

SUSTAINABILITY
REPORT

2022
CSR

NOVADAN[®]



CONTENT

This report contains an overview of Novadan's social, ethical and environmental efforts in our business, our historical development in this area and our future goals.

Our attempt is to be as transparent as possible with the purpose of enlightening our huge focus on the area.

It is the first time, Novadan publishes a CSR-report, and as this is of high priority, we will continuously develop and evaluate the report.

" As a manufacturer of cleaning detergents to the professional user, we have an obligation to make the products as sustainable as possible and to make our impact on our common environment as minimized as possible.

It is our goal to focus on products, packaging and also on production of these. "



Jens Bramsen,
Sales Director

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Thoughts and strategic considerations

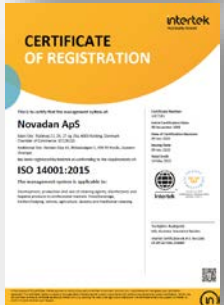
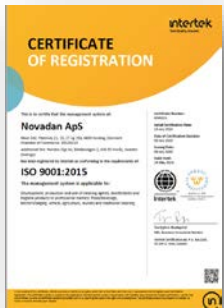


Through many years, Novadan has been focusing on sustainable and responsible initiatives and to make these initiatives go hand on hand with our ambitions of growth and of serving the interests of our stakeholders.

For many years, we have initiated measures which support CSR, and for several years we have been ISO-certified as to ISO 9001:2015, ISO 14001:2015 and ISO 27001. Furthermore, we are members of Green Network, which is a consulting agency and a partner network in environment, work environment and CSR.

It is the first time, Novadan publishes a CSR-report publicly where we outline and identify areas where Novadan can contribute to solving the challenges the world is facing: Climate, environment, health, lack of resources, rights, safety etc.

Our work is i.e. based on UN Global Goals and the areas where we initially believe we can contribute the most. The CSR-report will continuously be revised and developed with further areas of possible contribution.



About Novadan

Novadan is an innovative manufacturing- and service company which was established in 1980. The company has its own laboratory and production equipment, where a wide quality range of cleaning and disinfection agents are developed and manufactured.

The company is a competent business partner and is a supplier of high-quality cleaning solutions for B-to-B companies, where quality cleaning plays a decisive role. Solutions and products are primarily sold through distributors, who are continuously educated and trained in Novadan's optimization solutions.

Facts about Novadan

Novadan is one of the largest players in cleaning agents in Scandinavia and is expanding on international markets.

Novadan develops and manufactures cleaning agents, disinfectants and personal cleaning products.

Novadan offers B-t-B (Business-to-business) cleaning solutions to a long range of industries.

Segments



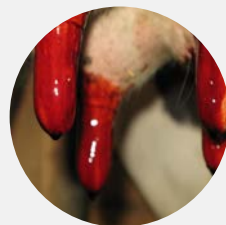
Food

"Best-in-class" cleaning solutions ensure a high cleaning level in the food manufacturing industry.

"Hands on" competence sharing and a high service level create in cooperation with the customer unique optimization solutions as to energy consumption.

On site optimized cleaning solution to membrane plants in dairies.

Technical know-how and practical overall understanding of the individual plant's processes.



Agro

Professional advice about hygiene, and usage of a broad and innovative product range which easily and practically delivers high yield and improved milk quality to agriculture.

The solutions focus on bacteriological results matching the industry's targets and improve the bottom line through healthy animals.



Horeca

Novadan offers a broad product range for the Horeca segment in traditional cleaning, dish washing and laundry detergents which ensures achievement of an excellent cleaning result.

Partnership and professional competence is offered with focus on cost optimization, cleaning guidance etc.

Facts

Novadan is an international company with own production facilities, sales and logistics in Denmark and Poland.

Novadan's sales force covers most of Europa, the Middle East, CIS and Africa.

Export to 38 different countries.
Export share: 50%

100 employees in Denmark and Poland.

Novadan manufactures appr. 35.000 ton of chemical yearly.

