RANDI A/S

2025

ESG REPORT

This report covers RANDI 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 - VSME.

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INTRODUCTION

MANAGEMENT COMMENTARY

Dear Reader,

Sustainability, responsibility, and transparency are playing an increasingly important role in today's business environment. That is why we have chosen to prepare this ESG report as an important tool to document our efforts and provide a solid foundation for the continued development of our company.

This report provides an overview of our work within environmental, social, and governance (ESG) matters. At the same time, it helps us evaluate where we are already making a positive impact and where there is still room for improvement. This includes areas such as employee well-being, resource consumption, waste management, and good corporate governance.

Although we are not legally required to publish an ESG report, we have consciously chosen to take this step. We see it as an investment in the future of our business and as an opportunity to strengthen our relationships with customers, business partners, and other stakeholders. By working systematically with sustainability, we aim to create long-term value and contribute positively to the development of our industry and the communities in which we operate.

This report reflects both our current position and our ambitions for the future. It demonstrates our commitment to continuous improvement and to conducting our business in a responsible and sustainable manner.

We hope that this report provides valuable insight into our work and that you will find it both informative and inspiring.

Enjoy the reading.

Torben Jensen
CEO, Randi

ABOUT RANDI A/S

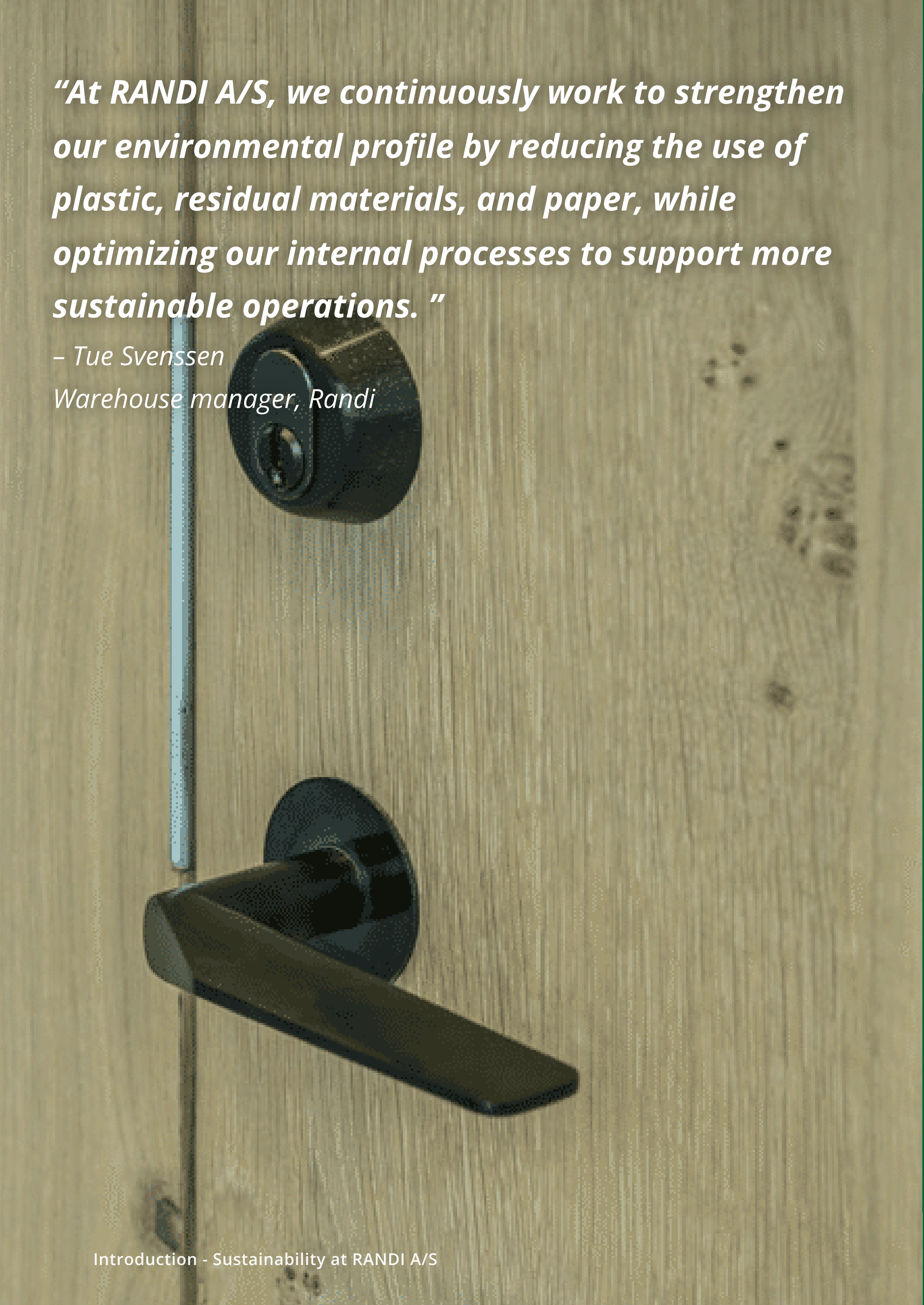
Since 1878, we have delivered durable and functional solutions to the construction industry, with a strong focus on quality, design, and craftsmanship. Over generations, we have built a strong position as one of Scandinavia's leading suppliers of door handles, architectural hardware, and sanitary solutions in stainless steel and brass.

