SUSTAINABILITY REPORT 2024

Contents

Highlights

Executive statement

As the urgency to address climate change grows, Hans Aa recognizes its responsibility to contribute to a more sustainable future. We aim to integrate sustainability into our operations by designing durable, repairable products, selecting materials that comply with regulatory standards, and developing solutions that can be reused after washing and repair. In the future, we aim to enhance recyclability to further minimize environmental impact.

We acknowledge the importance of responsible resource management and environmental stewardship. Our mission is to contribute to the green energy transition through our protective solutions for renewable energy infrastructure and to reduce our operational carbon footprint through ongoing improvement initiatives. In parallel, we focus on enhancing social responsibility and upholding the highest standards of transparency and governance. Through innovation and collaboration with stakeholders, we aim to lead the industry toward a sustainable future.

Environmental sustainability

We support the wind energy sector by supplying custom tarpaulin covers that protect wind turbine components during storage and transport. We also provide tarpaulin solutions for agriculture, groundhandling and offshore among others. We have set ambitious climate targets, including:

Scope 1 and 2: We aim to achieve carbon neutrality by 2030 in Denmark and by 2050 in Poland and China primarily through direct emissions reductions, supplemented by the purchase of Renewable Energy Certificates (RECs) to address residual emissions.
Scope 3: We aim for net-zero emissions by 2050, focusing on supply chain emission reductions and collaborations with partners to drive sustainability efforts.

We have implemented a service loop for tarpaulins, enabling washing, repair, and redistribution. In some cases, a single tarpaulin has been reused up to 20 times, which may contribute to reduced material waste and resource consumption, depending on the specific use case and reuse cycles. If we receive an end-of-life tarpaulin, we ensure that it is disposed properly.

Social responsibility

At Hans Aa, our employees are our greatest asset, and we prioritize workplace safety, well-being, and inclusivity. We are committed to advancing a safe and socially responsible industry through respect for human rights and occupational health & safety. A safe and supportive workplace is the foundation of our business success, and we continuously strive to enhance well-being and inclusivity across all levels of our organization.

Governance

At Hans Aa, we are committed to upholding the highest standards of ethics and transparency across all operations. This commitment not only supports our ethical position but also enhances corporate accountability, ensuring our business operations reflect our values and best practices.

Sincerely,

Jonas Madsen
Chief Executive Officer

Henrik Lodberg Jensen
Chief Operating Officer

GENERAL

[BP - 1]

General basis for preparation of sustainability statement

The ESG report for Hans Aa A/S (hereafter Hans Aa) has been prepared on a consolidated basis, covering all its subsidiaries. The report considers both our own as well as our upstream and downstream value chain impacts as part of our materiality assessment process. While direct value chain data has not been included, the assessment reflects a thorough analysis of key dependencies and potential impacts across the supply chain.

This report is structured in preparation for compliance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS). We have opted to align with the majority of CSRD requirements and structure, ensuring transparency and consistency in our sustainability disclosures, though not fully compliant with CSRD. The sustainability matters addressed in this report have been identified through a double materiality assessment conducted in 2024. This assessment determined that four ESRS topics – ESRS E3 (water and marine resources), ESRS E4 (biodiversity and ecosystems), ESRS S3 (affected communities), and ESRS S4 (consumers and end-users) – are not material. As a result, these topics have been excluded from this report.

About Hans Aa

What started as a local sailmaker's workshop has evolved into a global manufacturer of high-quality textile solutions, specializing in durable and customized covers for a wide range of industrial applications. Change has always been a part of our journey - not only have we embraced it, but we have often been the driving force behind it.

Our journey has been defined by adaptability and a proactive approach to change, often shaping the industry through our own innovations.

At Hans Aa, we recognize that the green transition is both essential and beneficial for all. We design products with durability in mind, which can be reused after repair or washing in many cases, potentially extending their lifespan and reducing waste. A prime example of this commitment is FreeTarp, which is PVC-free, phthalate-free, BPA-free, antimony-free, and free from lead and other heavy metals.

Our reputation is built on our core values – we are a reliable partner, ensuring safe and secure deliveries, maintaining close dialogue with our customers, and deeply understanding their needs and challenges.

OUR VALUES

TRUSTED PARTNER

We are more than a supplier. We are our customers' trustworthy partners who can always be trusted.

We are honest and we always deliver on time, every time. No exceptions.

SUPPLY SAFE

Keeping deadlines, extensive quality control, and communicating upfront if a situation occurs is the key to a great partnership. Of course, we do it all.

