Honest Quality

Sustainability Report 2024

Beck

Honest Quality

Content


Beck

Honest Sustainability

At Beck, we believe that sustainability is more than a corporate responsibility - it is a strategic imperative. As the world accelerates its transition toward a low-carbon economy, we are committed to ensuring that our operations, products, and partnerships contribute to a more sustainable future. The 2024 Sustainability Report reflects the progress we have made, the priorities we have set, and the ambitions we continue to pursue.

This past year has seen significant milestones. We joined the United Nations Global Compact and formally aligned our operations with the UN's principles on human rights, labor, the environment, and anti-corruption. We also advanced our Net Zero Transition Plan by finalizing science-based targets for CO_2 reduction, which are now pending validation by the Science-Based Targets Initiative (SBTi).

In 2024, Beck reported a total carbon footprint of 11,906.5 tons CO_2e - a reduction of 25.5% compared to 2023. While this reduction was partly due to lower production volumes, it was also driven by concrete actions, including increased liner recycling, energy savings, and the electrification of vehicles and forklifts. Scope 1 emissions decreased by 17.6%, and Scope 3 emissions - still the largest share of our footprint - were reduced by 35.4%, supported by better data quality and lower input materials. Scope 2 emissions increased slightly due to regional shifts in energy sourcing. In line with updated guidance from the Science Based Targets initiative (SBTi), Beck has also begun reporting emissions from Forest, Land and Agriculture (FLAG) separately within Scope 3. FLAG-related emissions—primarily from paper inputs—are now tracked using distinct methodologies to reflect the unique climate impact. In 2024, we incorporated FLAG into our GHG accounting framework, aligning with SBTi's requirement for a 67% reduction in FLAG emissions by 2034. This step enhances transparency and ensures that our climate targets address land-use change and deforestation risks across our value chain.

Our carbon reduction strategy remains firmly anchored in absolute reductions. By 2034, we aim to reduce Scope 1 and 2 emissions by 52,8% and Scope 3 emissions by 35% by 2034, on our path to Net Zero by 2050. We continue to focus on resource efficiency, cleaner energy, and circular solutions to meet these goals.

Key achievements in 2024 include:

- Based on available information and experience, our best estimate is that approximately 30% of our EU-distributed waxed liners are now being recycled into Fermacell Fibre Boards
- Implementation of energy efficiency measures across sites, including a 10% annual reduction in electricity use
- Smarter logistics initiatives that reduce transport emissions and packaging waste
- Stronger internal ESG governance and expanded data disclosure aligned with the GHG Protocol

We are also investing in renewable energy infrastructure. At our factory in Rønne, Denmark, we are installing rooftop solar panels capable of generating up to 25% of the site's electricity needs. This project will not only reduce our Scope 2 emissions but also serve as a visible symbol of our climate ambition.

