NITO A/S

2025

ESG REPORT

This report covers NITO A/S activities for the reporting period 2025. The report reflects our systematic work with sustainability and social responsibility. The report has been prepared according to the voluntary EU ESG standard - VS.

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INTRODUCTION

MANAGEMENT COMMENTARY

NITO has been crafting precision couplings for over 125 years. We are proud of our heritage, but never rest on it. Staying relevant means staying honest: with society, with customers, and with ourselves.

This ESG report marks a new chapter. Building on our first report from 2023, we have strengthened the foundation of our ESG work. Our reporting and climate accounting are now fully system-supported, bringing greater rigour and continuity. Our commitments remain, but our ambitions has grown.

Our ESG agenda is rooted in two things: the expectations of our customers and our own conviction that running a responsible business means behaving like one. Along the way, we have found that much of what good ESG requires is simply common sense done consistently. Knowing where we stand makes it easier to set the next goal – and to mean it.

On climate: we are committed to the Science Based Targets initiative and to reduce our scope 1 and 2 emissions by 50% by 2030. We report our progress openly. Our reductions as of 2025 already exceed 60%. We push on regardless. Full results are available in our SBTi report at www.nito.dk.

Socially, we hold firm to something we consider both a responsibility and a privilege: providing real, meaningful work to people who might otherwise be left behind. Employees employed under "flexjob" arrangements make up 20% of our workforce, alongside employees on standard terms and young people in the STU programme. It asks something of everyone – and it gives something back in equal measure.

We base our ESG reporting on the EU's VSME Standard, Comprehensive Module , (or simply the VS standard from Q3 2026). This forms the foundation for our approach to environment, quality, and occupational health and safety, ensuring that our reporting is structured and documented.

Furthermore, we have had our reduction targets approved by the SBTi (Science Based Targets initiative), although the work of documenting progress on these falls outside the scope of the VS standard.

ESG is not a destination. It is a journey, and this report is just another step for us. A very important step though.

Martin Kragh
CEO, NITO A/S

ABOUT NITO A/S

NITO A/S is a Danish manufacturer that has designed and produced specialised, high-quality couplings and connection components for more than 125 years, joining pipes and hoses to transport liquids safely and efficiently.

Founded in 1896 in Copenhagen and based in Haderslev since 1969, NITO is owner-managed by Managing Director Martin Kragh and supplies couplings, spray and high-pressure guns, hose solutions, and complete cleaning systems to vital industries.

We are guided by our belief that original couplings are the foundation for creating the strongest connection between materials, people and the environment.

"NITO is building the strongest connection between materials, people and the environment."

APPROACH TO ESG REPORTING

Choice of standards or methods

We base our ESG reporting on the EU's VSME Standard, Comprehensive Module , (or simply the VS standard from Q3 2026). This forms the foundation for our approach to environment, quality, and occupational health and safety, ensuring that our reporting is structured and documented.

Furthermore, we have had our reduction targets approved by the SBTi (Science Based Targets initiative), although the work of documenting progress on these falls outside the scope of the VS standard.

Omissions due to confidentiality

The following disclosure points have been omitted from the ESG report due to confidentiality:

For competitive reasons, revenue is not disclosed. It is also not disclosed in the company's public annual financial statements.

CERTIFICATES

ESG certificates and eco-labels

ISO 14001

Issued: 30.08.2023

We have achieved ISO 14001 certification to ensure that our environmental management system meets international standards. This underscores our dedication to continuously improving our environmental performance and minimizing our environmental impact.

ISO 45001

Issued: 02.09.2024

We have achieved ISO 45001 certification to ensure a safe and healthy working environment for our employees. The certification demonstrates our systematic efforts to prevent workplace accidents and improve the occupational health and safety environment.

ISO9001

Issued: 15.04.2025

We have achieved ISO 9001 certification to ensure consistent quality across our products, services, and processes. The certification demonstrates our commitment to meeting customer requirements and continuously improving our quality standards.

"ESG is integrated into NITO's strategy rather than treated as a separate add-on."

– Martin Kragh
CEO

SUSTAINABILITY AT OUR COMPANY

Motivation

NITO's work with ESG is driven by two reinforcing motivations.

The first is a genuine wish to keep running a serious, impeccable, and responsible business, which is described as part of the company's DNA, and the goal is to leave a positive footprint on the world.

The second motivation is a growing demand from customers for ESG documentation and key figures. And we want to stay ahead of eventual requirements.

Prioritisation

ESG is integrated into NITO's strategy rather than treated as a separate add-on, and we prioritise it pragmatically so it creates value without becoming a burden. Three principles guide priorities: build on the ESG work already done; keep it simple, consistent, and scalable; and make sure customer expectations are reflected and prioritised. NITO has deliberately based its reporting on the recognised VS standard and the comprehensive module.