FORWARD THINKING AND FLEXIBLE

Everything is in constant change and development. So are we. We are flexible and aim for the best solutions with our partners. We are pioneers in the development of future solutions.

KEY SEGMENTS

Hans Aa operates within four key segments:

WIND ENERGY

Protective tarp solutions that fit the whole wind engine.

AGRICULTURE

Protective solutions for farming equipment and storage.

OFFSHORE

Tarp solutions for the offshore industry, including covers for rescue materials, tool bags, scalable and reusable welding habitat tents, and shielding for control boards.

GROUND HANDLING

Quality tarps for luggage trailers, lifts, and other special equipment.

[GOV - 1] + [GOV - 2]

Role of the administrative, management and supervisory bodies and information provided to, and sustainability matters addressed by administrative, management and supervisory bodies

Hans Aa has established a robust governance structure that ensures effective leadership, oversight, and strategic decision-making across the organization. This structure comprises key governing bodies and leadership teams, representing diverse functions, roles, and geographical locations.

Board of Directors

The Board of Directors holds the highest level of responsibility for ESG governance at Hans Aa.
The Board is actively engaged in strategic sustainability decision-making, ensuring that the company's ESG efforts align with its long-term business objectives. The Board is responsible for:

- Approving and overseeing the implementation of Hans Aa's sustainability strategy, ensuring alignment with corporate priorities,
- Evaluating ESG risks and opportunities, assessing their financial and operational impact,
- Reviewing sustainability performance through regular updates from the Executive Management Team and Sustainability Team,
- Engaging with external sustainability advisors to stay aligned with industry best practices and regulatory developments, and
- Ensuring ESG integration in governance policies, including risk management, stakeholder engagement, and reporting practices.

To strengthen oversight of ESG matters, the Board dedicates time to sustainability discussions at every board meeting. The Board consists of six members, including three independent members, bringing expertise in energy, strategic leadership, and operational management across industries and regions. Currently, 16.67% of board members are women (one woman), while 83.33% are men (five men). With one member based in Poland, the Board reflects Hans Aa's global presence and international operations.

Executive Management Team

The Executive Management Team plays a critical role in embedding sustainability into Hans Aa's business strategy and daily operations. This team consists of the CEO, CCO, CFO, and COO (three men and one woman), who provide leadership and accountability in implementing ESG initiatives across the company's global footprint. The Executive Management Team is responsible for:

- Monitoring and evaluating progress toward sustainability goals, including GHG emissions reduction, renewable energy transition, and circular economy initiatives.
- Delegating ESG initiatives to the Sustainability Team while ensuring alignment with corporate goals.
- Ensuring compliance with, among others, evolving sustainability regulations and stakeholder expectations.

The CFO plays a key role in ESG implementation, serving as a link between the Executive Management Team and the Sustainability Team, ensuring that sustainability efforts are effectively resourced and integrated into business operations. With expertise in green energy, sales, finance, and business development, the team ensures forward-thinking leadership and commitment.

Sustainability Team

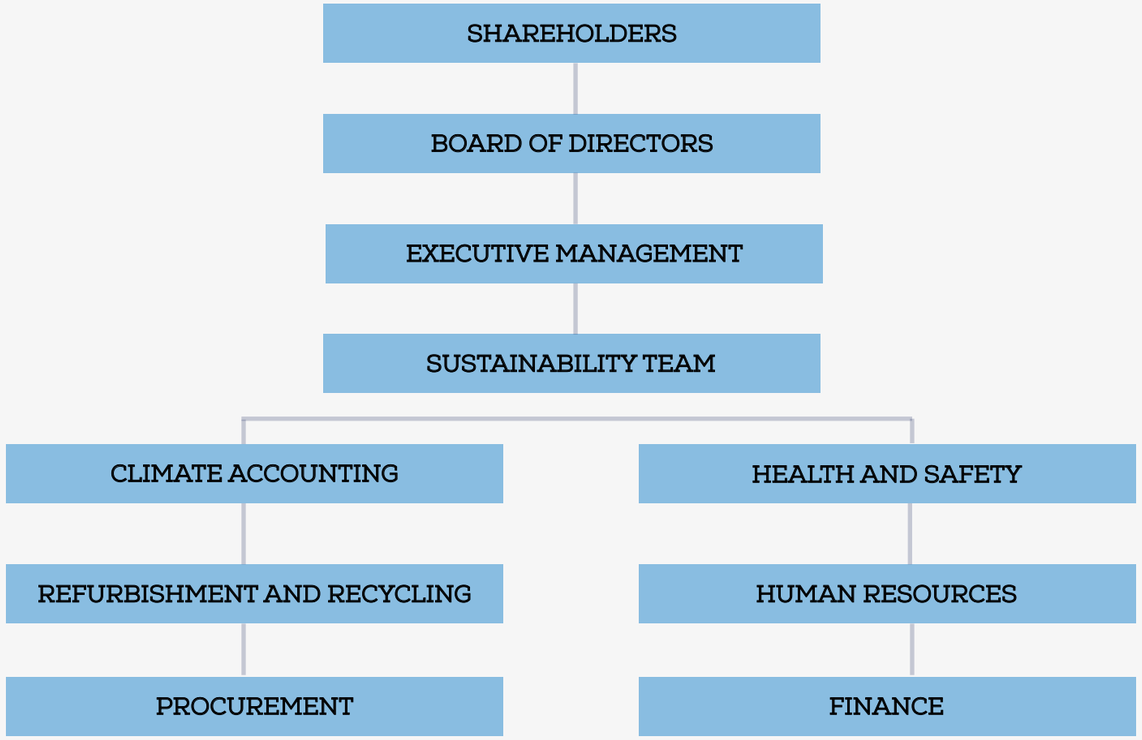
The Sustainability Team is responsible for driving ESG initiatives and managing sustainability data across Hans Aa. This team ensures that sustainability principles are embedded into the company's operations, decision-making, and reporting frameworks.