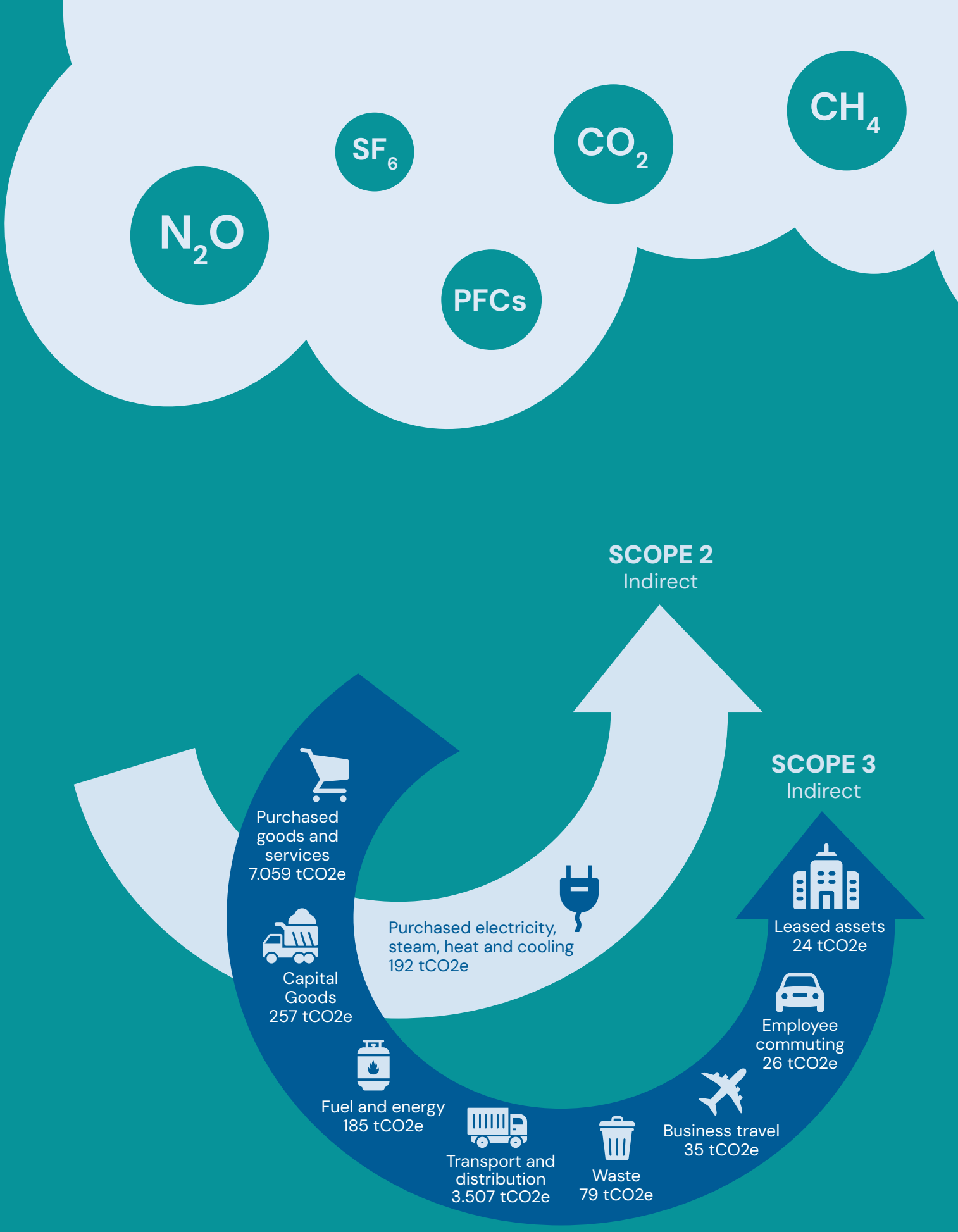
Beyond emissions, our commitment to sustainability spans the entire product lifecycle. All Beck products are 100% biodegradable, compostable, and recyclable - designed with circularity in mind. Our sourcing policy ensures that 100% of the paper mass we use is FSC-certified, and the majority of it is made from recycled fibers.

Looking ahead, our strategic priorities for 2025 will be to implement the necessary actions to meet our newly defined science-based targets. We will focus on reducing emissions across our supply chain, optimizing energy use at the machine level, increasing liner recycling rates, and further integrating ESG principles into core decision-making.

Sustainability is not just a project. It is embedded in how we operate, innovate, and collaborate – with customers, suppliers, and each other. This report documents our journey so far and sets the direction for the work ahead. With transparency, urgency, and determination, we will continue to turn ambition into action.

