



2024

ESG Report

EHRNO
FLEXIBLE

This ESG report covers EHRNO Flexible's activities during the 2024 calendar year and provides insight into our work across environmental, social, and governance areas. It is the second ESG report and the first to be prepared in accordance with the VSME framework for small and medium-sized enterprises.

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01

INTRODUCTION

Framework and approach

This report outlines EHRNO Flexible A/S's environmental, social, and governance (ESG) activities for the 2024 reporting year. It is prepared in alignment with the VSME framework for small and medium-sized enterprises, with the objective of enhancing transparency around our ESG performance and supporting a structured approach to continuous improvement.

Framework and approach

At EHRNO Flexible, ESG is embedded in our broader strategy for quality, innovation, and responsible business conduct. ESG considerations are integrated across functions and reflected in day-to-day operations. This report aims to provide a credible and balanced view of our current performance and the areas we are working to strengthen.

Data sources and methodology

The disclosures in this report are based on a combination of quantitative and qualitative data, including:

- Internal metrics and inputs from department leads
- Greenhouse gas (GHG) calculations developed in collaboration with North ESG

- Certification schemes (ISO 14001, BRC Global Standard, FSC)
- Historical ESG reports (2022 and 2023)
- Interview-based insights from our COO, Bjørn Østergaard
- Publicly available information on product performance, materials, and sector developments
- Where exact figures are not available, we have applied conservative estimates or descriptive disclosures. All data reflects the operational context of our Danish manufacturing and administrative activities.

Reporting boundaries

The scope of this report covers EHRNO Flexible's full operations in Denmark. At this stage, we report comprehensively on Scope 1 and Scope 2 GHG emissions. For the first time, we are reporting on our Scope 3 emissions (indirect value chain emissions) for selected categories. We are actively working to improve data availability and supplier engagement — particularly in light of upcoming extended producer responsibility (EPR) regulations and circularity requirements.

This report has not been externally assured but has undergone internal validation and been reviewed in collaboration with external ESG advisors.

Message from Management

EHRNO Flexible A/S is a family-owned manufacturer of flexible packaging. We specialize in high-quality food packaging and also offer a wide range of non-food products.

Over the past year, we have experienced positive development with the addition of new customers and the launch of exciting innovation projects. We have maintained a high level of delivery reliability and operational efficiency while intensifying our work on circular innovation and digitization of our processes.

As new legislation takes effect, we are witnessing a shift in how packaging is approached and the requirements it must meet. That's why we believe it is essential to provide guidance and sparring to our partners — something we feel a strong obligation to deliver.

For us, sustainability means running a responsible and future-proof packaging production that minimizes climate and environmental impact, promotes circular material solutions, and builds transparency and trust throughout the value chain. In short: We aim to do things properly.

In 2024, we introduced a wildflower belt outside our facility — a colourful addition that supports local biodiversity and has become a small haven for pollinators and flower pickers alike.



Innovation and responsible production on the rise

Throughout the year, we have accelerated the development of mono-material solutions designed for mechanical recycling, making them compatible with future waste and recycling systems. We have embraced a more project-based approach than ever before, leading to exciting outcomes and valuable learning.

We have continuously improved and optimized our use of energy and by-products, as we consider this a key area for any manufacturing business. Over the past five years, we have reduced our electricity consumption by 19% and cut our combustible waste by 39%.

As a new initiative in 2024, we planted a wildflower belt to bring more biodiversity to our surroundings. While it may seem small, the local community has enjoyed picking bouquets from the area, and it has created a small oasis for insect life.

People, partnerships, and local commitment

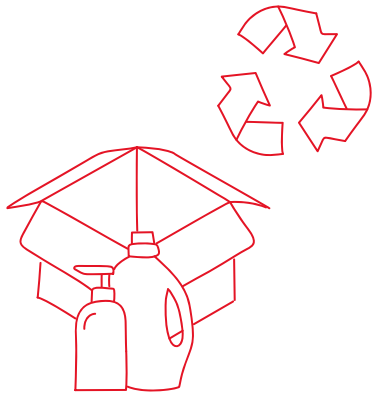
We work actively with employee engagement through safety initiatives, development dialogues, and access to skill-building opportunities.