External communication

NITO shares its ESG work openly across multiple channels to be transparent and document real, verifiable progress. the ESG report can be found on www.nito.dk as can our EPD and dokumentation of our optained ISO 9001, ISO 14001 and ISO 45001. Moreover, it is a requirement from SBTi, that we publish our yearly progression agoinst our 2030 50% reduction target. This will also be avialable on www.nito.dk

PRACTICES FOR THE TRANSITION TO A SUSTAINABLE ECONOMY

Efforts, policies and initiatives for transition to a more sustainable economy

Area	Has concrete policy	Is the policy publicly available	Has future goals or concrete initiatives
Climate change	✓ Yes	✓ Yes	✓ Yes
Pollution	✓ Yes	✓ Yes	✗ No
Water and marine resources	✗ No	✗ No	✗ No
Biodiversity and ecosystems	✓ Yes	✓ Yes	✗ No
Circular economy	✓ Yes	✗ No	✗ No
Own workforce	✗ No	✗ No	✗ No
Workers in the value chain	✗ No	✗ No	✗ No
Affected communities	✗ No	✗ No	✗ No
Consumers and end-users	✓ Yes	✗ No	✗ No
Business conduct	✓ Yes	✓ Yes	✗ No

PRACTICES FOR THE TRANSITION TO A SUSTAINABLE ECONOMY

Description of NITO A/S's existing practices, policies and future initiatives supporting the transition to a more sustainable economy, including possible goals, public availability and responsible management levels.

At NITO, we focus on reducing our environmental impact through practical changes in our daily operations and by integrating sustainable solutions into our business wherever possible.

Over the past few years, we have transitioned all company cars to electric vehicles and changed our heating system from gas to district heating (fjernvarme), thereby reducing our use of fossil fuels. We also actively look for opportunities to reuse materials and resources wherever possible, rather than replacing them unnecessarily.

These initiatives are part of our broader commitment to reducing our carbon footprint and using resources more efficiently.

Going forward, we will continue to look for practical opportunities to reduce emissions, improve resource efficiency and incorporate more sustainable solutions throughout our operations. We also see an opportunity to formalise our existing practices through relevant policies and guidelines, helping to create a more structured and consistent approach to sustainability across NITO.

STRATEGY & SUSTAINABLE TRANSITION

Additional disclosures on the company's strategy, business model and transition towards a more sustainable economy (VS C1–C2).

PRODUCTS & SERVICES

NITO A/S designs and manufactures original, high-quality couplings and connection components that join pipes and hoses to transport liquids safely and efficiently from A to B. The product range covers the following significant groups:

- Couplings — the core product, including the original NITO quick-couplings
- NITO CLICK, high-pressure couplings, safety couplings and stainless-steel
- NITO FOOD couplings approved for drinking water, produced in (almost) lead-free brass and stainless steel.
- Guns, nozzles and lances — watering/spray guns plus high-pressure guns and lances for industrial and cleaning use.
- Hose solutions and hose clamps — fittings and clamping for secure hose connections.
- O-rings and rubber gaskets, and accessories — sealing and supporting components across the range.
- NITO Clean — cleaning system solutions for professional industrial and sanitary cleaning (e.g. foam sprayers and soap-dosing equipment).
- Special/custom solutions — tailored solutions developed by the sales team when standard products do not suffice.

MARKETS

NITO is a business-to-business (B2B) manufacturer and supplier, selling through a wholesale and distributor network. The ambition is that the products are represented at the leading wholesalers within industry, plumbing (VVS) and builders' merchants.

From its production site and headquarters in Haderslev, Denmark, NITO serves more than 300 dealers and exports to more than 45 countries.

MAIN BUSINESS RELATIONS

- Key suppliers — reliable and certified raw-material suppliers, in particular brass and metal suppliers.
- A key partner is a German brassworks that co-developed NITO's new dezincification-free, drinking-water-approved (almost) lead-free brass
- Our Waste handling partner is Marius Pedersen, who helps us reducing our waste footprint and secure that almost everything is recycled.
- HME picks up our Brass chips and turns then into valuable recycled meterials for the next user.
- Customer types — industrial wholesalers and distributors, OEMs and professional end-users across industry, VVS and cleaning. Significant customers include Lemvigh-Müller, RS Components (RS Group), Vikan, Brightwell Dispensers, Neoperl and TESS. • Distribution channels — primarily the wholesale/distributor network (300+ dealers across 45+ countries), supported by a direct sales team for advice and special solutions.