Best regards,

Peter Vesløv, CEO & Lars Krusell, Group Quality & Sustainability Manager

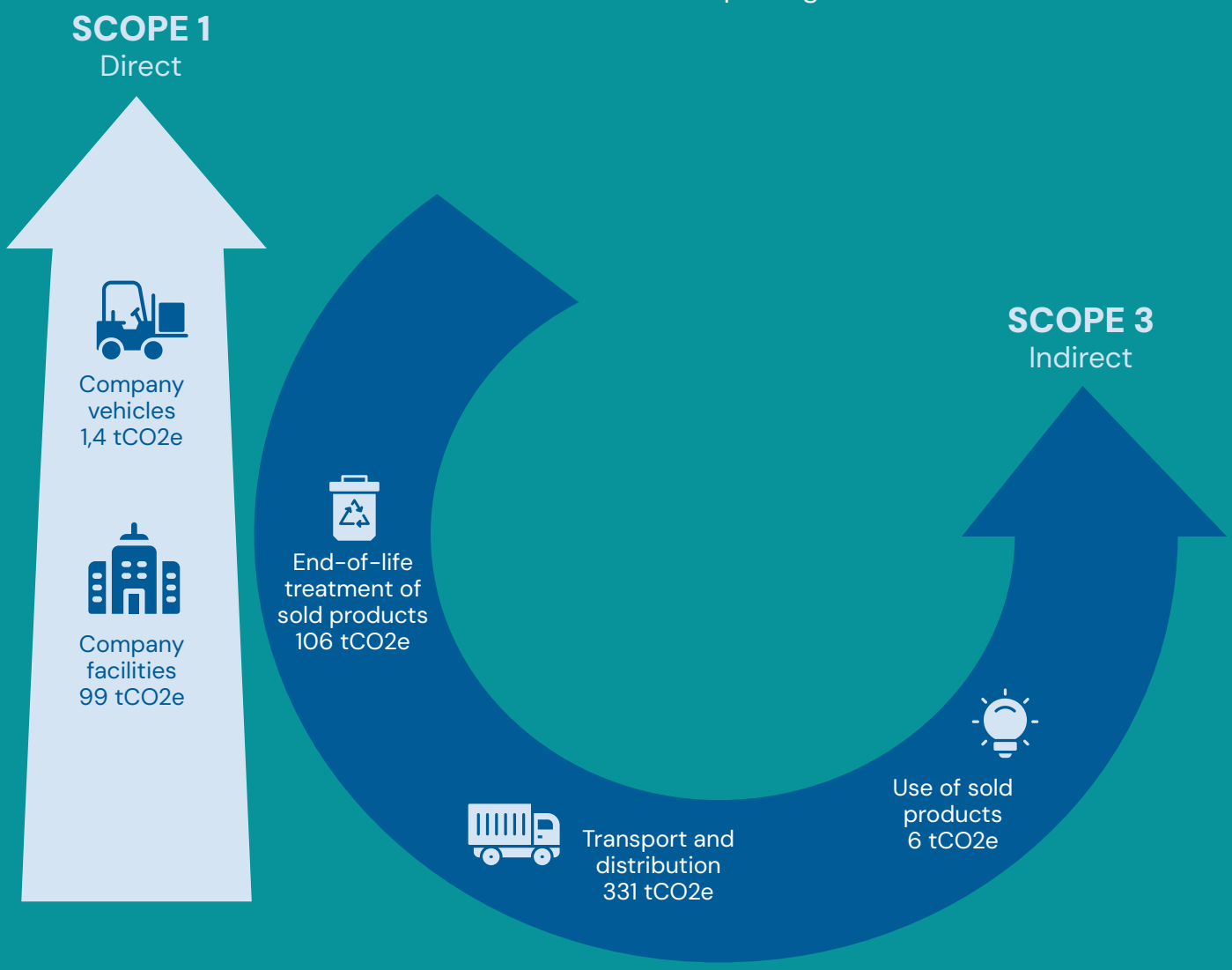


Upstream activities

HFCs

Methodology
The GHG Protocol

The methodology used is this report is based on international stadards such as GHG Protocol, that supplies the most globally recognised GHG accounting standards today, and the ISO 14064-1 standard on GHG emission reporting and reduction actions.



Reporting company | **Downstream activities**

Carbon Emission Reduction Strategy

Updated Targets & 2024 Progress

In 2021, Beck set the foundation for its carbon neutrality efforts by establishing a CO_2e baseline. This baseline continues to guide our climate strategy, enabling us to track reductions and drive change toward Net Zero by 2050, with significant reductions targeted by 2034 in own operations and in our value chain.

2021: Establishing Our Baseline

We defined our CO_2e baseline across Scopes 1, 2, and 3, allowing us to monitor emissions and develop long-term reduction targets.

2023 – 2025: Defining the Path to Zero Emissions

During this period, Beck is focusing on reducing emissions from our own operations and preparing for deeper reductions across the entire value chain:

1. **Sustainability Strategy (2023-2025)**
   Focus on energy efficiency, waste reduction, and sustainable sourcing.

2. **Carbon Emission Overview (CEMASys)**
   Emissions tracked and validated annually across all scopes.

3. **Recycling of Waxed Liners**
   By 2024, 30% of EU-used liners recycled into Fermacell boards.

4. **K4. 2024 Milestones Achieved:**
   - UN Global Compact: COP questionnaire submitted
   - SBTi: Targets prepared for 2025 validation
   - Extended Producer Responsibility: Baseline established
   - Energy Supervision: Implemented through "Klimasyn"
   - ESG: Internal reporting framework in place

5. **Energy Efficiency Actions**
   Weekend shutdowns and energy mapping contribute to lower Scope 2 emissions.

6. **Material and Supply Chain Improvements**
   Use of supplier-specific data and lower production volumes reduce Scope 3 emissions.