As part of the ECO Schulte Group since 2014, we combine our longstanding expertise with access to international know-how, products, and markets. From our headquarters in Randers, Denmark, we serve customers both domestically and internationally with our own product range as well as solutions from the ECO Schulte Group.

Our company is founded on strong values, where quality, responsibility, and long-term thinking are key principles. We continuously work to develop more sustainable processes, reduce our environmental footprint, and provide an attractive and safe working environment for our employees.

In close collaboration with architects, designers, and professional partners in the construction industry, we develop and deliver solutions that combine Scandinavian design traditions with functionality and innovation. Our ambition is to create long-lasting, high-quality products that deliver value for both users and the built environment.

"Quality and responsibility have been integral parts of our company for generations. We are committed to running a business that not only delivers strong results but also makes a positive contribution to our surroundings and to future generations."



"At RANDI A/S, we continuously work to strengthen our environmental profile by reducing the use of plastic, residual materials, and paper, while optimizing our internal processes to support more sustainable operations. "

– Tue Svenssen
Warehouse manager, Randi

SUSTAINABILITY AT OUR COMPANY

Motivation

We are driven by a commitment to act responsibly and transparently. This means taking an active role in reducing our environmental impact by lowering CO_2 emissions and implementing sustainable initiatives across our business. At the same time, we are dedicated to promoting employee well-being and meeting the evolving expectations of customers, suppliers, and other stakeholders. Our ESG efforts are an investment in the future—strengthening both our business and the communities.

Prioritisation

We have adopted a strategic approach to sustainability, integrating ESG into our business development and decision-making processes. We actively work to reduce our environmental impact, promote social responsibility, and maintain strong corporate governance practices. Our ESG report provides a framework for evaluating and continuously improving our performance, enabling us to set new goals and drive ongoing progress.

Internal communication

We communicate our ESG initiatives internally and share our ESG report with all employees to promote transparency and engagement. Our efforts are driven by a commitment to creating the best possible working environment and fostering a strong sense of collaboration, well-being, and shared responsibility across the company.

External communication

Our ESG reports are publicly available on our website, and we actively communicate their publication through our social media channels to keep customers, business partners, and other stakeholders informed about our sustainability efforts and progress.