Novadan is owned by the American Group: ITW (Illinois Tool Work Inc.).
ITW is a Fortune 200 company with 50,000 employees in 57 countries.

Sustainable business model /value chain

Target:
It is Novadan's objective to strive for optimal social, ethical and environmental impact wherever possible throughout the value chain.

Supplier

We have more than 200 suppliers and we plan how to evaluate these on a number of parameters. We follow the guidelines of our owners ITW.



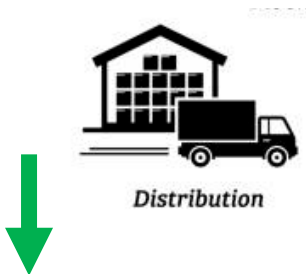
Freight

Our suppliers are responsible for choice of carriers.



Freight

Every day, we ship many lorries with products, packaging etc. When possible, we aim to choose carriers with an acceptable CSR-profil. Going forward, we aim to have more focus in this area.



Novadan

The CSR report contains a description of a number of initiatives by Novadan as to production, products, employees etc.



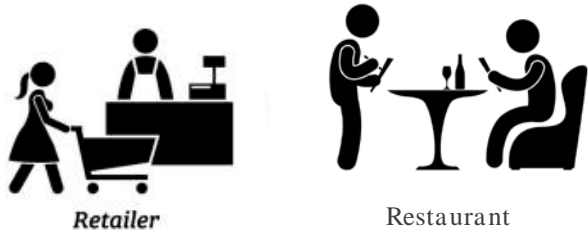
Customers

Novadan aims to optimize the hygiene process and to contribute to improving our customers' sustainability profile. This includes optimal hygiene production conditions, reduced energy consumption etc.



Consumer

Novadan's cleaning detergents and disinfectants are crucial for food safety, health and animal welfare – all for the benefit of the consumer.





Our cleaning detergents and disinfectants.

The products are based on chemicals which does not go hand in hand with environmental goals. The products are, however, necessary in order to ensure food safety and risk free hygiene conditions.

Novadan's products

Years back, the requirements and focus were not the same regarding which substances, the products contained. For example, to a greater extent, substances hazardous to health and the environment were considered to be important for reasons of effect. Today, the situation has changed – fortunately! For several years, Novadan has worked on phasing out the damaging substances and replaced these with less damaging.

Target:
Novadan targets growth and consequently to produce a larger amount of chemicals. Thereby our responsibility increases to ensure a sustainable production. Novadan produced in 2020: 34000 ton of chemicals, which is an increase of 4,4% compared to the previous year.

Swan labelling



Novadan was among the first in the industry to be approved usage of the Swan label, and in 2020 we developed a series containing only Swan labelled products which are also high concentrated products. This series is targeting the Horeca segment.

Requirements:
Detergents clean with washing active substances (surfactants). The Flower and the Swan require that all detergent active substances must be easy to degrade in order not to harm the small aquatic animals. In addition, some substances are completely forbidden to use – e.g. those that degrade into highly toxic and difficult-to-degrade substances. Nor is chlorine allowed in e.g. universal cleaners. Cleaning agents that must be classified for environmental, fire and explosion hazards cannot be eco-labelled at all.

*A richer and cleaner nature
Better chemistry for daily use
Responsible use of the resources on earth
A better climate
A sustainable future*

Number of Swan labelled items (SKU):

>10% i 2022

Concentrated products



HIGHLY CONCENTRATED PRODUCTS:

Novadan has developed a series of highly concentrated products.

These contain less water and the required dosage is therefore lower.

This means that less amounts of the products and less packaging used for the same cleaning tasks at the customer must be transported.

Phasing out raw materials

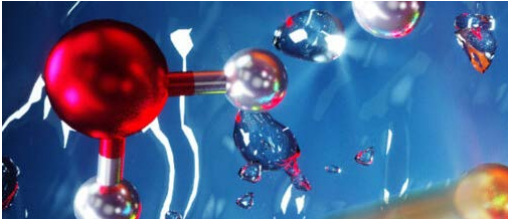


Through many years, Novadan has phased out the most hazardous substances (EDTA, LAS, etc) and replaced these with new and less harmful substances.