7. **Electrification and Renewable Energy Focus**
   - Additional EVs and electric forklifts (Scope 1)
   - Studies for LPG-to-biogas/heat pump conversion (99 tCO_2e potential)
   - Increased focus on green power and district heating (Scope 2)

2025–2034: Reducing Absolute Emissions Across the Value Chain

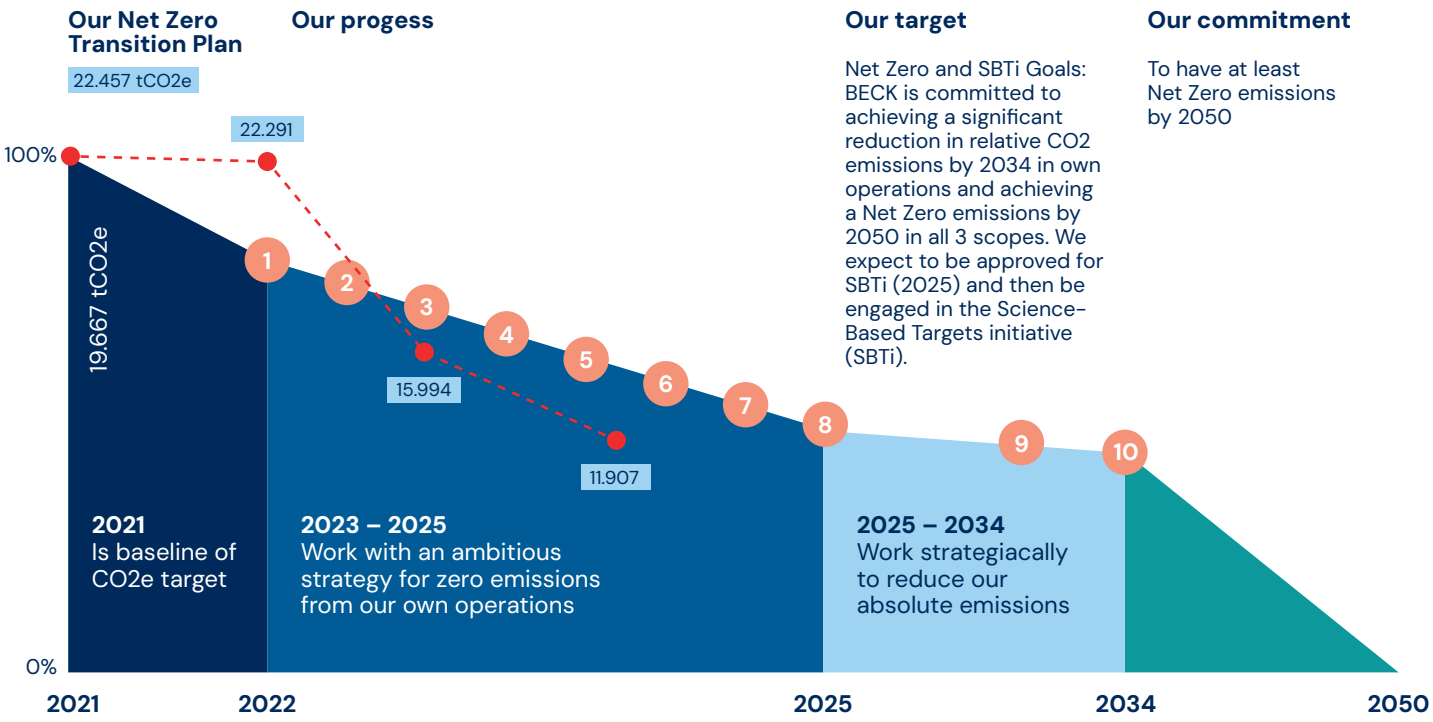
In the next phase, Beck will expand its efforts to drive **absolute emission reductions**, especially in Scope 3, which accounts for the majority of our footprint.

8. **Transport Optimization**
   Working strategically with logistics partners to reduce CO_2 from inbound and outbound freight.

9. **New Reduction Projects**
   Initiatives are planned for materials, packaging, and process innovation.

10. **Scaling Clean Technologies**
    Beck will continue adopting technologies that improve efficiency and lower emissions across all operations.

Through these efforts, Beck aims to reduce emission in Scope 1 and 2 by 52,8%, achieve 35% reduction in Scope 3 by 2034, and reach Net Zero across all scopes by 2050 – with a roadmap grounded in data, science, and responsibility.



1. Establish Sustainability Strategy (2023-2025).

2. Carbon emission overview CEMASys, DEFRA, Energinet.dk, eGRID US and customer data, scheme through annual climate accounts in scope 1,2 and 3.
Continuously refine emission data.