With a staff characterized by strong seniority and expertise, we have a solid foundation for realizing our sustainability ambitions.

In June, our employees were invited to attend a trade fair in the graphics industry to explore the latest equipment and developments.

We have also strengthened our social responsibility externally by anchoring our Code of Conduct in our supply chain and supporting local initiatives and associations in our community.

EHRNO Flexible is a member of the Sustainability Council through Bæredygtig Herning, where we contribute to building a more sustainable local society.



Our ambition is to be among the leading producers of recyclable, food-grade flexible packaging.

Ready for future regulation and requirements

The coming years will be crucial in meeting the stricter European requirements for packaging under PPWR and extended producer responsibility. Our ambition is to be among the leading producers of recyclable, food-grade flexible packaging.

Our future efforts will focus on:

- Further development of recyclable packaging solutions
- Waste minimization through concrete and planned investments
- CO₂ calculations at the product level
- Enhanced ESG documentation for customers and authorities

A commitment to progress

On behalf of the management, I would like to thank our employees, customers, and partners for their dedication and trust over the past year. We look forward to continuing our collaboration towards a more responsible, transparent, and sustainable business — for the benefit of our company, society, and the environment.

We see sustainability and ESG as an ongoing commitment — not a campaign. Every day, we strive to anchor our efforts in tangible improvements in material choices, energy use, and documentation. We are working purposefully to deliver packaging solutions that meet the demands of the future — both technically and in terms of regulation.

Ole Østergaard
CEO
EHRNO Flexible A/S

Designing packaging isn't just about function — it's about circularity, recyclability and responsibility. That was my key message to a group of engaged HTX students at College360."

Bjørn Østergaard, COO, EHRNO Flexible A/S

Business activities in 2024

14001

ISO 14001 certified since 1997

First in DK in flexible packaging

21.3

Mio. DKK in gross profit

Total turnover in 2024

4.4

Mio. DKK in equity

Solid financial base

+25

+25 years

Average seniority among key staff

100%

Production in Denmark

Local, quality-controlled manufacturing

88.8%

Customer Retention Rate

Long-term partnerships and trust



About EHRNO Flexible A/S

EHRNO Flexible A/S is a Danish manufacturer of flexible packaging solutions, founded in 1955 and based in Herning. Over the years, we have grown into a recognised industry player known for our high product quality, hygienic production conditions, and strong focus on environmental responsibility.

EHRNO Flexible supplies packaging primarily to the food and healthcare industries, where strict requirements for safety and functionality apply.

With a deep understanding of both materials and customer needs, we have built long-term partnerships with some of Denmark's leading brands.

In recent years, EHRNO Flexible has actively worked on developing recyclable solutions and preparing for the new extended producer responsibility regulations coming into force in 2025.

Environment (E)

- ISO 14001 certified since 1997
- Packaging solutions focus on circularity and recyclability
- Registered under Extended Producer Responsibility
- Focus on reducing energy use, material consumption, and production waste
- Tracks climate impact

Social (S)

- Long-term employment and continuous training
- Strong safety culture and respectful work environment
- Inclusive hiring through supported employment schemes
- Engagement with schools, students and job fairs
- Health insurance and focus on employee well-being

Governance (G)

- Focus on traceability, quality assurance, and supplier collaboration
- ESG integrated into business strategy
- Responsibility anchored with the COO, trained in sustainable business
- Internal databases to monitor ESG progress and prepare for regulatory requirements

Mission, vision and values



Environmental commitment

EHRNO Flexible works actively with recyclable packaging solutions and circular design. We are ISO 14001 certified and have reported expected packaging volumes under the new Extended Producer Responsibility scheme (DPA & VANA).