The team consists of the CFO, who provides financial oversight and ensures ESG is aligned with corporate strategy, a Sustainability Manager, responsible for monitoring regulatory compliance and ESG reporting accuracy and two sustainability consultants, who support ESG data management, stakeholder engagement, and the execution of sustainability initiatives.

The Sustainability Team collaborates closely with HR, marketing, R&D, and procurement to align sustainability objectives across departments. The team is responsible for:

- Tracking and managing ESG data, ensuring accuracy in sustainability reporting, and
- Providing regular ESG performance updates to the Executive Management Team and Board of Directors.

Hans Aa recognizes that ESG governance is an evolving process, and the company remains committed to enhancing its sustainability leadership, increasing transparency, and continuously improving its ESG.



[GOV - 3]

Integration of sustainability-related performance in incentive schemes

Hans Aa does not currently have incentive schemes tied to ESG performance metrics. However, we recognize the importance of aligning incentives with sustainability goals and may explore such mechanisms in the future.

[GOV - 4]

Statement on due diligence

The table below outlines how Hans Aa implements elements of due diligence, along with our corresponding sections in this report.

EMBEDDING DUE DILIGENCE IN GOVERNANCE, STRATEGY AND BUSINESS MODEL

ESRS 2 GOV-3	PEOPLE AND ENVIRONMENT	11
ESRS 2 SBM-3	PEOPLE AND ENVIRONMENT	21-22
ESRS 2 SBM-3-E1	ENVIRONMENT	35-36
ESRS 2 SBM-3-E2	ENVIRONMENT	49
ESRS 2 SBM-3-E5	ENVIRONMENT	54
ESRS 2 SBM-3-S1	PEOPLE	68-69
ESRS 2 SBM-3-S2	PEOPLE	82-83
ESRS 2 SBM-3-G1	PEOPLE AND ENVIRONMENT	90-91

ENGAGING WITH AFFECTED STAKEHOLDERS IN ALL KEY STEPS OF THE DUE DILIGENCE

ESRS 2 GOV-2	PEOPLE AND ENVIRONMENT	9-10
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S1-1	PEOPLE	71
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IDENTIFYING AND ASSESSING NEGATIVE IMPACTS

ESRS 2 IRO-1	PEOPLE AND ENVIRONMENT	23-24
ESRS 2 SBM-3	PEOPLE AND ENVIRONMENT	21-22
ESRS 2 SBM-3-E1	ENVIRONMENT	35
ESRS 2 SBM-3-E2	ENVIRONMENT	49
ESRS 2 SBM-3-E5	ENVIRONMENT	54
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TAKING ACTIONS TO ADDRESS THOSE NEGATIVE IMPACTS

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E5-5	ENVIRONMENT	61
S1-10	PEOPLE	79
S1-11	PEOPLE	79
S1-14	PEOPLE	80
S1-15	PEOPLE	79

[GOV - 5]

Risk management and internal controls over sustainability reporting

We recognize several key risks associated with our sustainability reporting, including:

- Incomplete or inaccurate data in reported information,
- Errors in data processing, and
- Incorrect calculations or analyses.