3. Recycling of waxed liners (own operation). Y 2021 115mt liner wasted equal to 53 tCO2e.
Reduced Y 2024 to 4 tCO2e due to recycling.
Company vehicle (cars, forklifts) into electrical savings 12 tCO2e (scope 1).
Energy saving, e.g. factory weekend close-down savings 23 tCO2e.
Recycling of waxed liners:" end-of-life treatment". Estimated 2.800.000 kg (30%) to Fibergyps production (circular economy).

4. Purchased materials account for more than 50% of our total CO2 emissions.
Cardboard and wax contribute to over 90% of the emissions from purchased materials.
Utilizing CO2 reduction data from cardboard and wax suppliers will drive our CO2 emissions in a very positive direction.
From 2023, emission data from our main suppliers have been used.

5. 1. UN Global Compact -> 2025 COP questionnaire done.
2. Extended Producer Responsibility -> 2024 baseline report (active 2025).
3. Energy supervision "Klimasyn" 2024 (Energy management).
4. SBTi -> 2024 Preparation baseline and Target for validation (2025).
5. ESG -> 2024 Preparation for in-house reports -> 2025.

6. Identifying opportunities to improve daily energy efficiency.
Energy reduction target settings and initiatives.

7. LPG gas into biogas or heat pumps, potential savings of 99 tCO2e (scope 1).
Green power energy (etc.), potential savings of 185 tCO2e (scope 2).
District heating as a green solution saves 5 tCO2e (Scope 2).

8. Work strategically with transportation suppliers.
Transportation upstream and downstream accounts for nearly one-third of our total CO2 emissions.

9. Identified new projects to implement before 2034, to achieve the emission reduction target.

10. Scaling new technologies, as they become available.

Case

Smarter Logistics Across the Atlantic – Fewer Pallets, Fewer Emissions

A transatlantic partnership with one of our largest U.S. customers has led to tangible sustainability improvements - both in emissions and in resource efficiency.

Together, we've implemented smarter logistics by increasing the number of liners per pallet. This allows us to fit more products into each container. The result is simple but effective: fewer shipments, less packaging material, and reduced CO_2 emissions per liner.

We've also launched a pilot program that reuses pallets from finished goods. Instead of disposing of them after a single use, the pallets are now returned from our customer to the pallet supplier. There, they are heat-treated and reused - meeting all safety and hygiene standards without compromising performance.

This closed-loop system involves both pallets produced in the U.S. and those shipped from Denmark. By extending the lifetime of each pallet, we reduce the demand for new wood, conserve resources, and significantly cut down our environmental footprint.

This case demonstrates how even small adjustments in packaging and logistics - when scaled globally - can lead to meaningful change. It's a testament to the impact of cross-border collaboration, and how operational efficiency and sustainability go hand in hand.

Case

Solar Panels in Rønne – A Visible Commitment to Clean Energy

At our factory in Rønne, Denmark, a major step toward energy self-sufficiency is underway: the installation of rooftop solar panels across the entire production facility.

Once completed, the system will supply up to 25% of the factory's total electricity needs with clean, renewable energy. Since electricity accounts for about 75% of the site's total energy consumption, the potential for climate impact is both substantial and measurable.

This initiative has long been part of Beck's sustainability vision. Now, it's becoming reality - turning roof space into an active contributor to our Net Zero goals. The system will reduce reliance on external power sources, cut Scope 2 emissions, and shield part of our energy use from market volatility.

Beyond the environmental benefits, the solar installation serves as a visible, daily reminder of our commitment to long-term sustainability. It signals to employees, customers, and partners that we're serious about integrating climate action into core operations.

The project is also part of a broader push to decarbonize our energy mix. In combination with energy-saving measures already in place - like LED lighting, weekend power shutdowns, and electric forklifts—the solar panels represent another milestone in our journey toward greener operations.

2024 Greenhouse Gas Report Summary

In 2024, Beck reported a total carbon footprint of 11,906.5 tonnes CO_2e – a reduction of 25.5% compared to 2023. This decrease is primarily driven by lower production volumes, reduced capital investments, and an increase in liner recycling, which is being carried out in collaboration with Fermacell.