PRACTICES FOR TRANSITION TO A MORE SUSTAINABLE ECONOMY

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

Area	Effort
Consumers and end-users	We continuously strive to obtain the most accurate possible insight into our CO_2e emissions. For customers, it can be challenging to interpret from a report how much individual products contribute to the overall climate impact. Therefore, we are in the process of mapping the footprint of our main products. The purpose is to enable customers to gain direct insight into the CO_2e impact of each individual product.
Pollution	Our target is to reduce CO_2 emissions from company vehicles. Five out of seven company cars are now fully electric, meaning we have successfully met our 2024 target. For 2026, our ambition is to increase this share to six out of seven vehicles (approximately 85%). This progress is the result of a planned transition from diesel vehicles to electric cars, where previous targets included ensuring that at least 66% of the fleet would be electric in 2025.
Biodiversity and ecosystems	We aim to support local biodiversity by reducing mowing to a minimum, installing insect hotels, and establishing wildflower areas. In addition, water containers have been placed to support local wildlife.
Workers in the value chain	Our deliveries from suppliers are packaged in paper bags; however, when products are shipped onward to our customers, many are still packaged in plastic. It remains our ambition and an area of ongoing development to transition towards paper-based packaging in the future. We aim to shift our packaging from plastic to paper bags across our operations.

ENVIRONMENTAL

ENVIRONMENT & CLIMATE (E)

Our ambitions and initiatives for energy consumption and CO_2e emissions.

Since the publication of the 2024 ESG Report, RANDI A/S has developed its data collection processes and established a stronger foundation for measuring and understanding the company's climate and environmental impact. While our initial focus was on building the framework for ESG reporting and gaining a first overview of our footprint, we have spent the past year improving the quality, scope, and reliability of the data included in our reporting.

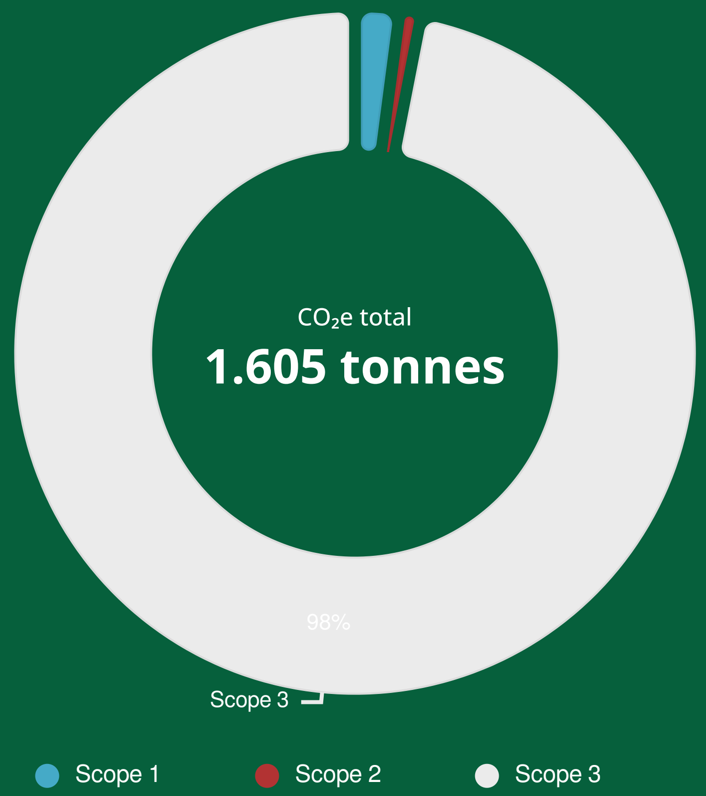
We have gained a deeper understanding of the factors influencing our climate and environmental impact. As a result, we have become better at identifying relevant data sources, improving data accuracy, and creating a more robust basis for ESG reporting and future decision-making.

Initiatives identified in the 2024 ESG Report have been implemented or close to completion. A key example is the transition from fossil fuel vehicles to electric company cars, supporting our ambition to reduce direct CO_2 emissions from transportation.

Our reported CO_2e emissions have decreased from 1,717 tonnes in 2024 to 1605 tonnes in 2025, with a similar distribution across Scope 1 and Scope 2 emissions. However, as the 2025 data collection methodology differs from that of 2024, a direct comparison is not considered appropriate this year. Scope 3 emissions remain our largest source of impact and that the improved data collection process has provided us with a significantly better understanding of the emissions included in our ESG reporting.

We continue to optimize resource consumption across the business and strengthen collaboration with suppliers to promote more sustainable solutions in areas such as packaging and material selection. We also expect that our improved data foundation will enable future ESG reports to better evaluate the impact of individual initiatives and prioritize actions that create the greatest value for both the environment and the business. In the coming year, our focus will be on translating the knowledge gained into concrete targets and action plans. With a stronger data foundation than last year, RANDI A/S is better equipped to work systematically towards reducing the company's climate and environmental impact.