STRATEGY & SUSTAINABILITY

Sustainability is central to NITO's strategy and is paramount in staying relevant to customers, employees and society. Besides integrity, i.e., NITO's own aspiration for being a responsible business, growing customer demands for ESG data is also a credible reason to focus on ESG.

RESPONSIBLE MANAGEMENT LEVEL

Responsibility for sustainability rests with top management. The CEO (and owner), Martin Kragh, is the signatory of the company's ESG commitments. Implementation is treated as a shared task across the whole organisation, with employees actively involved, but accountability sits at the director/CEO level.

ENVIRONMENTAL

ENVIRONMENT & CLIMATE (E)

Our ambitions and initiatives for energy consumption and CO_2e emissions.

We work purposefully to understand, mesure, and improve our climate and environmental footprint. We regularly evaluate our material choices and production processes to support sustainable development.

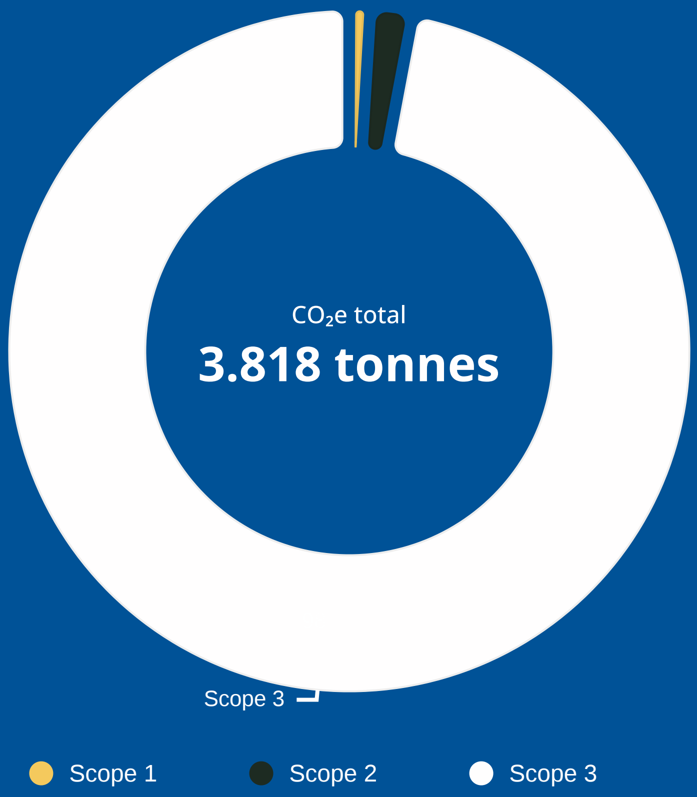
Our environmental work is integrated into our daily operations and business strategy. Our goal is to make a measurable contribution to a sustainable world and ensure that our solutions remain relevant and responsible in the future.

The figure highlights two key aspects of our carbon footprint:

1: We have reduced our Scope 1 emissions to near zero by replacing gas and petrol with lower-emission alternatives for heating and company vehicles.

2: Scope 3 and the 98% share of footprint highlights our dependability on brass for production.

Distribution of CO_2e emissions



ENVIRONMENT & CLIMATE (E) - INITIATIVES

Comprehensive overview of our ambitions and initiatives within the environmental area.

COMMITTED TO SBTI TO 50% SAVINGS ON SCOPE 1 AND SCOPE 2

NITO is committed to reducing scope 1 & 2 CO2 emissions by 50% in 2030, using 2018 as baseline year. This commitment is validated by SBTi. Detailed reporting will be reported annually on our website.

ELECTRICITY CONSUMPTION

- NITO has invested in a green electricity certificate to support development of renewable energy supply.
- A four-day work week has reduced electricity consumption by 10% and lowered heating costs.
- These initiatives are supporting our SBTi target.

HEAT CONSUMPTION (DISTRICT HEATING, GAS, OIL, ETC.)

- Gas was fully replaced with district heating in early 2025, saving approximately 50 tonnes of CO2 emissions.
- The initiative strongly supports our SBTi target

COMPANY VEHICLES (CAR FLEET, VANS, TRUCKS)

- All company-owned vehicles are electric, reducing our overall carbon footprint and shifting associated CO2 emissions from Scope 1 to Scope 2.
- This strongly supports our SBTi target

POLUTION PREVENTION AND ENVIRONMENTAL PROTECTION IN GENERAL

We are committed to maintaining our ISO 14001-certification to secure high environmental standards and continous improvement of our environmental performance og impact.

BIODIVERSITY INITIATIVES (PLANTING, GREEN ROOFS, ETC.)

Since 2021, the areas surrounding our company have been a flourishing habitat to promote biodiversity. With guidance from skilled landscape gardener, we identified the most effective measures for supporting biodiversity on our site. We are proud of this project, as it reflects our commitment to integrating green initiatives into our buisness practices, which traditionally focus on metal and other materials.