Distribution of Emissions

- Scope 1 (direct emissions): 100.2 tCO_2e, accounting for 0.8% of total emissions. The 17.6% reduction is due to a shift to electric vehicles and forklifts at the U.S. facility.
- Scope 2 (indirect emissions from purchased energy): 191.7 tCO_2e, up by 23.7%. This increase is primarily due to reduced hydropower availability in Washington State, resulting in a higher share of electricity generated from fossil fuels.
- Scope 3 (other indirect emissions): 11,614.6 tCO_2e, still representing over 97% of total emissions. A 35.4% reduction was achieved through decreased production, fewer investments, and increased recycling rates.

Key Sources within Scope 3

- Purchased goods and services: Remains the largest category at 7,058.7 tCO_2e (59% of total). The 44.1% decrease is primarily due to lower production volumes and improved supplier-specific emissions data, especially for paper.
- Upstream transport and distribution: 3,507.4 tCO_2e (30% of total). Down 19.6% from 2023 due to reduced transport volumes.
- Capital goods: Reduced by 56.9% to 257.1 tCO_2e, driven by fewer investments and less maintenance.
- Fuel- and energy-related activities: Down 14.1% to 184.7 tCO_2e, as energy use shifts from fossil fuels to electricity.
- Waste generated in operations: Increased by 15% to 78.6 tCO_2e, primarily due to higher waste volumes at the U.S. facility.
- Employee commuting: Fell sharply to 26.4 tCO_2e (-76.4%) due to a smaller workforce.
- Upstream leased assets: 24.2 tCO_2e (-19.4%), reflecting fewer leased activities in Denmark.

Other Emission Categories

- Business travel: Slightly decreased to 35.1 tCO_2e (-14%) due to lower travel activity.
- Downstream transport and distribution: Slight increase to 331.1 tCO_2e (+1.4%) due to higher sales to EXW customers.
- End-of-life treatment of sold products: Halved to 105.7 tCO_2e (-54.7%) as 30% of EU liners are now recycled into Fermacell fibre boards.
- Use of sold products: Remained stable at 5.6 tCO_2e.

Methodology and Data Quality

Beck applies the Greenhouse Gas Protocol Corporate Standard and uses a mix of activity data, supplier-specific emission factors, and average-based models. In 2024, data quality was further enhanced through more detailed supplier input by CEMAsys, DEFRA, Energinet.dk, eGRID US., and customer emission data.

Conclusion

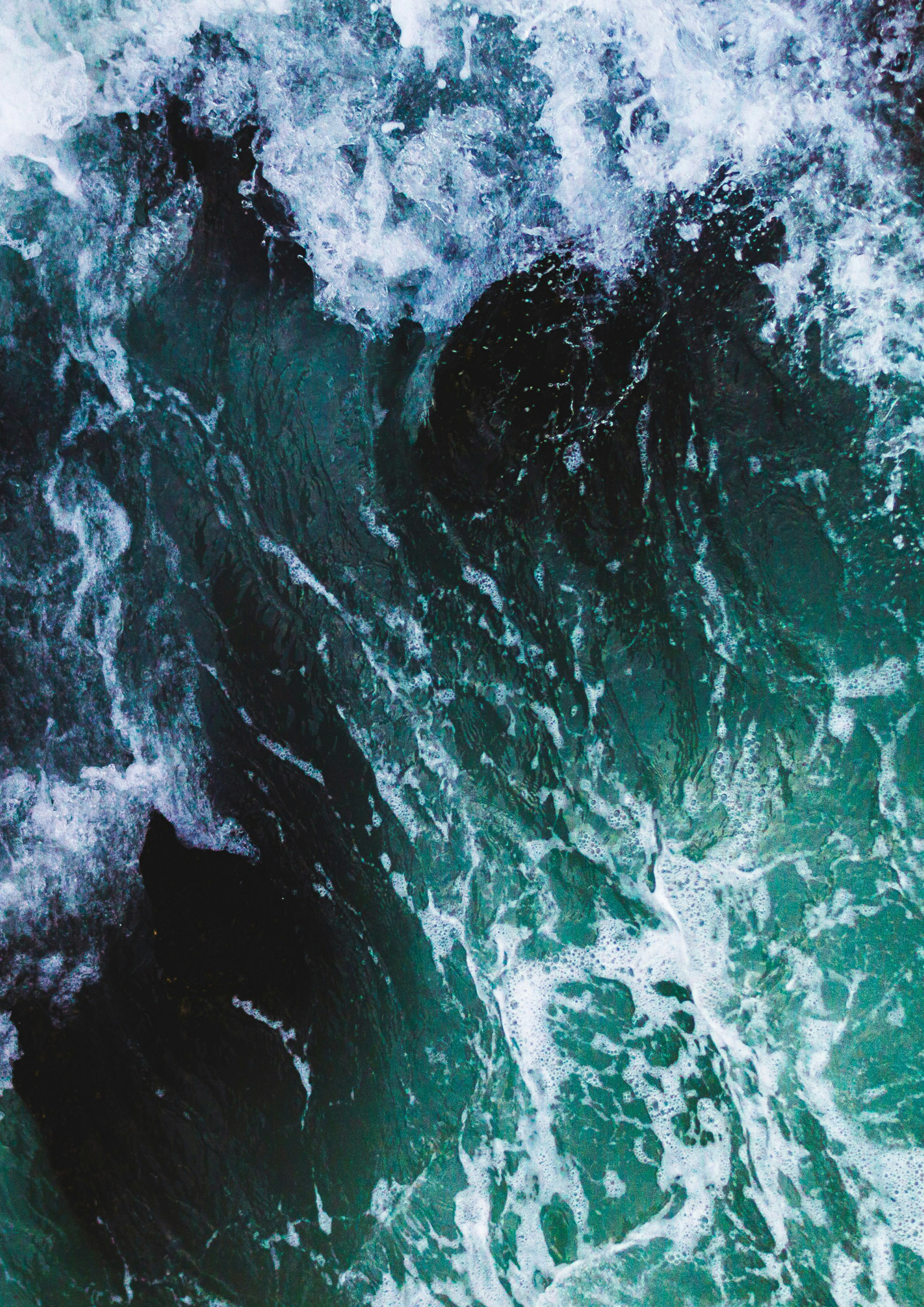
The 2024 reduction reflects both lower production and increased efforts to minimize emissions from purchasing, logistics, and waste management. The continued decrease in CO_2e per produced liner shows that Beck is improving climate efficiency independently of production levels. Ongoing initiatives in recycling, electrification, and energy optimization are expected to drive further reductions in the years to come.