In 2021, 43% of the organic raw materials which are either [RSPO certified](#), Mass balance quality, biobased raw materials (either 100% or partly).

Especially substances which have a profile harmful to health, carcinogenic and/or toxic effect for aquatic organisms are phased out.

Mass-balance:
A circular, low-carbon economy requires a shift to non-fossil raw materials based on biomass or waste. The mass balance approach is a means of achieving this transition in a fast, economical, scalable and socially acceptable way for a large number of products.



43%



Product are WITHOUT PFAS

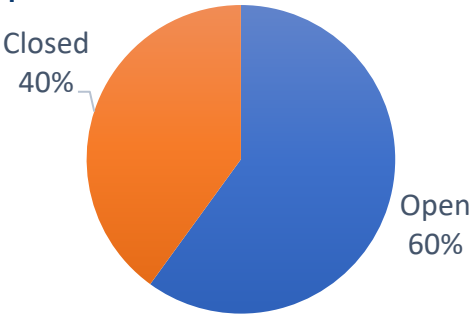
At Novadan, we do not use PFAS in our production, and we demand and confirm that there is no PFAS in our raw materials, based on the documentation available from our suppliers.

Continuous optimization

As part of ITW's strategic tools, continuous optimization are keywords for Novadan. We started in 2018 with a review of our recipes. During 2019 and 2020, appr. 40% of our recipes were closed (in 2019 15% were closed).

The simplification process is beneficial for several areas, eg. Reduced downtime and water consumption and fewer switches.

Recipes



Packaging

Novadan's products are delivered in plastic bottles, cans, drums or IBC-tanks which are wrapped and delivered on pallets.

Target:

Novadan targets to recycle as much as possible. This include return packaging, usage of recycled plastic and waste separation.

Recycled plastic

Novadan works on using bottles produced of recycled plastic. Initially, we plan to introduce them with a product that does not require UN-approved packaging (for Horeca) and later we plan to use these bottles for more bottles.

This will be part of our Swan labelled series.



We are investigating the market for recycled packaging but unfortunately the options are only few and as most of Novadan's packaging must be UN-approved, it is a challenge.

Regarding IBCs, we are in the process of mapping/investigating the flow of our tanks – eg how many are reusable. Furthermore, we are in a dialogue with suppliers about usage of re-built tanks.

Recycling of large packaging

In cooperation with an external supplier, Novadan picks up drums and IBC-tanks from food customers which are enrolled in the scheme.

These are washed and reused in the production of new products.

Novadan aims to include as many food customers as possible – for the benefit of the environment. The customers receives a detailed guide to make sure the packaging is emptied before pick up.





Production Consumption of water

Target:
Novadan targets to optimize the
consumption of water.

Consumption of water

Simplification og reduction of active recipes have effect on production as larger produced amounts and fewer product changes mean less cleaning/rinsing which results in savings in water, energy and time (effectivity).

2018	2019	2020	2021	2022	Target 2025
Index: 100	Index: 95	Index: 76	Index: 66	Index: 66	Index: 79

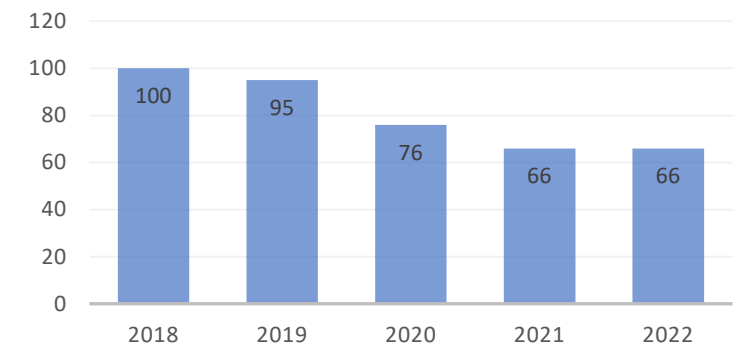
TARGET 2025:
max 0,3 m3/ton

The target is met – avg water
consumption = 0,24 m3/ton in
2022



Savings in water from
2018 to 2022
34%

Water consumption - index





Production Energy

Target:
Novadan aims to reduce CO₂ emissions through lower energy consumption.