Certified quality

Our production is certified under both ISO 14001 and the BRC Global Standard, reflecting a strong focus on hygiene, quality and documented traceability — essential in our work with food and healthcare packaging.



ESG integration

ESG is embedded in business development and operations — not treated as a side activity. It is anchored with the COO and discussed across functions, from management to development teams.



Local production

All production takes place in Denmark, at the facility in Herning. We are also engaged locally through biodiversity initiatives on our grounds and participation in the Bæredygtig Herning network.



Employee stability

With a workforce of 31 employees and low turnover, EHRNO Flexible benefits from long-term knowledge and continuity. Several team members have been with the company for over 25 years, contributing to a strong internal culture.



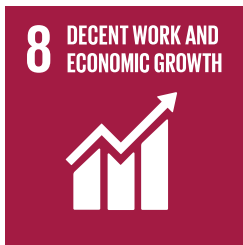
Data & performance

At EHRNO Flexible, we use internal KPI's and databases to monitor ESG progress and support data-driven decisions. This includes our own CO₂ calculations in collaboration with North ESG, forming the basis for future improvements.



02

OUR SDG'S



Integrating sustainability where it matters most

At EHRNO Flexible, we recognise that long-term business success is tied to sustainable development. That's why we have chosen to align our efforts with three of the United Nations Sustainable Development Goals (SDGs), which reflect our core values and business model.

The work with ESG is not an add-on — it's part of how we design products, manage operations, and engage with people.

The three goals are:

- SDG 8: Decent work and economic growth
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

These goals reflect areas where EHRNO Flexible has the greatest influence and responsibility — from the way we develop circular packaging, to how we treat people and reduce emissions.

By translating the SDGs into concrete initiatives — and integrating them in daily operations — we aim to be part of the solution.



SDG 8

Decent Work and Economic Growth

At EHRNO Flexible, we believe that good jobs are the foundation of strong communities. That's why we strive to create stable, respectful and long-term employment – and actively open the doors to individuals who face challenges on the job market.

“We aim to foster sustainable and inclusive employment – for the benefit of both individuals and our community.”

In 2024, EHRNO Flexible continued our partnerships with local job centers to provide flex and supported employment opportunities. Several of these employees have since transitioned into regular positions. EHRNO Flexible is also a regular participant in local

job fairs and we collaborate with educational institutions to promote access to training and jobs in industrial production.

Diversity and safety are integral parts of our workplace culture. In 2024, we continued to build on our strong foundation with structured onboarding, mandatory safety training, and inclusive workplace policies. All employees are covered by company-paid health insurance, and preparations were made to expand this with dental coverage. A new training initiative on raw materials and circular packaging was also launched, while their zero-tolerance policy on bullying and harassment remained firmly in place.

EHRNO Flexible's internal culture is built on trust, longevity, and development — reflected in the many employees who have stayed with EHRNO Flexible for over 25 years.



SDG 12

Responsible Consumption and Production

As a manufacturer of flexible packaging, we are deeply aware of the responsibility tied to the use of materials and resources. We aim to produce smarter, reduce waste, and develop solutions that support a more circular economy.

In 2024, EHRNO Flexible maintained our structured sorting of production waste into separate fractions. 60 % of all non-hazardous waste (244 tons) was recycled, and the remaining sent to incineration.

- We work continuously on product development focused on:
- Monomaterial solutions, which are easier to recycle
- Downgauging, to reduce material use without compromising performance
- Paper-based alternatives where feasible

EHRNO Flexible also runs weekly R&D meetings to evaluate packaging designs and supports reverse logistics to reclaim surplus materials such as cardboard tubes from customers.

“We strive to use fewer resources and design packaging fit for a circular future.”