By letting our 4,000 m2 grow wild, we aim to contribute to this agenda and inspire other similar initiatives.

REUSE AND RECYCLING

At NITO, we minimize resource waste by collecting and recycling all brass shavings from our production.

The shavings are sold to a scrap metal dealer, turning a residual product into commercial value and ensuring that the materials remain within the economic cycle.

VALUE CHAIN COLLABORATION

We have worked closely with our partner i Germany to develop (Almost) Lead-free Brass.

Both we and our customers have wanted lead-free brass for a long time. Our lead-free brass contains less than 0.1% lead and complies with the EU REACH Regulation.

The Lead-light Brass is the result of an innovative cooperation with a German Brassworks. This new alloy is not only dezincification-free, but even approved for drinking water.

Initially, we have started a separate production of standard products with this lead-free brass for one of our largest customers. It is a significant step toward full implementation of lead-free brass in our product lines.

OUR MOST SIGNIFICANT MATERIAL IS BRASS. THE AMOUNT SUBMITTED HERE IS BOTH STANDARD BRASS AND OUT LEAD-LIGHT BRASS

218.634 kg

SECOND MOST SIGNIFICANT MATERIAL IS PLASTIC AND RUBBER

21.507 kg

ENVIRONMENT & CLIMATE (E) - DATA

Environmental (E) - Data

	DESCRIPTION	UNIT	2025	2024
ENERGY	**Total energy consumption**	MWh	**867,67**	**834**
	- Electricity	MWh	512,58	504,76
	- Fuel	MWh	65,72	329,24
	- Heating (district heating)	MWh	289,36	
	- Renewable energy	MWh	702,11	424,69
	- Non-renewable energy	MWh	165,55	409,31
WATER	**Total water withdrawal**	m^3	**120**	**99**
WASTE	**Non-hazardous waste (all)**	kg	**8.510**	**10.010**
	- Reuse/recycling	kg	7.190	8.770
	- Disposal	kg	1.320	1.240
	Hazardous waste (all)	kg	**1.245**	**707**
	- Reuse/recycling	kg	0	0
	- Disposal	kg	1.245	707
BIODIVERSITY	**Total land use**	m^2	**6.660**	**6.660**
	- Paved area	m^2	2.660	2.660
	- Nature-oriented on site	m^2	4.000	4.000

GREENHOUSE GAS EMISSIONS - SCOPE 1, 2 & 3

Emission of greenhouse gases from Scope 1, 2 and 3.

CO_2 EMISSIONS SCOPE 1, 2 & 3

DESCRIPTION	UNIT	2025	2024
Scope 1	Tonnes CO_2e	**16,62**	**52,07**
Scope 2 (location-based)	Tonnes CO_2e	**55,54**	**54,7**
Scope 3	Tonnes CO_2e	**3.745,96**	**1.992,45**
- Category 1 - Purchased goods and services	Tonnes CO_2e	3.655,93	1.927,07
- Category 2 - Capital goods	Tonnes CO_2e	21,16	
- Category 3 - Fuel and energy related activities	Tonnes CO_2e	4,06	
- Category 4 - Upstream transportation and distribution	Tonnes CO_2e	60,09	65,38
- Category 5 - Waste	Tonnes CO_2e	0,64	
- Category 6 - Business travel	Tonnes CO_2e	4,08	
Total	Tonnes CO_2e	**3.818,12**	**2.099,21**

SBTI

The company's climate targets, planned activities and transition plan (VS C3).

Baseline year 2018 → Target year 2030

DESCRIPTION	BASELINE (TONNES CO_2E)	TARGET (TONNES CO_2E)	REDUCTION
Scope 1	103	51	-50,5 %
Scope 2 (location-based)	92	46	-50 %

CLIMATE TARGETS

Through the Science Based Targets initiative (SBTi), NITO has committed to reducing its Scope 1 and 2 emissions by at least 50% by 2030, measured against a 2018 baseline, while continuing to measure, disclose and reduce Scope 3 emissions. NITO has reported its greenhouse gas emissions annually since 2021, and progress towards the SBTi commitment is published each year on nito.dk.

In 2025 – five years ahead of the 2030 deadline – NITO reached this target. The result reflects three concrete initiatives carried out over the past few years: the conversion of the site to district heating, the transition of the company fleet to electric vehicles, and the switch to certified green electricity.

Reaching the target early is not regarded as an endpoint. NITO will continue to measure and reduce Scope 3 emissions toward 2030, and intends to keep sustainability as a standing supplier-selection criterion alongside quality and delivery security — favouring goods sourced as close as possible, and suppliers with sustainability embedded in their own operations. Further reductions in Scope 1 are expected from improved building insulation and continued efforts to strengthen climate-conscious behaviour among employees.