Distribution of CO_2e emissions



ENVIRONMENT & CLIMATE (E) - INITIATIVES

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

BIODIVERSITY INITIATIVES (PLANTING, GREEN ROOFS, ETC.)

RANDI A/S maintains approximately 21,000 m² of green areas surrounding our facilities. A significant portion of these areas is intentionally left unmanaged, allowing natural habitats to develop and support local biodiversity. In addition, wildflower beds have been established along the grassland areas, providing valuable habitats and food sources for insects, pollinators, and other wildlife. We are committed to continuously developing and strengthening our efforts in this area to further support biodiversity and the natural environment.

WASTE SORTING AND RECYCLING

During 2025/2026, RANDI A/S became subject to the Extended Producer Responsibility (EPR) regulations, in line with other companies in the industry. This has provided us with a much better understanding of the amount of packaging and waste we place on the market. As a result, our data collection processes have improved significantly in this area. Based on the updated methodology, the total amount of reported waste has decreased by 1,798kg, from 7,533kg in 2024 to 5,735kg in 2025 Our ambition is to maintain and further improve our recycling rate while continuously optimizing waste management practices, both for the waste generated within our own operations and for the packaging and materials we place on the market.

CIRCULAR BUSINESS MODELS (REUSE, REPAIR, TAKE-BACK)

We have integrated circular solutions into our operations, including leasing 16 refurbished laptops instead of purchasing new equipment, helping to reduce both our CO_2 footprint and resource consumption. In addition, we have expanded the number of EPD-certified products in our portfolio, enabling us to continue documenting and communicating their environmental impact throughout their life cycle. We are working to further integrate circular principles into our business and aim to enhance the transparency of our products by being able to measure and document the CO_2 footprint of individual products.

MATERIAL CONSUMPTION (RAW MATERIALS, PACKAGING, ETC.)

We have reduced our use of newly produced packaging by switching to unbleached recycled cardboard and are actively working to minimize the use of plastic and residual materials in our operations, helping to reduce our CO_2 footprint. Our ambition is to phase out plastic packaging and transition to paper-based packaging solutions across our entire product range, further reducing our environmental impact and supporting our circular economy objectives.

HAZARDOUS WASTE (MANAGEMENT, DISPOSAL)

We manage hazardous waste responsibly and ensure that it is handled and disposed of correctly through our certified waste management partners. For example, soap and surfactant mixtures containing traces of stainless steel and brass are collected and treated in accordance with applicable environmental regulations. Our ambition is to minimize the generation of hazardous waste while ensuring that all handling and disposal activities are carried out in compliance with applicable legislation and environmental best practices.

ENVIRONMENT & CLIMATE (E) - DATA

Environmental (E) - Data

	DESCRIPTION	UNIT	2025	2024
ENERGY	**Total energy consumption**	MWh	**307,52**	**382,7**
	- Electricity	MWh	46	43,7
	- Fuel	MWh	86,52	0
	- Heating (district heating)	MWh	175	191
	- Renewable energy	MWh	177,91	0
	- Non-renewable energy	MWh	129,61	0
WATER	**Total water withdrawal**	m^3	**96,21**	**103**
WASTE	**Non-hazardous waste (all)**	kg	**5.735**	**7.533**
	- Reuse/recycling	kg	2.940	3.719
	- Disposal	kg	2.795	3.814
	Hazardous waste (all)	kg	**4.240**	**4.280**
	- Reuse/recycling	kg	0	0
	- Disposal	kg	4.240	4.280
BIODIVERSITY	**Total land use**	m^2	**27.960,89**	**27.960,89**
	- Paved area	m^2	7.029,02	7.029,02
	- Nature-oriented on site	m^2	20.931,87	20.931,87
	- Nature-oriented off site	m^2	0	0