Our efforts are not limited to materials alone. We’ve also invested in energy-saving technologies, committed to 100% renewable electricity (certified), and we wish to reduce our consumption of natural gas. We know where to invest, and are working thoroughly to achieve these goals

Circularity is not just an ambition — it’s embedded in how EHRNO Flexible develops, produces, and delivers.



SDG 13

Climate Action

EHRNO Flexible acknowledges the urgent need for climate action and has committed to reducing our carbon footprint across operations and value chain. In 2024, we continued our work to strengthen climate data, improve energy efficiency, and eliminate fossil energy sources.

Thanks to certified green electricity and process optimisations, Scope 1 and 2 emissions totalled just 123 tons CO_{2e} in 2024. Scope 3 emissions, covering suppliers and upstream activities, were calculated for the first time at 3,514 tons CO_{2e} — providing a more complete view of their impact.

“We take action to reduce our footprint and support climate goals through data, design and daily decisions.”

EHRNO Flexible’s goals include:

- A long-term transition away from natural gas
- Continued investment in energy-efficient machinery
- Carbon tracking through internal KPIs and ERP integration
- Electrification of the company car fleet

Since 1997, we have been ISO 14001 certified and actively work with climate-related initiatives — from product development to production and logistics.

At EHRNO Flexible, we know that reducing emissions is not a one-time project, but an ongoing responsibility.

A background image of a paper mill with large rolls of paper being processed. On the left side, there is a vertical column of seven dots: the second, third, and fourth dots from the top are grey, the fourth dot is red, and the fifth and sixth dots are grey.

03

IMPACT

Environmental and Climate Goals and Performance

At EHRNO Flexible, we take a structured approach to environmental responsibility, combining operational efficiency with circular design principles and formal certifications. Our efforts span from energy use, emissions and certified clean electricity to material handling, biodiversity, and regulatory preparedness.

Biodiversity and land use

Our production site in Herning covers 13,206 m², of which 9,279 m² is nature-oriented.

In 2024, a section of unused ground was converted into a flowering biodiversity zone, led by a staff member with agricultural experience.

Energy and emissions

In 2024, EHRNO Flexible consumed a total of 1,043 MWh of energy — 440 MWh from renewable sources while non-renewable sources accounted for just 17 MWh. The use of green electricity has been in place since 2021 and remains a priority.

Greenhouse gas emissions were reported in more detail than previous years. Total Scope 1 and 2 emissions amounted to 123 tons CO₂e, split into:

- Scope 1: 91 tons CO₂e
- Scope 2: 32 tons CO₂e

EHRNO Flexible documented Scope 3 emissions at 3,514 tons CO₂e, with the majority originating from purchased goods and services. This marks a significant step toward full value chain transparency.



For the first time, EHRNO Flexible also documented Scope 3 emissions at 3,514 tons CO₂e, with the majority originating from purchased goods and services. This marks a significant step toward full value chain transparency.

Circular economy and waste

We apply circular principles in product design and waste handling. In 2024, 60% of non-hazardous waste (145 tons) was recycled.

Hazardous waste amounted to 45 tons, all of which was sent to incineration — though a distillation unit investment is planned to reduce this in future years.

Key circular initiatives include the ongoing development of monomaterials, downgauging, and reverse logistics to recover cardboard tubes from customers for reuse.

Packaging and EPR compliance

Ahead of the new Extended Producer Responsibility (EPR*) regulation entering into force in 2025, we completed our packaging data registration with both DPA and VANA in 2024. We have mapped packaging types, identified recyclability, and are fully aligned with the new requirements.

Water use

Our water consumption remains low due to the nature of its production, with 204 m³ used in 2024 — none from water-stressed regions.

Certification and commitment

EHRNO Flexible is certified under ISO 14001 for environmental management and BRC Global Standard for hygiene and safety. These systems ensure traceability, quality, and a continuous improvement process that supports our environmental goals.