ITWs targets in 2050:
Reduce the CO₂ emissions with 50% from 2021 to 2050.

Gas consumption

Novadan’s target is to reduce gas consumption and thereby CO₂ emissions.

Gas consumption per produced ton is reduced from 2018 to 2020, but unfortunately increased again from 2020 to 2021. Consequently, Novadan has now initiated investigations about how to reduce the gas consumption.

2018	2019	2020	2021	2022	Target 2030
Index: 100	Index: 93	Index: 82	Index: 104	Index: 92	Index: 80

Novadan aims to reduce gas consumption

Electricity

Novadan has an ambition to reduce the consumption of electricity. A reduced consumption in electricity per produced ton is registered from 2019-2020, but – again – unfortunately, this figure has increased from 2020 to 2021.... Also in this area, Novadan works to reduce the consumption in the future.

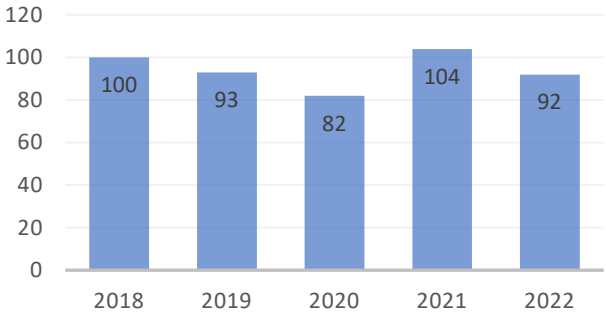
2018	2019	2020	2021	2022	Target 2030
Index: 100	Index: 101	Index: 95	Index: 101	Index: 96,7	Index: 80

Novadan aims to reduce electricity consumption

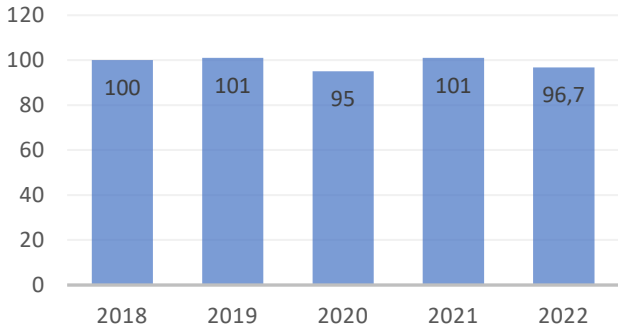
In 2022, Novadan has commenced the installation of LED-bulbs in the production facilities, closing down areas with electric heating and gathering employees in smaller areas with the purpose of reducing the consumption. The target is to reduce the gas- and electricity consumption.



Gas consumption - index



Elec. consumption - index





Production Waste management Waste water

Target:

Novadan targets to reduce the amount of chemical waste and combustible waste.

Chemical waste

Chemical waste is bad for the environment, and disposal can be a complicated affair. Novadan is therefore very focused on reducing the amount of chemical waste. It has negative impact on human health and the environment.

Novadan's target for chemical waste per produced ton chemical is max 2 kg. Since Novadan in 2020 disposed of 1.5 kg chemical waste per produced ton and in 2021 0.5 kg, Novadan has reached the target.

Combustible waste

The amount of combustible waste is at the same level as in 2019 – this means that for every produced ton the amount of combustible waste is 0.7 kg. All in all, this means a reduction of waste of 8%.

Handling of waste

Through use of pictograms for handling of waste on cans/bottles for Horeca, Novadan encourages correct handling of waste.



Label residues



All label residues (the backside of the label) is collected and sent to recycling after dispensing the label.

Waste water

Extra surveillance has been installed on the waste water well. Our security supplier is contacted if waste water is discharged outside of working hours.