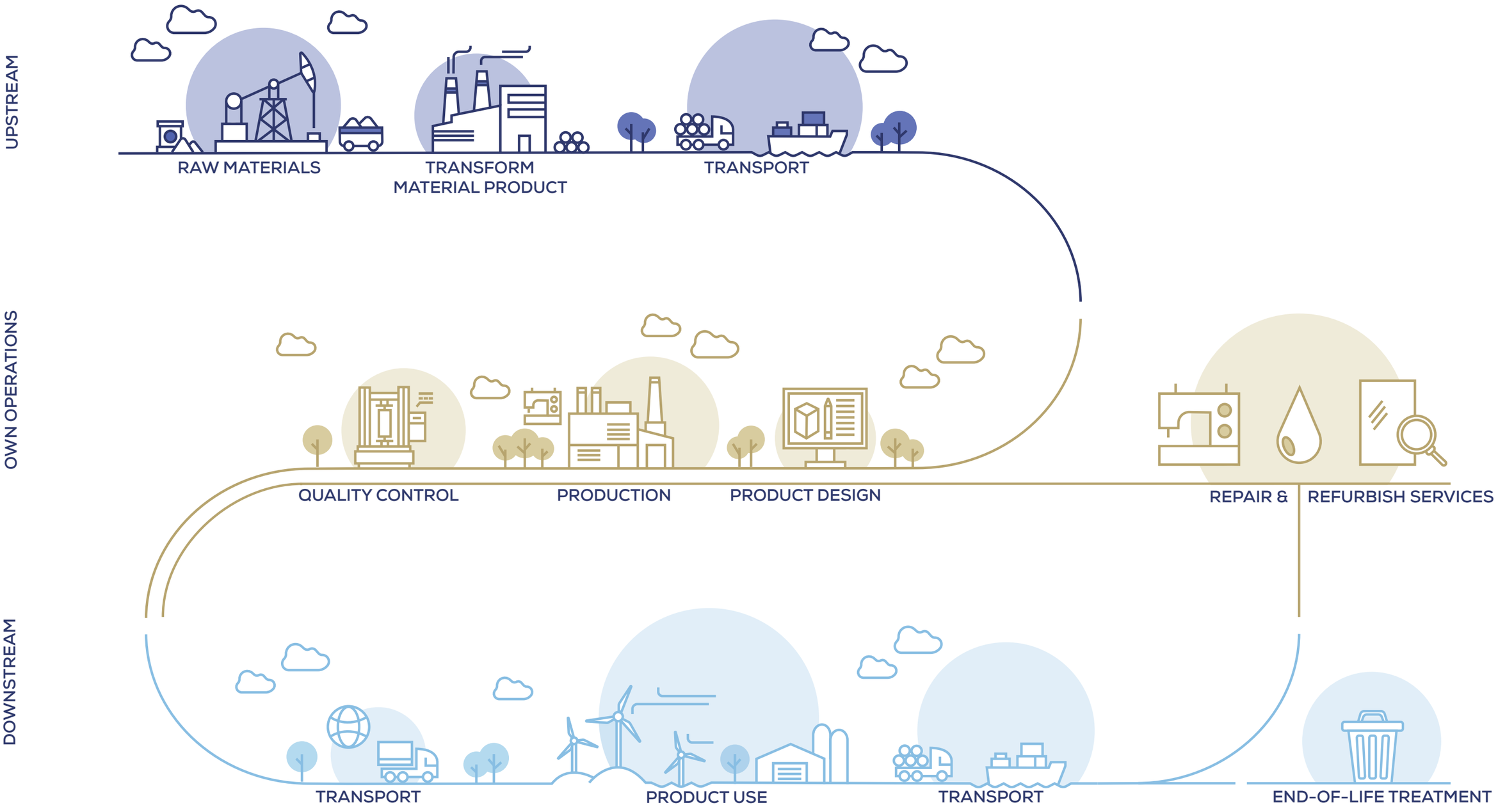
To enhance the accuracy and reliability of our reporting, we are prioritizing improvements in data collection and processing in future reporting periods. Strengthening our governance structure and refining ESG reporting processes will further mitigate these risks.