GREENHOUSE GAS EMISSIONS - SCOPE 1, 2 & 3

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

	DESCRIPTION	UNIT	2025	2024
CO_2 EMISSIONS SCOPE 1, 2 & 3	**Scope 1**	Tonnes CO_2e	**24,81**	**36,9**
	Scope 2 (location-based)	Tonnes CO_2e	**7,42**	**21,2**
	Scope 3	Tonnes CO_2e	**1.573,13**	**1.658**
	- Category 1 - Purchased goods and services	Tonnes CO_2e	1.116,76	1.224
	- Category 2 - Capital goods	Tonnes CO_2e	5,93	0
	- Category 3 - Fuel and energy related activities	Tonnes CO_2e	9,49	0
	- Category 4 - Upstream transportation and distribution	Tonnes CO_2e	85,35	0
	- Category 5 - Waste	Tonnes CO_2e	2,65	1,9
	- Category 6 - Business travel	Tonnes CO_2e	10,72	5,9
	- Category 7 - Employee commuting	Tonnes CO_2e	11	0
	- Category 8 - Upstream leased assets	Tonnes CO_2e	7,24	19,6
	- Category 9 - Downstream transportation and distribution	Tonnes CO_2e	11	0
	- Category 10 - Processing of sold products	Tonnes CO_2e	313	0
	- Category 11 - Use of sold products	Tonnes CO_2e	0	0
	- Category 12 - End-of-life treatment of sold products	Tonnes CO_2e	0	0
	- Category 13 - Downstream leased assets	Tonnes CO_2e	0	0
	- Category 14 - Franchising	Tonnes CO_2e	0	0
	- Category 15 - Investments	Tonnes CO_2e	0	0
	Total	Tonnes CO_2e	**1.605,36**	**1.717**

SOCIAL

SOCIAL RESPONSIBILITY (S)

During the financial year, RANDI A/S focused on strengthening employee well-being and the working environment. We conducted an employee satisfaction survey, updated our onboarding programme, and offered internal training opportunities to support professional development. A revised workplace assessment (APV) was completed, and no serious workplace accidents occurred during the reporting period. Social initiatives, including employee events, have helped strengthen collaboration and engagement across the organisation. We remain committed to promoting equal opportunities and maintaining an inclusive workplace free from discrimination.

SOCIAL RESPONSIBILITY - OVERALL

Social responsibility is an integral part of how we conduct our business. We believe that a strong company is built through engaged employees, strong working relationships, and a safe and inclusive working environment.

We actively work to ensure well-being, development, and equal opportunities for all employees. Through open dialogue, a respectful culture, and a focus on job satisfaction, we aim to create a workplace where employees feel valued and motivated to contribute to the company's continued development.

Health and safety are high priorities in our daily operations. We continuously work to prevent work-related risks and create safe conditions that support both physical and mental well-being.

We also place great emphasis on conducting our business responsibly in collaboration with customers, suppliers, and other stakeholders. Through long-term relationships, high ethical standards, and mutual respect, we aim to create value for all parties and contribute positively to the local communities in which we operate.

For us, social responsibility is about taking responsibility for people—both within the company and in the wider environment influenced by our activities. This is an essential part of our work to build a sustainable and responsible business for the future.

WELL-BEING, HEALTH, AND MENTAL HEALTH

We continuously work to improve employee well-being, health, and mental wellness. We offer flexible working hours and ergonomic workplaces with adjustable furniture and screens equipped with blue light filters. To ensure a healthy indoor climate, heat pumps and air purifiers have been installed in the office. We prioritize an open working environment with opportunities for anonymous feedback and regularly organize social events to strengthen team cohesion and employee relations.

WELL-BEING AND EMPLOYEE SATISFACTION

We continuously measure employee well-being and satisfaction through ongoing dialogue between management and employees, as well as an anonymous suggestion box. In addition, we regularly conduct workplace assessments (APV) to identify areas for improvement. We also closely monitor sickness absence and employee turnover as key indicators of overall well-being.

EDUCATION AND SKILLS DEVELOPMENT

We prioritize employee development through continuous training and education. We have established a training fund that all employees can apply to for support for relevant courses and further education. In addition, we offer both internal training programs and external courses. We record training activities to ensure equal opportunities and continuously work to expand our competence offerings, including in the areas of digitalization and the green transition.