Key Figures GHG Emissions

Summary	Unit	2021	2022	2023	2024
Total Scope 1	tCO2e	105,3	118,3	117,8	100,2
Total Scope 2	tCO2e	216,7	216,6	146,3	191,7
Total Scope 3	tCO2e	22.134,9	21.956,2	15.729,5	11.614,6
Total	**tCO2e**	**22.456,9**	**22.297,1**	**15.993,6**	**11.906,5**

	Units	2021	2022	2023	2024	%	Development / Comment
Scope 1 total	tCO2e	105,3	118,3	117,8	100,2	-14,97	Main Reason: Change to electric company cars and US electric forklifts.
Scope 2 total	tCO2e	602,5	662,8	599,5	191,7	31,03	Main Reason: The Electricity in the State Washington experienced the lowest hydropower production in two decades and therefore increased use of fossil fuels.
Scope 3 total	tCO2e	19.666,8	19.736,4	13.352,3	11.614,6	-26,16	Primarily drawn from lower production, less Capital goods and a higher numbers of EU used Liners for recycled to Fermacell boards.
Category 1 Purchased goods and services Total	tCO2e	14.175,5	13.831,0	10.172,0	7.058,7	-30,61	Main reason: Low production, as well as provided emission figures from our main supplier on paper.
Category 2 Capital goods Total	tCO2e	219,8	547,3	403,5	257,1	-36,28	Fewer investments and less maintenance, due to a lower activity.
Category 3 Fuel-and-energy-related activities Total	tCO2e	272,9	208,0	210,8	184,7	-12,36	Change to electric company cars and US forklifts.
Category 4 Upstream transportation and distribution Total	tCO2e	6.336,2	6.346,7	4.195,3	3.507,4	-16,40	Main reason: Less production, therefor less Transportation and distribution.
Category 5 Waste Total	tCO2e	71,3	118,0	66,7	78,6	17,66	Main reason: US have increased there factory waste with 81%.
Category 6 Business travel Total	tCO2e	42,3	44,2	40,0	35,1	-12,25	Lower travel and business activity.
Category 7 Employee commuting Total	tCO2e	96,0	101,3	46,6	26,4	-43,32	Lower production level led to a reduces workforce.
Category 8 Upstream Leased activities	tCO2e	18,5	23	28,9	24,2	-16,26	Main reason: Less Leased activities in DK.
Category 9 Downstream transportation and distribution Total	tCO2e	506,7	405,9	325,6	331,1	1,38	Main reason: Higher sale for Ex. works customer (EXW).
Category 11 Use of sold products Total	tCO2e	5,0	4,2	5,8	5,6	-3,89	Lower sale.
Category 12 End-of-life treatment of sold products Total	tCO2e	390,3	326,6	233,3	105,7	-54,69	Main reason - Lower sale, plus 30% EU used liners recycled to Fermacell boards.
Total emissions (Scope 1 + 2 + 3)	tCO2e	22.456,9	22.291,1	15.993,6	11.906,5	-25,55	Primarily drawn from lower production, less capital goods and a higher numbers of EU used liners for recycled to Fermacell board and converted company cars and forklifts to electric, as well as provided emission figures from our main supplier on paper.