CLIMATE RISKS

Identified climate-related risks, exposure and adaptation actions (VS C4).

CLIMATE-RELATED HAZARDS & TRANSITION RISKS

NITO's business activities are not assessed to be exposed to material physical climate risks, including risks related to flooding, storms, or extreme heat. The company's assets are not considered to be under threat from these types of climate-related hazards.

EXPOSURE & SENSITIVITY

We continuously assess our assets, operations and value chain for climate-related risks through our ISO 14001-certified environmental management system. However, these assessments are not yet part of a formalised risk management process covering our operations or financial performance. No dedicated assessment of environmental, climate or social risks has been conducted across our value chain.

POTENTIAL FINANCIAL IMPACTS

Climate risks may impact our financial results and operations, particularly through extreme weather events or changes in legislation affect our supply chain or customer needs. Beyond the risk-based processes embedded in our ISO 9001, ISO 14001 and ISO 45001 management systems, we do not currently dedicated, structured risk management at company level.

SOCIAL

SOCIAL RESPONSIBILITY (S)

Roughly the same number of employees measured in FTE, employee turnover has fallen to a third and sick leave has fallen from 10.7% to 8.3%

SOCIAL RESPONSIBILITY - OVERALL

We take social responsibility seriously, fostering strong connections between people, materials and the environment. Integrity and reliability are fundamental values, and we recognise our responsibility as an employer and supplier to essential industries.

We are committed to high standards of quality and sustainability, aiming to contribute positively to society through our actions and products.

WELL-BEING, HEALTH, AND MENTAL HEALTH

We maintain a strong focus on employee health and well-being, fostering safe, flexible and respectful workplaces.

Our management principles are based on reliability and openness, while modern and flexible workflows help make everyday work easier for our employees.

PARTNERSHIPS AND LOCAL COMMUNITY

We are actively involved in the local community through our presence in Haderslev and collaborate with local stakeholders and retailers.

We want to contribute to local development and create value for both our employees and the environment through responsible business practices.

SOCIAL RESPONSIBILITY (S) - INITIATIVES

Comprehensive overview of our ambitions and initiatives within social responsibility.

WORKFORCE SIZE AND COMPOSITION

We are a team of 29 employees (14,2 FTE) working across production, assembly, warehouse, and the office to deliver quality solutions to vital industries.

Our focus is to be an inclusive company, and therefore we always have employees in flexible arrangements. In addition to our FTE of 14,2, we have 2,4 FTE of employees employed under "flexjob" arrangements

Our ambition is to remain best in class and secure out posistion as the leading coupling manufacturer in the Nordics. We do this by building on our experience and continuously seeking to strengthen and improve the competencies in our workforce and the way we do business.

EMPLOYEE INVOLVEMENT AND DIALOGUE

We believe that strong connections are the foundation for strong relationships amongst co-workers and people in general. Integrity and reliability are fundamental to our business, and we work every day to create a work environment where we can support each other and deliver the best possible solutions to our customers.

Our goal is to maintain a continuous focus on quality, sustainability, and long-lasting solutions, which also applies to our internal work environment. We want to ensure that our employees thrive and are engaged so that we can continue to deliver professional solutions.

WORKING ENVIRONMENT AND SAFETY SYSTEMS

We have implemented an occupational health and safety system that is certified according to ISO 45001. This ensures that we work systematically and continuously with the health and safety of our employees and meet regulatory requirements.

Our ambition is to maintain and strengthen a safe and healthy working environment, where accident prevention and well-being are in focus. We continuously work on improvements and involve employees in the process to ensure that our work environment always meets the highest standards.

SOCIAL RESPONSIBILITY (S) - DATA

Our efforts to protect and promote social responsibility

	DESCRIPTION	UNIT	2025	2024
GENERAL EM-PLOYMENT DATA	**Total number of employees**	FTE	**16,6**	**16,2**

SOCIAL RESPONSIBILITY (S) - DATA

Our efforts to protect and promote occupational health and safety

	DESCRIPTION	UNIT	2025	2024
OCCUPATIONAL HEALTH AND SAFETY	Work injuries	Count	0	0
	Total working hours (2025: FTE, 2024: FTE)	Hours	23.500,12	22.888,98
	Avg. working hours/employee	Hours	1.415,67	1.412,9
	Work injuries rate (2025: FTE, 2024: FTE)	Rate	0	0
	Fatalities	Count	0	0
SALARY AND COLLECTIVE AGREEMENTS	Employees on collective agreement	Count	14,6	14,2
	Collective agreement share (2025: FTE, 2024: FTE)	%	87,95	87,65

ADDITIONAL SOCIAL DISCLOSURES

Workforce composition, human rights policies and severe incidents (VS C5–C7).