PARTNERSHIPS AND LOCAL COMMUNITY

RANDI A/S is a CSR-oriented company with a focus on the local community in Randers. We primarily recruit locally and work closely with CBR to make use of local resources and support employment in the area. In addition, we collaborate with local suppliers and participate in selected local initiatives and events to contribute to an active and inclusive business community.

SOCIAL RESPONSIBILITY (S) - INITIATIVES

Comprehensive overview of our ambitions and initiatives within social responsibility.

EMPLOYEE WELL-BEING AND ENGAGEMENT

At RANDI A/S, employee well-being is a high priority, and we strive to create a workplace where social engagement and a strong sense of community are valued. We host annual events such as a Christmas party and summer gathering, as well as a company-sponsored breakfast every Friday. Flexible working arrangements are available in our warehouse operations and, where possible, for office employees to support a healthy work–life balance. In addition, all employees have access to ergonomic monitors with blue light filters to promote comfort, health, and well-being in the workplace. We are committed to continuously strengthening employee well-being through social initiatives and flexible working arrangements. We will regularly evaluate and develop our programmes to ensure that RANDI A/S remains an attractive workplace with high employee satisfaction and low absenteeism.

EMPLOYEE INVOLVEMENT AND DIALOGUE

RANDI A/S value open communication and employee involvement. We have established an anonymous suggestion box where employees can share ideas, feedback, and concerns. In addition, we hold an annual workshop for both warehouse and office staff to exchange ideas and collaborate on improving processes, workflows, and the overall working environment. We aim to further strengthen employee engagement by creating additional opportunities for dialogue and involvement in decision-making processes across the organisation.

EDUCATION AND APPRENTICESHIP EFFORTS

We are committed to the continuous training and professional development of our employees, ensuring they have the skills and knowledge needed to support both their personal growth and the long-term success of the business. We aim to strengthen our focus on skills development and ensure that all employees have access to relevant training and professional development opportunities.

DIVERSITY AND INCLUSION

RANDI A/S is committed to promoting gender diversity across both our workforce and our Board of Directors. Our Board consists of two men and one woman, and women represent 30% of our employees, which is in line with the industry average.
We believe that a diverse and inclusive workplace strengthens collaboration, innovation, and long-term business performance.

We aim to maintain and, where possible, further increase diversity across the organisation, both at employee and management level, as we believe this strengthens decision-making, collaboration, and long-term performance.

LOCAL ENGAGEMENT AND COLLABORATION

RANDI A/S contributes positively to CSR in the local community by prioritising local recruitment and maintaining close collaboration with the CBR (Center for Beskæftigelse og Rehabilitering). This supports local employment and helps strengthen social inclusion in the surrounding area. We aim to further strengthen our local engagement and continue our strong collaboration with local stakeholders and partners to support the surrounding community.

HEALTH CHECKS AND HEALTH OFFERS

We offer our employees access to a competitive health insurance scheme with a small personal contribution. The insurance serves as an additional benefit, providing support in the event that specialized medical assistance is required. This area has been successfully completed and is fully implemented.

WORKING ENVIRONMENT AND SAFETY SYSTEMS

Air purifiers have been installed in the office areas to help improve indoor air quality and ensure a healthy and comfortable indoor working environment. No specific targets have been defined in this area; however, it is expected that improved indoor air quality will

SOCIAL RESPONSIBILITY (S) - INITIATIVES

Comprehensive overview of our ambitions and initiatives within social responsibility.

contribute to reduced sickness absence and increased employee well-being over time.

APPRENTICESHIP AND INTERNSHIP SCHEMES

RANDI A/S offers internship and apprenticeship positions within relevant areas of the business, such as warehouse operations, logistics, and administration. Our focus is on providing opportunities to gain practical work experience and develop professional competencies in a structured and supportive environment. We aim to increase the number of internship and apprenticeship positions in the coming years and to work closely with vocational schools and educational institutions to ensure relevant and attractive training pathways.

SKILLS DEVELOPMENT AND CONTINUING EDUCATION

Although the current average number of training hours per employee is low, we continuously work to identify needs for upskilling and further education, particularly within new technologies and industry-related processes. Our goal is to increase the number of training opportunities for our employees, ensuring that everyone has the necessary skills and competencies to meet future requirements.