*Extended Producer Responsibility (EPR) is an environmental policy approach that assigns producers responsibility for the entire lifecycle of their products, including post-consumer stages such as collection, recycling, and disposal.




Environmental and Climate Data

B3: Energy & GHG Emissions



	Unit	2024
Total energyconsumption	MWh	1,043
Electricity	MWh	457
– Renewable	MWh	440
– Non-renewable	MWh	17
Fuels	MWh	587
– Renewable	MWh	0
– Non-renewable	MWh	587
Scope 1	Ton CO ₂ e	91
Scope 2	Ton CO ₂ e	32
Scope 3	Ton CO ₂ e	3,514
– C1: Purchased goods and services	Ton CO ₂ e	3,443
– C2: Capital goods	Ton CO ₂ e	2.8
– C3: Fuel and energy-related activities	Ton CO ₂ e	32
– C4: Upstream transport	Ton CO ₂ e	31
– C5: Waste generated in operations	Ton CO ₂ e	7.4
– C6: Business travel	Ton CO ₂ e	2.8
– C7: Employee commuting	Ton CO ₂ e	0.3
– C8: Upstream leased assets	Ton CO ₂ e	1.9

Environmental and Climate Data

	Unit	2024
B5: Biodiversity 	Total site area	m2 13,207
	Paved area	m2 3,927
	Nature-oriented area on site	m2 9,279
	Nature-oriented area off-site	m2 0
B6: Water 	Total water withdrawal	m3 204
	– From high water-stress areas	m3 0
B7: Resource use, circular economy & waste management 	Non-hazardous waste	kg 244,400
	– Sent for recycling	kg 145,928
	– Sent for incineration/landfill	kg 98,520
	Hazardous waste	kg 44,714
	– Sent for recycling	kg 0
	– Sent for incineration/landfill	kg 44,714

A worker wearing a white hairnet, safety glasses, and a dark long-sleeved shirt is operating a large industrial machine. The machine is producing a continuous roll of flexible packaging for TWEEK sweets. The packaging features a repeating pattern of orange and white diagonal stripes, with the TWEEK logo and product name 'SWEETS IN CANDY' and 'TOFFEE CARAMEL' visible. The worker is leaning over the machine, and a large roll of the finished packaging is visible in the foreground.

“Flexible packaging is a win – for sustainability, the environment, food safety and more. But only when it’s designed right.”

Ole Østergaard, CEO, EHRNO Flexible A/S

Key social responsibility Goals and Performance

At EHRNO Flexible, we recognise that people are the foundation of long-term success. In 2024, we maintained a strong focus on employee well-being, inclusion, and community engagement — even though we do not report extensively on HR metrics.

Employee retention and training

EHRNO Flexible employs 31 people and continues to benefit from long-term employment stability. Several staff members have celebrated more than 25 years of service, reflecting a strong internal culture. In 2024, all production employees completed further training in IT systems, and preparations began for new training modules focused on raw materials and circular packaging.

Health, safety and workplace culture

EHRNO Flexible operates with a zero-accident mindset. Employees are equipped with necessary safety gear and receive regular training in risk assessment. We have a zero-tolerance policy against bullying and harassment, and continuously work to maintain a respectful and safe environment.

Inclusion and supported employment

Through cooperation with Jobcenter Herning and Ikast-Brande, we participate in flex and supported employment schemes. In recent years, two individuals have transitioned to full-time positions, which we view as a shared success. Diversity is embraced, and multiple nationalities are represented across the team.

Engagement with youth and education

At EHRNO Flexible, we actively contribute to the community by engaging with local educational institutions. In 2024, we hosted school visits, participated in a local job fair, and collaborated with university students on thesis projects. These activities strengthen ties to the next generation of industry professionals.

Health and well-being

All employees are covered by a company-funded health insurance, and in 2024, plans were made to introduce dental insurance. Flexibility, trust and fair treatment remain central principles in our HR practices.