Safety/ Hazardous industrial site

Target:
Novadan's target is 0 accidents!

Safety

Novadan's safety vision : **All accidents can be prevented and our goal is 0 accidents!**

It is of utmost importance that employees, customers and other in relation to Novadan are not exposed to danger and accidental situations, and consequently Novadan initiates continuous actions to prevent these. This is especially important as Novadan is a hazardous industrial site, and we work with strong chemicals.

1. Safety rounds at Novadan
2. Registrations of "near-misses"
3. Practices in case of emergency
4. Meetings about safety
5. Marking lines in the walking path
6. Folder: Precautions for guests
7. Video: "Where can we go"
8. Folder: Precautions driving truck
9. Posters/roll ups about safety
10. Tidiness



Target:

0 work accidents

Carrying out 10 security rounds in warehouse and in production

Minimum 240 registrations of unsecure working situations (near-miss accidents)

Carrying out 10 practices in case of emergency





Customers

Target:

Novadan aims to contribute sustainable solutions at our customers as much as possible on a number of parameters.

Sustainability at our customers



Food

Solutions to:

- Ensure hygienic conditions in production of food = food safety
- Optimizing energy consumption, chemical usage, water (reduced CO2-emissions)
- Effective cleaning and disinfection
- Increased life time of plant
- Personal hygiene
- Return packaging increase recycling of plastic
- Education
- Advice about safety
- Easy access to SDS and product sheet
- Tool to intelligent CIP data analysis and optimization

The effect of several customers' savings on energy etc due to Novadan's solutions is measured and reported.



Agro

Solutions to:

- A high level of stable hygiene
- Animal welfare through udder care and hoof care and infection prevention
- Improved bottom line for the farmer
- Feed additive for better well-being and survival of calves
- Food safety through hygienic milking systems
- Personal hygiene and laundry
- Easy access to SDS and product sheets



Horeca

Solutions to:

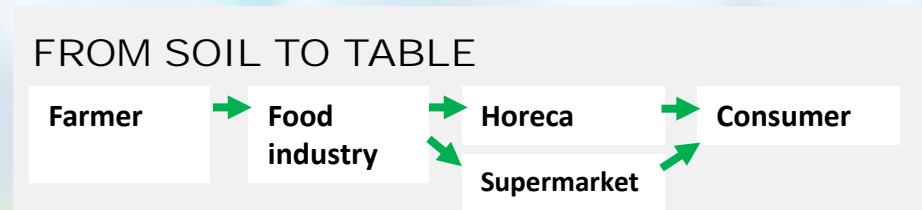
- Swan-labelled and high-concentrate products
- Reduced need for transportation due to high concentrate products
- Waste handling pictograms
- Dosage pictograms
- Education/training
- High level of hygiene
- Easy access to SDS and product sheet

Customer satisfaction is essential for Novadan and we aim to keep our customers satisfied.

Every second year, Novadan carries out a customer satisfaction survey, the recent was in 2021. The results showed that the average score regarding customers who recommend Novadan to others is 8,8 on a scale from 1-10. We are very proud of this result and we will strive to live up to this praise in the future. In general, this was an enlightening survey with a satisfactory result.

Consumer security

In brief, the consumer benefits from Novadan's hygiene solutions due to increased food safety and health as the risk of infections related to food and hygienic surfaces are improved.



Consumer

Target:

Novadan aims to contribute to security and safety for the consumer in order not to expose the consumer for pathogenic bacteria etc. from food, beverages etc which are produced under insufficient hygienic conditions.



Cybersecurity Anti-corruption

Cybersecurity

All employees participate at least once a year in a Cybersecurity course (conducted by Novadan's owners: ITW). The course reviews theory and practice around Cybersecurity and some of the potential risks that employees may be exposed to: Virus attacks, hacker attacks, phishing, malware etc.

In recent years, intensive work has been done to secure our data and systems, e.g. through increased use of codes, 2-factor authentication, Office 365, ISO certification, etc.