SOCIAL RESPONSIBILITY (S) - DATA

Our efforts to protect and promote social responsibility

	DESCRIPTION	UNIT	2025	2024
GENERAL EM-PLOYMENT DATA	**Total number of employees**	Number of persons	**20**	**20**
	- Full-time employees (FTE)	Number of persons	20	20
GENDER DISTRI-BUTION	- Male	Number of persons	15	14
	- Female	Number of persons	5	6
GEOGRAPHIC DI-STRIBUTION	- Employees in Denmark	Number of persons	19	20
	- Employees in Norway / Sweden	Number of persons	1	

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	1	0
	Total working hours	Hours	38.480	38.480
	Avg. working hours/employee	Hours	1.924	1.924
	Work injuries rate	Rate	5,2	0
	Fatalities	Count	0	0
SALARY AND COLLECTIVE AGREEMENTS	Minimum wage agreement	Yes/No	Yes	Yes
	Employees on collective agreement	Count	20	20
	Collective agreement share	%	100	100
EDUCATION	Training hours – male	Hours	22	19
	Training hours – female	Hours	14	12

GOVERNANCE

GOVERNANCE AND RESPONSIBLE MANAGEMENT (G)

In the past year, we have strengthened cross-organisational collaboration through the introduction of four annual sales meetings with broad participation from relevant departments. The purpose is to enhance employee involvement and strengthen the understanding of customer needs as well as the company's strategic objectives.

RANDI A/S has also expanded its activities in the Norwegian market through the addition of an external sales representative as part of our growth strategy. This expansion strengthens our presence in the Nordic region and creates new opportunities to further develop existing customer relationships and partnerships. We remain focused on ensuring that growth is built on a solid foundation, where quality, responsible business practices, and our company values are maintained.

Although we consider ourselves a strong player in the Nordic market, we have experienced a less positive development in recent years, which we aim to address and improve through this strategic adjustment.

GUIDELINES FOR RESPONSIBLE MANAGEMENT AND GOVERNANCE

Our management structure ensures transparency and accountability, and we prioritize compliance with applicable legislation as well as ethical standards. We have a Board of Directors composed of both men and women, and we collaborate with external ESG consultants to ensure structured and reliable reporting. Our governance practices are based on principles of openness, accountability, and continuous improvement.

COMPLIANCE PROGRAMMES

We have implemented compliance programmes to ensure adherence to applicable laws and regulations within health and safety, environmental management, and governance. Our reporting is prepared by highly qualified staff with access to all relevant data sources, and we use external software to compile our carbon accounting, ensuring consistency and high data quality. We also prioritise continuous training and development of employees to further strengthen compliance across the organisation.

COMPLIANCE PROGRAMME PLANS

We have strengthened our compliance efforts, including expanded governance initiatives and supplier management. We will continue to raise our requirements for suppliers and maintain the implementation of our whistleblower scheme to support transparency and responsible business conduct.

BOARD COMPOSITION

Although our board of directors consists of only three people, it was a deliberate choice to have both genders represented. The board includes two men and one woman.

RESPONSIBLE MANAGEMENT (G) - DATA

Our efforts to protect and combat corruption and bribery

	DESCRIPTION	UNIT	2025	2024
CORRUPTION & BRIBERY	**Number of corruption cases**	Count	0	0
	Total fine amount	DKK	0	0

APPLIED ACCOUNTING POLICIES

APPLIED METHODS

The ESG key figures have been prepared on the basis of the VSME 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 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 RANDI 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 district 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 seve-

APPLIED METHODS

ral 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:

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

$\text{Price}^{\text{DKK}}$ 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.

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

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 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

APPLIED METHODS

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 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

EMPLOYEE TURNOVER

Employee turnover refers to employees leaving the company either voluntarily or due to dismissal, retirement or death caused by a work accident. This is collected through a questionnaire and is 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. 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.

PAY GAP BETWEEN MEN AND WOMEN

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

TRAINING AND SKILLS DEVELOPMENT

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

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.