Key social responsibility indicators

	Enhed		2024
B8: Workforce characteristics 	Total number of employees	Persons	31
	Permanent contracts	Persons	31
	Temporary contracts	Persons	0
	Male employees	Persons	25
	Female employees	Persons	6
	Employee turnover rate	%	21.7
B9: Health & Safety 	Workplace accidents	Cases	1
	Accident frequency rate (per 100 FTE)	%	3.1
	Health insurance	Text	All Employees
	Dental insurance	Text	All Employees
B10: Remuneration, collective bargaining and training 	Employees paid ≥ minimum wage	Yes/No	Yes
	Covered by collective agreement	%	100

All quantitative indicators are aligned with the VSME reporting framework. Additional qualitative initiatives are described in the accompanying text.



"Dialogue with our local community is key to driving real change. Together, we're shaping the future of circular packaging – out in the sun, not just in meeting rooms."

– EHRNO Flexible A/S

Governance, compliance and transparency

We recognise that responsible governance is fundamental to sustainable business development. In 2024, we continued to strengthen our approach to supplier management, risk awareness, and regulatory compliance. The development of a structured ESG strategy is a key objective for 2025 — including updates to our internal IT policy to reflect growing risks related to cybersecurity, data protection, and AI.

Supplier screening and compliance

We require all suppliers to sign our Code of Conduct and have started implementing a digital platform to support due diligence and supplier evaluation. In 2023–2024, two major tender processes were conducted to deepen our supplier engagement. Going forward, the goal is to ensure that selected suppliers support innovation and meet both recycling and ESG expectations — in line with the upcoming Packaging and Packaging Waste Regulation (PPWR).

Suppliers are also screened based on documentation such as Declarations of

Compliance (DoC) and safety data sheets to ensure alignment with EU food-contact materials regulation.




Environmental and quality management

EHRNO Flexible holds valid certifications under ISO 14001 (environmental management) and BRC (food safety and hygiene). Our ISO 14001 system supports ongoing identification of environmental risks and improvement opportunities, while key operational data — such as material waste and use of chemicals — is monitored and recorded to ensure traceability and corrective action when needed.

Stakeholder and regulatory awareness

The management team remains actively engaged in new regulatory developments, including Extended Producer Responsibility (EPR) and upcoming EU rules on circular packaging. We maintain an open dialogue with local authorities and stakeholders to support a transparent and forward-looking business culture.

Governance, compliance and transparency data

	Data	Notes
B11: Corruption & Bribery 	Not applicable (no incidents)	Zero incidents / monetary losses
B11: Governance, policies, standards 	Partially structured	EHRNO Flexible operates under ISO 14001 and BRC certification systems and prepares Declarations of Compliance for all products. In 2024, ESG integration began via the ERP system, with a structured ESG strategy and updated IT policy (incl. cybersecurity and AI) planned for 2025. Supplier governance is supported by signed Codes of Conduct, traceability of chemical/material use, and a new ESG evaluation platform. Two major tenders in 2023–2024 strengthened long-term supplier alignment with PPWR.
B11: Compliance & risk programs 	No violations	A Code of Conduct is in place. Staff receive annual training, and confidential reporting channels are available. ISO 14001 supports risk monitoring, and compliance-related documentation is tracked systematically.

Applied ESG accounting practices

The ESG key figures have been prepared based on the VSME standard (December 2024), 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. This report covers the Basic Module (B1), with a few additional KPIs included.

The consolidation basis for this report is EHRNO Flexible A/S, CVR: 82530711

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 are committed to more transparent reporting and continuously strive to improve data quality and accuracy from one financial year to the next.

Reporting period

The ESG report covers the period 1 January – 31 December 2024.