Since Novadan is part of ITW Fluids Europe, Novadan follows the guidelines set out here: ITW Fluids Europe implements policies, processes and good practices designed to protect our business confidential information and information systems.

Special consideration has been given to private and sensitive information or data from unauthorized access, misuse, disclosure, destruction, alteration or interruption.

Given the complexity of information security, there are a number of policies, procedures, plans and guidelines that make up the ITW Fluids Europe Information Security Management System (ISMS).



Employees diversity/ inclusion



Employees - Diversity and inclusion



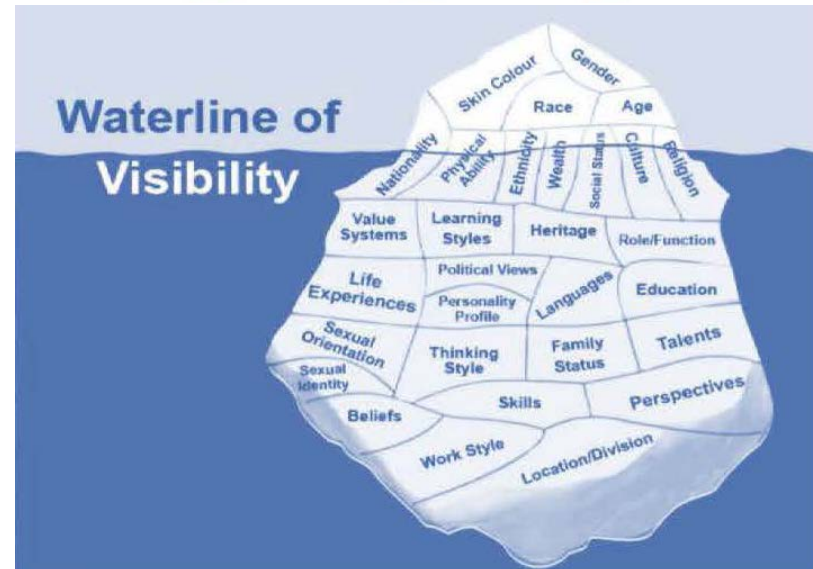
Diversity is the many ways in which people identify and are different from one another in both visible and invisible characteristics.

The key element here is that diversity can be both visible and invisible.

We often use the analogy of an iceberg to illustrate the concept of diversity. While you can see the iceberg tip, the iceberg goes much deeper below the water line. Similarly, our definition of diversity certainly covers what is often more visible: Like race, gender, and age, we are also referring to those elements that make us different that can be invisible. Such as our religious backgrounds, and sexual orientation, experience, family structure, and abilities.

We believe that we are at our best when we bring together unique perspectives, experiences and ideas. Rooted in our core values of respect and integrity, we are committed to treating all colleagues with dignity, fairness and respect, and empowering everyone to reach their full potential for growth and development. We strive to create diverse and inclusive workplaces where all ITW colleagues are heard, valued and engaged.

ITW, owners of Novadan, is behind a number of "Employee Ressource Groups", and Novadan has benefitted from these through participation in some groups and network meetings: "Pride", "Youth professional network", "Women's network" and "Ethnic groups".



COMMITMENT AT THE HIGHEST LEVELS

ITW's executive leadership formed the D&I Council in 2011 to establish a concrete D&I Framework, the guiding principles for all ITW businesses to support and sustain our commitment to D&I. Our progress is ingrained in our comprehensive enterprise D&I framework, which aligns with our enterprise talent strategy, is essential to building a pipeline of Great ITW Leaders, and ensures we embody a global and inclusive view when it comes to talent.

Overview of used UN global goals



ZERO HUNGER

4.2. By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality



SUNDHED OG TRIVSEL

3.9. By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination



CLEAN WATER AND SANITATION

6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally



DECENT WORK AND ECONOMIC GROWTH

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment



SUSTAINABLE CITIES AND COMMUNITIES

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management



RESPONSIBLE CONSUMPTION AND PRODUCTION

12.1 Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

12.A Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production



CLIMATE ACTION

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning