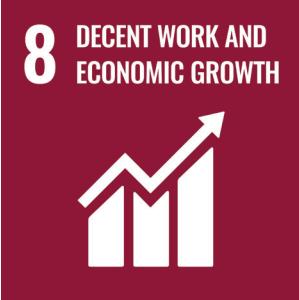
- **Climate compensation – we plant trees**

In 2024, 364 trees were planted in a public forest in Denmark in collaboration with the Growing Trees Network Foundation, as compensation for the year's air travel. The trees also help reduce CO₂, increase biodiversity, and protect natural habitats.

- **Online meetings**

Meetings are held online to reduce travel and lower CO₂ emissions.

SDG 8: DECENT WORK AND ECONOMIC GROWTH



We aim to ensure good working conditions for our employees and achieve financial growth by operating our business sustainably. We focus on understanding our customers' needs and providing solutions that are both effective and economically beneficial in the long term.

INTERNAL INITIATIVES

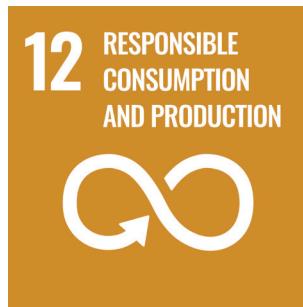
We believe that positive working conditions are essential for achieving economic growth and delivering high-quality products to our customers.

To support a healthy work environment, we have established an internal Code of Conduct outlining how we expect all employees to interact—with each other, with customers, suppliers, and the broader community. We place strong emphasis on creating a positive workplace culture and prioritizing employee well-being.

EXTERNAL INITIATIVES

Our Supplier Code of Conduct requires our suppliers and partners to act ethically and responsibly with regard to the environment, labor conditions, human rights, and business practices.

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION



As a trading company without our own production, our direct CO₂ emissions are limited. However, we are fully aware of our opportunity and responsibility to influence both customers and suppliers to make more environmentally responsible choices.

We have implemented a range of internal and external initiatives:

INTERNAL INITIATIVES

- **Waste sorting and recycling**

We have implemented a comprehensive waste sorting process to minimize waste generation and increase the recycling of materials. Waste is sorted into categories such as metal, organic waste, plastic, wood, electronics, and cardboard, and is disposed of or recycled in an environmentally responsible manner. We also actively work on reducing our residual waste.

- **Green office supplies**

We use Fairtrade, organic, and certified products whenever possible.

- **Electric vehicle charging station**

Charging stations have been installed at our premises, allowing both employees and visitors to charge electric vehicles.

- **Refurbished electronics**

We prioritize the purchase of refurbished electronics whenever possible, in order to extend the lifespan of equipment and reduce resource consumption and CO₂ emissions associated with new production.

EXTERNAL INITIATIVES

- **Suppliers**

Our Supplier Code of Conduct requires our suppliers and partners to act ethically and responsibly in relation to the environment, working conditions, human rights, and business operations.

- **Product range**

As a trading company, we are mindful of our influence on suppliers and customers, and we offer a wide range of "greener" solutions.

- **Packaging materials**

We minimize packaging use and rely on recycled materials wherever possible. A large portion of our cardboard packaging consists of 100% recycled fibers.

- **Goods transportation**

We reduce CO₂ emissions from transport by consolidating shipments and choosing road and sea freight over air freight whenever possible. In addition, we prioritize transport partners who offer climate compensation.

SDG 3: GOOD HEALTH AND WELL-BEING

3 GOOD HEALTH AND WELL-BEING



Health and well-being are key focus areas in our company. We actively work to create a healthy and safe workplace for all employees — and to promote health and well-being in society at large.