DESCRIPTION	VALUE
WORKFORCE COMPOSITION (C5)	
Male employees at management level	2
Female employees at management level	0
Gender split at management level	0 %
Self-employed & temporary workers working exclusively for the company	0
Temporary workers provided by external agencies	0
HUMAN RIGHTS POLICIES (C6)	
Code of conduct or human rights policy	Yes
Covers child labour	Yes
Covers forced labour	Yes
Covers human trafficking	Yes
Covers discrimination	Yes
Covers accident prevention	Yes
Covers other topics	Yes
Other topics in the code of conduct	Our code of conduct also covers respect for human rights, working environment, health and safety, anti-corruption, integrity, reliability and environmental concerns. We also focus on sustainability and long-term solutions.
Complaints-handling mechanism	No
SEVERE HUMAN RIGHTS INCIDENTS (C7)	
Confirmed severe incidents in own workforce	No
Related to child labour	No

GOVERNANCE

GOVERNANCE AND RESPONSIBLE MANAGEMENT (G)

We are driven by integrity, reliability, and uncompromising quality in our products and in the way we run the company.

Our guiding principles are based on responsibility, expertise, and a focus on contributing to a sustainable planet. We work purposefully with quality, the environment and long-term solutions, which is reflected in our certifications within ISO 9001, ISO 14001 and ISO 45001 as well as our Code of Conduct and commitment to Science Based Targets.

We believe that strong governance is the prerequisite for creating trust and ensuring our relevance for customers, employees and society – also for the next 125 years.

GUIDELINES FOR RESPONSIBLE MANAGEMENT AND GOVERNANCE

Our management is guided by a Supplier Code of Conduct built on internationally recognized frameworks — the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, ILO core labour rights, and the OECD Guidance for Responsible Supply Chains of Minerals.

These principles are not confined to our supply chain; they set the standard for how we conduct our own business. Ownership has been consolidated under Director Martin Kragh since 2018, giving us a clear and accountable governance structure with direct accountability for ESG commitments.

GOVERNANCE STANDARDS

Our governance is anchored in certified management systems: ISO 9001 (quality, since 1997), ISO 14001 (environment, since 2008), and ISO 45001 (occupational health and safety, achieved in 2024). We further committed to the Science Based Targets initiative in 2021, embedding external validation and accountability into our climate governance. Our Code of Conduct extends these standards through the value chain, covering human rights, environment, and anti-corruption.

COMPLIANCE PROGRAMMES

We maintain a zero-tolerance policy on corruption, covering extortion, fraud, bribery, and facilitation payments, and we require full regulatory compliance from ourselves and our business partners. On sourcing, we do not procure 3TG minerals directly from mines or smelters, and we expect suppliers to exercise due diligence on the origin of these minerals in line with OECD guidance.

Compliance is reinforced through our ISO-certified management systems, and our Code of Conduct gives us the contractual right to request supplier self-assessments and, where necessary, conduct audits or site visits.

BOARD COMPOSITION

We take social responsibility seriously in our own workforce composition: Employees working under flexible arrangements make up approximately 20% of our employees, and we offer positions to young people through Denmark's STU programme for individually tailored youth education, giving people at the fringes of the labour market a genuine route into working life.

This commitment was recognized through our nomination for the Danish Social Enterprise of the Year in 2022. We see this inclusive approach — rather than diversity framed narrowly around gender balance — as core to how we translate "ordentlighed" into everyday employment practice.

ADDITIONAL GOVERNANCE DISCLOSURES

Revenue from specific sectors, EU benchmark exclusion and gender diversity in the governing body (VS C8–C9).

DESCRIPTION	VALUE
EU REFERENCE BENCHMARKS (C8)	
Min. 1% of revenue from coal-related activities	No
Min. 10% of revenue from oil-related activities	No
Min. 50% of revenue from gas-related activities	No
Min. 50% of revenue from electricity generation with high GHG intensity	No
Excluded from EU Paris-aligned Benchmarks	No
GENDER DIVERSITY IN THE GOVERNING BODY (C9)	
The company has a governing body	Yes
Gender split in the highest governing body	0 %
Gender split in the executive management	0 %

APPLIED ACCOUNTING POLICIES

APPLIED METHODS

The ESG key figures have been prepared on the basis of the VS standard (2025), which was developed by EFRAG at the request of the European Commission. The purpose of the standard is to provide small and medium-sized enterprises (SMEs) with a standardized framework for ESG reporting. The report covers the Basic module and the extended Comprehensive module with additional KPIs added where material in relation to the company's activities and impact on the surrounding world.

BASIS OF CONSOLIDATION

The report's basis of consolidation is NITO A/S.

To collect ESG data, we have used North ESG's accounting software, which has strengthened our data foundation and data quality through automated data collection from relevant internal and external sources. We work towards more transparent reporting and strive to continuously increase our data quality and precision from one financial year to the next.

ACCOUNTING PERIOD

The ESG accounting period follows the financial year, in the period of 2025.

ENVIRONMENT – ENVIRONMENTAL DATA

CLIMATE ACCOUNTING

The company's climate accounts have been prepared in accordance with the principles of the Greenhouse Gas Protocol and stated in tonnes of CO_2 equivalents (CO_2e). The statement covers direct and indirect emissions divided into scope 1, 2 and 3. Total CO_2e emissions are calculated as the sum of emissions from Scope 1, Scope 2 and Scope 3:

$$\mathrm{CO_2e} \; = \sum(\text{Scope } 1 + \text{Scope } 2 + \text{Scope } 3)$$

SCOPE 1 – DIRECT GREENHOUSE GAS EMISSIONS

Scope 1 covers direct emissions resulting from the company's own combustion of fuels and materials. This includes the company fleet and work-related driving. This report does not distinguish between private driving and work-related driving, but since the majority of driving is assessed to be work-related, the emissions are included under scope 1.

Greenhouse gases (GHG) are calculated based on each individual fuel type, and the total emissions are calculated by multiplying purchases of fuels and materials by the emission factor for the relevant activity.

SCOPE 2 – INDIRECT GREENHOUSE GAS EMISSIONS FROM PURCHASED ENERGY

Scope 2 covers indirect location-based emissions from the energy used to produce electricity, district heating or district cooling purchased by the company for its own consumption. Electricity emissions are sourced from the Danish Energy Agency and are location-based with municipality-level granularity. Total indirect greenhouse gas emissions are calculated by multiplying purchased electricity and district heating by the emission factor for the relevant activity. For electricity consumption in kWh, the emissions are calculated for the municipality in which the property is located, while the emission factor for purchased and consumed dist-

APPLIED METHODS

rict heating is based on the national average.

SCOPE 3 – OTHER INDIRECT GREENHOUSE GAS EMISSIONS

Scope 3 covers indirect emissions from the company's value chain, for example purchased goods such as products, materials, transport and services, as well as waste and capital goods. Scope 3 emissions are calculated by mapping both emissions in the supplier chain related to purchases of goods and services and emissions related to the use and disposal of the company's own products, for example waste incineration by consumers. This report includes the following scope 3 categories:

1. Purchased goods and services
2. Capital goods
3. Fuel- and energy-related activities
4. Upstream transportation and distribution
5. Waste
6. Business travel
7. Employee commuting
8. Upstream leased assets

Scope 3 CO_2 equivalents are based on both the cost-based (spend-based) and the consumption-based (activity-based) method. The consumption-based method has been prioritized when data quality was suitable for doing so. Where valid activity data was not available, the cost-based method has been applied.

The approach for each method is described in more detail in the following sections:

COST-BASED

Currency is converted based on historical annual exchange rates, and if there are several values (from different years) for the emission factor, the emission factor closest to the year of consumption is selected (most representative / most recently updated). CO_2e emissions are calculated using the following method:

$$\mathrm{E}_{i,j,k} = \mathrm{Price}^{\mathrm{DKK}}_{i,j,k} \times \mathrm{Emission\ factor}_k$$

$$\text{where } k = arg \min_y |y - j|$$

$\mathrm{Price}^{\mathrm{DKK}}$ is the currency price converted to DKK.

FOREIGN CURRENCY CONVERSION

For transactions in foreign currency, DKK has been converted based on the consumption date of each posting. The conversion is based on the annual average exchange rate set by Danmarks Nationalbank for the relevant year corresponding to the consumption date.

$$\mathrm{Price}^{\mathrm{DKK}}_{i,j} = \mathrm{Price}_{i,j} \times \frac{\mathrm{exchange\ rate}_{i,j}}{100}$$

Receivables, liabilities and other monetary items in foreign currency that have not been settled on the balance sheet date are likewise converted at the annual average exchange rate for the year. Exchange rate differences arising from conversion based on the consumption date and the annual average exchange rate are recognized in the income statement as financial items. Tangible and intangible fixed assets, inventories and other non-monetary assets purchased in foreign currency are similarly converted at the annual average exchange rate for the year of purchase, based on the consumption date.