ENVIRONMENT

Greenhouse gas emissions

The company's climate account has been prepared in accordance with the principles of the Greenhouse Gas Protocol and is measured in tons of CO₂ equivalents (CO₂e). The account covers direct and indirect emissions divided into Scope 1, 2, and 3. The total CO₂e emissions are calculated as the sum of emissions from

Scope 1, Scope 2, and Scope 3:

$$\text{CO}_2\text{e} = \sum (\text{Scope 1} + \text{Scope 2} + \text{Scope 3})$$

Scope 1 – Direct greenhouse gas emissions

Scope 1 refers to direct emissions resulting from the company's own combustion of fuels and materials. This includes the company's fleet and work-related driving. In this report, no distinction is made between private and work-related driving; however, as the majority of the driving is assessed to be work-related, the emissions are included under Scope 1.

Greenhouse gases (GHG) are based on each individual fuel type, and the total emissions have been calculated by multiplying the purchase of fuels and materials by the emission factor for the corresponding 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 consumption. Emissions for electricity have been sourced from the Danish Energy Agency and are location-based, with a level of detail at the municipal level.

The total indirect greenhouse gas emissions have been calculated by multiplying the purchase of electricity and district heating by the emission factor for the corresponding activity.

For electricity consumption, measured in kWh, emissions have been calculated for the municipality where the property is located. For the purchase and consumption of district heating, the emission factor is based on the national average.

Scope 3 – Other indirect greenhouse gas emissions

Scope 3 covers indirect emissions from the company's value chain, such as purchased goods, including products, materials, transport, and services, as well as transportation, waste, and procurement of capital goods.

Scope 3 emissions have been calculated by mapping the emissions associated with the supply chain for purchased goods and services, as well as emissions related to the use and disposal of the company's own products, such as consumer waste incineration.

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 CO₂e are based on both the spend-based and activity-based methods. The activity-based method has been

prioritized where data quality has been suitable. Where valid activity data is not available, the spend-based method has been used.

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

Spend-based method

The spend has been converted based on historical rates (annual), and if there are multiple values (from different years) for the emission factor, the emission factor closest to the consumption year (most accurate/most recently updated) is used. The CO₂e emissions have been calculated using the following method:

$$E_{i,j,k} = \text{Spend}_{i,j}^{\text{DKK}} \times \text{Emissionsfactor}_k \text{ where } k = \arg \min_y |y - j|$$

$\text{Spend}_{i,j}^{\text{DKK}}$ is the price converted to DKK.

Currency conversion

For transactions in foreign currency, DKK has been converted based on the consumption date for each line. The conversion has been based on the annual average exchange rate set by The Danish National Bank for the relevant year corresponding to the consumption date. Receivables, liabilities, and other monetary items in foreign currency which have not been settled on the balance sheet date are also converted using the annual average exchange rate for that year. Foreign exchange 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 have likewise been converted at the annual average exchange rate for the year of purchase, based on the consumption date.

$$\text{Spend}_{i,j}^{\text{DKK}} = \text{Spend}_{i,j} \times \frac{\text{Currency rate}_{i,j}}{100}$$

Activity-based method

Consumption-based calculation refers to the fact that the quantity of the purchased material/product is included in the calculation of the emissions.

The unit has been converted to match the emission factor unit, for example, kg to tons or liters to cubic meters. The same logic as for cost-based calculations - to minimize the year difference between the consumption date and the emission factor - also applies to consumption-based calculations.

$$E_k = \text{Amount}_U \times \text{Conversion}_{U \rightarrow V} \times \text{Emissionsfactor}_{k,V}$$

CO₂e intensity

CO₂e intensity is the proportional emission relative to revenue. It is calculated by dividing the total emissions of CO₂e equivalents with the revenue.

Emission factors

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

Energistyrelsen (Electricity distribution and emissions)

Klimakompasset – Danish consolidation of external emission factor databases. Data is included from the following databases:

- EXIOBASE
- DEFRA
- EEA
- DCE
- IPCC 6th Assessment Report

Furthermore, spend-based recognized emission factors from U.S.

and German database sources have been applied where relevant.