All emissions are accounted in accordance with the Greenhouse Gas Protocol Corporate Standard. Sustainability data source of emission is powered by CEMAsys, DEFRA, Energinet.dk, eGRID US. and customer emission data.



Highlights and Priorities in 2025

Sustainability continues to define the future of responsible business, and Beck remains committed to embedding it at the heart of our operations. In 2025, we are advancing our efforts across environmental, social, and governance dimensions to support responsible growth and minimize our environmental impact.

Sustainable Forestry and FSC Certification

All our paper suppliers operate under sustainable forestry practices. As a result, 100% of the paper mass we use is FSC-certified (FSC Recycled Credit, FSC Mix Credit, and FSC Recycled 100%). This ensures responsible forest management, supports biodiversity, and benefits local communities.

Biodegradability and Circularity

All Beck products are 100% biodegradable, compostable, and recyclable. Designed for a circular economy, they naturally decompose at end-of-life and can be transformed into new materials, helping to reduce waste and conserve resources.

UN Global Compact

In 2024, Beck joined the UN Global Compact. By signing the Letter of Commitment, our CEO reaffirmed our alignment with the UN's principles on human rights, labor, environment, and anti-corruption. This marks a milestone in integrating sustainability into our governance and daily operations.

Net Zero and SBTi Goals

We are finalizing SBTi approval of our science-aligned emissions reduction targets. Scope 1 and 2 emissions will be reduced by 52,8%, and Scope 3 emissions - including FLAG emissions - by 35% and 67%, respectively. These targets support the Paris Agreement and guide both near-term actions and long-term climate ambition.

Carbon Footprint Transparency

We disclose full emissions data across scopes 1, 2, and 3 using absolute figures to reflect actual climate impact, regardless of production changes. This transparent approach fosters trust and enables stakeholders to monitor our climate progress.

Recycling and Resource Management

As a significant producer of liners, recycling is a core priority. An estimated 30% of used liners are now recycled into Fermacell boards, thanks to increased customer engagement. Yet another Fermacell factory is preparing to accept used Beck liners, supporting even broader circularity.

Energy Efficiency Measures

Through LED and EFK lighting upgrades and weekend shutdowns, we've cut electricity consumption by 10% annually. Standby use alone is down 20%. These initiatives both lower emissions and exemplify our proactive energy management.

Paper as a Primary Material

Paper is our primary raw material, chosen for its renewable, fiber-based profile. The majority comes from recycled sources, helping us reduce dependence on virgin materials and reinforcing our circular sourcing approach.

Smarter Energy Use

We are mapping electricity use across our sites. By monitoring machine-level consumption, we are better positioned to reduce energy use and improve operational efficiency.

Transport and Logistics Strategy

Transport is a major contributor to Scope 3 emissions. As part of our SBTi targets, we are working to reduce emissions by 35% through smarter logistics and supply chain optimization. This ongoing work supports our broader Net Zero roadmap.

ESG Framework and Governance

Our ESG framework ensures we address environmental, social, and ethical issues in a structured and transparent manner. By embedding ESG into our decision-making, we align performance with stakeholder expectations.

Green Materials and Supplier Partnerships

In close partnership with suppliers, we aim to source more sustainable materials. This systematic approach supports innovation and ensures our supply chain aligns with our environmental goals.

Sustainability as Strategy

Sustainability is central to our business. It shapes our brand, informs decisions, and helps us maintain trust and long-term value. In 2025, our key focus will be implementing the actions required to meet our new science-based targets across all scopes - driving meaningful progress across our operations, products, and supply chain.

If you need further information about block production, block products, machinery, and developments, please do not hesitate to contact us.

Denmark
Beck Pack Systems A/S
Sandemandsvej 6
DK-3700 Rønne
Phone: +45 56 95 25 22
Email: info@Beck-Liner.com

United States
Beck Pack Systems Inc.
P.O. Box 709
Preston, WA 98050
Phone: +1 425-222-9515
Email: sales@BeckPackSystems.com