CONSUMPTION-BASED

Consumption-based calculation means that the quantity

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of the purchased material/product is included in the emission calculation. The unit has been converted to match the emission factor unit, for example kg to tonnes or liters to m^3. The same logic as for the cost-based method, used to minimize the year difference between consumption date and emission factor, has also been used for consumption-based calculations.

$$E_k = \text{Quantity}_u \times \text{Conversion}_{u \to v} \times \text{ Emission factor}_{k,v}$$

CO2 INTENSITY

CO_2e intensity is the proportional emission relative to revenue. It is calculated by dividing total CO_2e emissions by revenue.

$$CO_2\text{e-intensity} = \frac{CO_2\text{-eq. total emissions}}{\text{revenue}}$$

EMISSION FACTORS

The emission factors used in the report come from the following data sources:

- The Danish Energy Agency (electricity distribution and emissions)
- Klimakompasset – Danish consolidation of external emission factor databases. Data has been included from the following databases
  - EXIOBASE
  - DEFRA
  - EEA
  - DCE
  - IPCC 6th Assessment Report

In addition, cost-based emission factors from American and German databases have been used where relevant.

ENERGY CONSUMPTION

ELECTRICITY AND HEATING CONSUMPTION

Data for electricity and heating consumption has primarily been collected via the Danish public property information service (OIS). Where information was missing, this was supplemented with invoice and meter data. For electricity, emission factors and production shares from the Danish Energy Agency have been used. The statement is location-based and adapted to the company address with municipality-specific granularity.

FUELS AND GAS

Fuel consumption covers diesel, petrol, LPG and natural gas. Consumption quantities in volume or mass units are converted into energy consumption (MWh) using standardized conversion factors based on the calorific value of the fuel. Data is collected based on invoices. The volume-based quantities use the following methodology:

$$\text{Fuel (MWh)} = \text{diesel (L)} \times 0{,}01 + \text{petrol (L)} \times 0{,}095 + \text{gas (t)} \times 12{,}819 + \text{natural gas } (\text{m}^3) \times \frac{10{,}94}{1000}$$

Total energy consumption is the sum of electricity and heating consumption and fuels.

WATER

Water withdrawal is the total amount of water in m^3 and is calculated based on invoice data. Water consumption is water used for operations and production in the company and equals total water withdrawal minus total wastewater volume.

WATER STRESS

Water stress is the relationship between water consumption and available water in a given area. The company operates exclusively in Denmark, which according to the World Resources Institute's Aqueduct index is classified as

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a low-risk area for water stress. No locations with high water stress have therefore been identified within the company's operating areas.

WASTE CONSUMPTION

Waste data has been extracted from the Danish Waste Data System (ADS). ADS collects data from waste treatment operators and consolidates it with a breakdown by waste type, treatment and hazardous / non-hazardous waste.

LAND USE

Land use consists of the distribution between green and grey areas. Grey areas consist of surface area covered with gravel, asphalt, tiles, etc. The green area is the plot area minus building area and grey area. The area distribution has been collected through North ESG's integrations.

BIODIVERSITY-SENSITIVE AREAS

Biodiversity areas are loaded and calculated based on Natura 2000 areas, where it is mapped whether the property location, based on the Danish cadastral authority, lies within or near (100 meter radius) a defined area.

SOCIAL – SOCIAL CONDITIONS

WORK-RELATED ACCIDENTS PER 100 EMPLOYEES

The frequency indicates the number of work-related accidents per 100 full-time employees per year. It is calculated by multiplying the number of recorded work accidents by 200,000 and dividing by the total number of working hours for all employees. The 200,000 ensures standardization across the EU.

WORK-RELATED DEATHS – ACCIDENT & ILLNESS

This covers deaths resulting from work accidents and illness. Health issues resulting from smoking, substance and alcohol abuse, physical inactivity, unhealthy diets and psychosocial factors that are not work-related are not considered work-related.

SHARE COVERED BY COLLECTIVE AGREEMENT

The collective agreement always covers all employees within the relevant sector and does not take into account whether individual employees are union members or not. This is collected through a questionnaire and is the number of employees covered by a collective agreement relative to the total number of employees.

GOVERNANCE – MANAGEMENT CONDITIONS

Governance covers the company's management conditions and initiatives related to compliance and equality.

CORRUPTION & BRIBERY

Cases of corruption and bribery are collected through a questionnaire and represent the total number of final convictions concerning corruption, bribery or similar financial crime against the company or its employees, as well as the amount in DKK. Diversity, equality and compliance

DIVERSITY, EQUALITY AND COMPLIANCE

Diversity, equality and compliance concern the company's initiatives to actively contribute to equality and diversity in management and to protect employees. Responses are collected through qualitative questionnaire answers and cover, among other things, whistleblower arrangements, supplier screening, compliance programs and internal guidelines for responsible management.