Energy consumption

Electricity and heat consumption

Data for electricity and heat consumption has primarily been collected through the Offentlige Informationsserver (OIS). In case of missing information, this has been supplemented with invoices and meter data. For electricity, emission factors and production distribution from the Danish Energy Agency have been used. The calculation is location-based and adjusted to the company's address with municipality-specific granularity.

Fuels and gas

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

$$\text{Fuel(MWh)} = \text{diesel(L)} \cdot 0.01 + \text{petrol(L)} \cdot 0.095 + \text{gas(t)} \cdot 12.819 + \text{natural gas(m}^3\text{)} \cdot 0.0194$$

The total energy consumption is the sum of electricity and heat consumption and fuels.

Water

Water consumption and withdrawal

Water withdrawal is the total amount of water in cubic meters (m³) and has been calculated based on invoice data. Water consumption is the water used for operations and production within the company and is the total water withdrawal subtracted by the total wastewater.

Water stress

Water stress is the ratio between water consumption and available water in each area. The company operates exclusively in Denmark, which according to the World Resources Institute's Aqueduct index is classified as a low-risk area for water stress. Therefore, no locations with high water stress have been identified within the company's operating areas.

Waste consumption

Waste data has been sourced from the Waste Data System (Affaldsdatasystemet, ADS). ADS collects data from waste handlers and consolidates it by waste type, treatment, and hazardous/non-hazardous waste.

Land use

The land use consists of the distribution between green and grey areas. Grey areas comprise of surface areas covered with gravel, asphalt, tiles, etc. The green area has been calculated as the ground area minus the building area and the grey area.

The land use distribution is collected via North ESG's integrations.

Biodiversity-sensitive areas

Biodiversity areas have been loaded and calculated based on Natura2000 sites, mapping whether the property's location, based on the land registry (Matrikelstyrelsen), lies within or near (100-meter radius) a biodiversity-sensitive area.

SOCIAL

Employee turnover

Employee turnover refers to employees who leave your company either voluntarily or due to dismissal, retirement, or as a result of death caused by a work-related accident. This has been collected

through a questionnaire and represents the number of employees who have left the company relative to the average number of employees.

Work-related accidents per 100 employees

The frequency indicates the number of work-related accidents per 100 full-time employees per year. This has been calculated by multiplying the number of recorded work-related accidents by 200,000, divided by the total number of working hours for all employees. The factor of 200,000 ensures standardization across the EU.

Work-related fatalities

These are deaths resulting from work-related accidents and illnesses. Health issues caused by smoking, substance and alcohol abuse, physical inactivity, unhealthy diets, and psychosocial factors not related to work are not considered work-related. This has been collected through questionnaire.

Share under collective agreement

The collective agreement (overenskomst) always covers all employees within the relevant sector and does not consider whether individual employees are members of a trade union or not. This has been collected through a questionnaire and represents the number of employees covered by a collective agreement relative to the total number of employees.

Wage gap between men and women

The wage gap between men and women is based on the average gross hourly wage. This has been collected through a questionnaire and is calculated as the relative difference between the average

gross wages of men and women.

Training and competence development

The data on training and competency development includes both formal and informal activities, such as courses, workshops, e-learning, and on-the-job training. The average number of training hours per employee has been collected through a questionnaire and is calculated by dividing the total number of training hours by the number of employees (FTE).

GOVERNANCE

Governance covers the company's managerial aspects and initiatives related to compliance and equality.

Corruption & bribery

Data has been collected through a questionnaire and represents the number of final judgments concerning corruption, bribery, or similar financial crimes against the company or its employees, as well as the monetary amounts in DKK.

Diversity, equality, and compliance

This concerns the company's efforts to actively contribute to equality and diversity in management, as well as safeguarding employees. This has been collected through qualitative responses in a questionnaire and includes, among other things, whistleblower schemes, supplier screening, compliance programs, and internal guidelines for responsible management.



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