We have implemented a range of internal and external initiatives:

INTERNAL INITIATIVES

At Diatom, we prioritize employee health, well-being, and team spirit, as these are essential to a healthy and productive workplace. That's why we offer a range of initiatives to all employees:

- **Collective health and dental insurance**
- **Monthly fitness subsidy** to encourage a healthy and active lifestyle.
- **Workplace fruit program**
- **On-site fitness room** available during working hours to promote physical activity.
- **Social events** to strengthen well-being, collaboration, and a sense of community among employees

EXTERNAL INITIATIVES

As a company, we take shared responsibility for contributing to a healthier and more sustainable society. We therefore support organizations that promote health and well-being in line with SDG 3:

- **Danish Cancer Society**, which helps fund research and the development of treatments and medications for cancer patients.
- **Danish Hospital Clowns**, who bring joy and comfort to hospitalized children during their illness.

CARBON FOOTPRINT REPORTING 2024

Carbon footprint report

Diatom's carbon accounting is based on the GHG Protocol, and we use the sustainability software Worldfavor to collect data and measure our CO₂ emissions.

We have been committed to carbon reporting since 2019, when we began recording Scope 1 and 2 emissions. Since 2022, we have expanded our reporting annually to include selected parts of Scope 3.

Currently, we measure the following:

- Scope 1
- Scope 2
- Scope 3:
 - Upstream Transportation and Distribution
 - Business Travel by Air
 - Purchased Goods and Services
 - Use of Sold Products

Baseline year: 2023

Target year: 2030

In addition, we record the company's water consumption and waste volumes as part of our overall resource overview.

SCOPE 1

Direct emissions

Driving in company cars and employees' use of private cars during working hours.

Baseline year: 2023

Target year: 2030

RESULTS 2019-2024:

- 2019-2023: Reduction of 42 %
- 2023-2024: Increase of 13 %

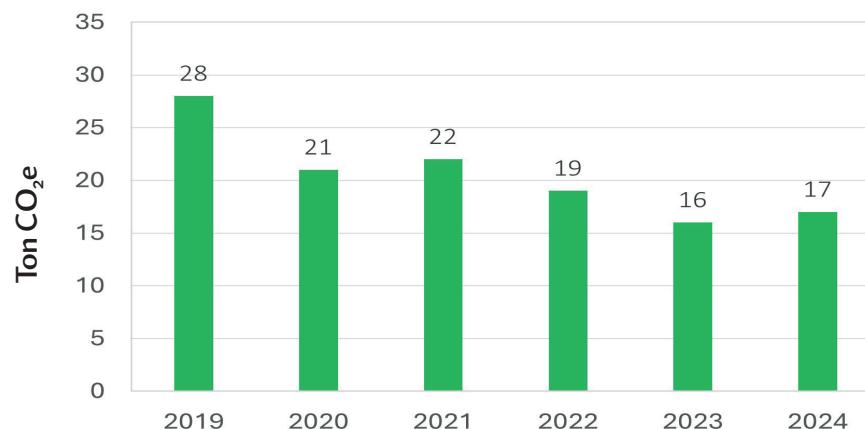
2030 TARGET:

- 50 % reduction (baseline year 2023)

INITIATIVE:

Reduction through the transition to electric vehicles.

SCOPE 1 - TOTAL GHG EMISSIONS



CARBON FOOTPRINT REPORTING

SCOPE 2

Indirect emissions

Purchase of electricity and heating.

Baseline year: 2023

Target year: 2030

RESULTS 2019-2024:

- 2019-2023: Reduction of 66 %
- 2023-2024: Increase of 17 %

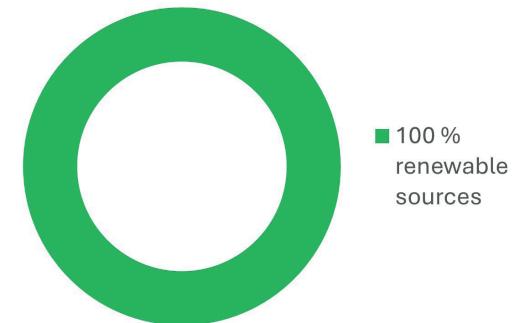
TARGET 2030:

50 % reduction (baseline year 2023)

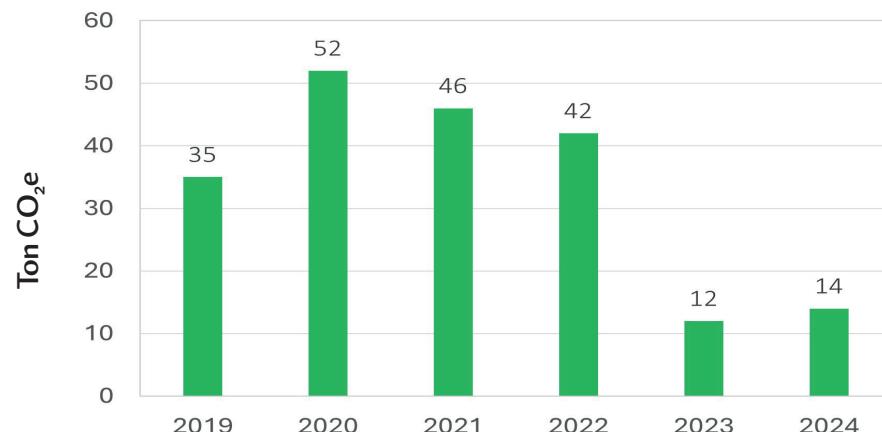
INITIATIVE:

In April 2023, we switched to renewable electricity.

ORIGIN OF ELECTRICITY 2024



SCOPE 2 - TOTAL GHG EMISSIONS



The increase in emissions from 2023 to 2024 is due to our relocation to a larger premises as well as a period during which we operated two properties simultaneously.

CARBON FOOTPRINT REPORTING

SCOPE 3

Indirect emissions

Other indirect emissions occurring in Diatom's value chain.

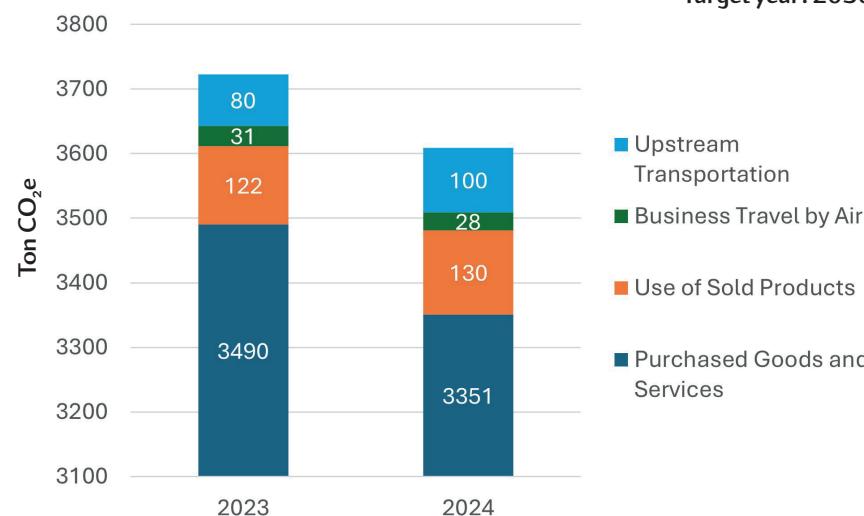
Since 2022, we have measured CO₂ emissions from:

- Upstream transport and distribution
- Business travel by air

Since 2023, we have measured CO₂ emissions from:

- Purchased Goods and Services
- Use of Sold Product

DISTRIBUTION OF GHG EMISSIONS



RESULTS:

2023: 3.723 tCO₂e

2024: 3.609 tCO₂e

The majority of our Scope 3 emissions derives from Purchased Goods.

2030 TARGET:

25 % reduction (baseline year 2023)

Baseline year: 2023

Target year: 2030

INITIATIVES:

• Transport and logistics

Prioritize sea and road freight, as well as climate-compensated shipping.

• Online meetings:

Reduce travel activity through increased use of online meetings.

• Efficient packaging:

Minimize packaging use and utilize recyclable or bio-based materials.

• Sustainable certifications:

Prioritize suppliers that offer greener products and hold environmental certifications.

• Climate data requirements:

Request documentation from suppliers on the CO₂ emissions of their products.

• Climate compensation:

In 2024, we chose to offset air travel by planting trees (the planting covers 28 tCO₂e).



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