STRATEGY

[SBM - 1]

Strategy, business model and value chain

Hans Aa operates in specialized sectors, focusing on the development and manufacturing of high-quality solutions for industrial applications. Our strategy is built upon innovation and specialized solutions, ensuring that we deliver unique value to our clients worldwide. Hans Aa operates within four key segments: Wind energy, Agriculture, Offshore and Ground handling. With production facilities in Denmark, Poland, and China, Hans Aa serves customers worldwide. By combining engineering expertise with global manufacturing capabilities, we deliver high-performance, tailor-made textile solutions designed to meet the highest industry standards. In addition, we perform repairs and modifications on tarpaulins to address wear and tear, aging, or damage. If necessary, we also replace components such as zippers, velcro, or cords to ensure continued functionality and durability in our service loops.



OPERATIONS OVERVIEW

From our facilities in Denmark, Poland, and China, we supply our partners globally.

WORKFORCE OVERVIEW

DENMARK
35 EMPLOYEES

POLAND
210 EMPLOYEES

CHINA
104 EMPLOYEES

ESG STRATEGY

At Hans Aa, we recognize sustainability not only as a responsibility, but as a foundation for innovation, long-term resilience, and value creation. In 2024, we launched our first ESG strategy, setting clear and measurable targets across key focus areas - carbon neutrality, circularity, waste reduction, social responsibility, and ethical business conduct.

Our strategy is anchored in the principles of double materiality, ensuring that we address both our impact on people and planet, and how environmental, social and governance risks and opportunities may affect our business.

We have structured our ESG strategy around four key areas:

Energy & Climate: Toward net zero
We are committed to achieving carbon neutrality at our Danish site by 2030, and at our sites in Poland and China by 2050. We also aim to reach net-zero emissions across all sites by 2050. Importantly, we do not plan to use carbon offsets to achieve these goals.

Circularity & Product design
At Hans Aa, we are committed to embedding circular principles across our product lifecycle and value chain. We work to extend product lifespan and reduce waste through a circular service loop, where used tarpaulins are collected, cleaned, and repaired for reuse - sometimes up to 20 times. In parallel, we collaborate with suppliers and customers on responsible sourcing, repair initiatives, and recyclable material solutions as part of our long-term ambition to create closed-loop products.

Waste Management
Our goal is to eliminate production waste to landfill and incineration by 2030. Instead, we aim for production waste to be used as a resource for new tarps, enabling cradle-to-cradle recycling.

Social Responsibility
We are committed to providing a safe, supportive, and healthy workplace where employees can thrive. Through strong commitments and a culture that fosters opportunities, mutual respect, and employee well-being, we ensure that our employees feel valued, engaged, and protected.

Trustworthy partner
Trust and transparency are fundamental to our business. We operate with honesty, fairness, and accountability and uphold strong governance practices, including anti-corruption measures and responsible leadership.

As a company that prioritizes innovation, we understand that sustainability must be embedded in product design from the outset. To achieve this, we conduct internal Life Cycle Assessments (LCAs) to evaluate the environmental impact of our products. These assessments provide insights into improving resource efficiency and reducing emissions, but they are not yet third-party verified.

As we move forward, we will continue to enhance our sustainability initiatives, strengthen partnerships, and set new benchmarks for responsible business practices.

ENERGY & CLIMATE: TOWARD NET ZERO

- Scope 1 & 2: 100% reduction in Denmark and 50% reduction in Poland and China by 2030. 100% reduction in Poland and China by 2050.
- Scope 3: 45% reduction at all locations by 2040 and net zero by 2050

CIRCULARITY & PRODUCT DESIGN

- Implement product take-back programs by 2030
- Develop fully recyclable tarps by 2030
- Recycle 20% of tarps for wind industry customers by 2035
- Annually test randomly selected materials for substances of concern and of very high concern
- Increase recycled content in new tarpaulins

WASTE

- 50% of production waste recycled by 2027, increasing to 70% by 2030

SOCIAL RESPONSIBILITY

- Zero severe injuries and fatalities every year
- Reduce absenteeism to 3% in 2025
- Total Recordable Incident Rate (TRIR) to be maximum 2.0 (with 200,000 hours as proxy)

TRUSTWORTHY PARTNER

- Conduct at least 3 supplier audits annually from 2026
- 100% white-collar employees trained in Code of Conduct every three years
- 100% white-collar employees trained in ESG

[SBM - 2]

Interests and views of stakeholders

At Hans Aa, we recognize that meaningful engagement with our stakeholders is key to ensuring long-term success, fostering innovation, and embedding sustainability into our business.
We engage with key stakeholders, including customers, employees, and suppliers, to discuss sustainability challenges and opportunities. This ongoing dialogue helps us align our efforts with industry expectations and identify areas for improvement.

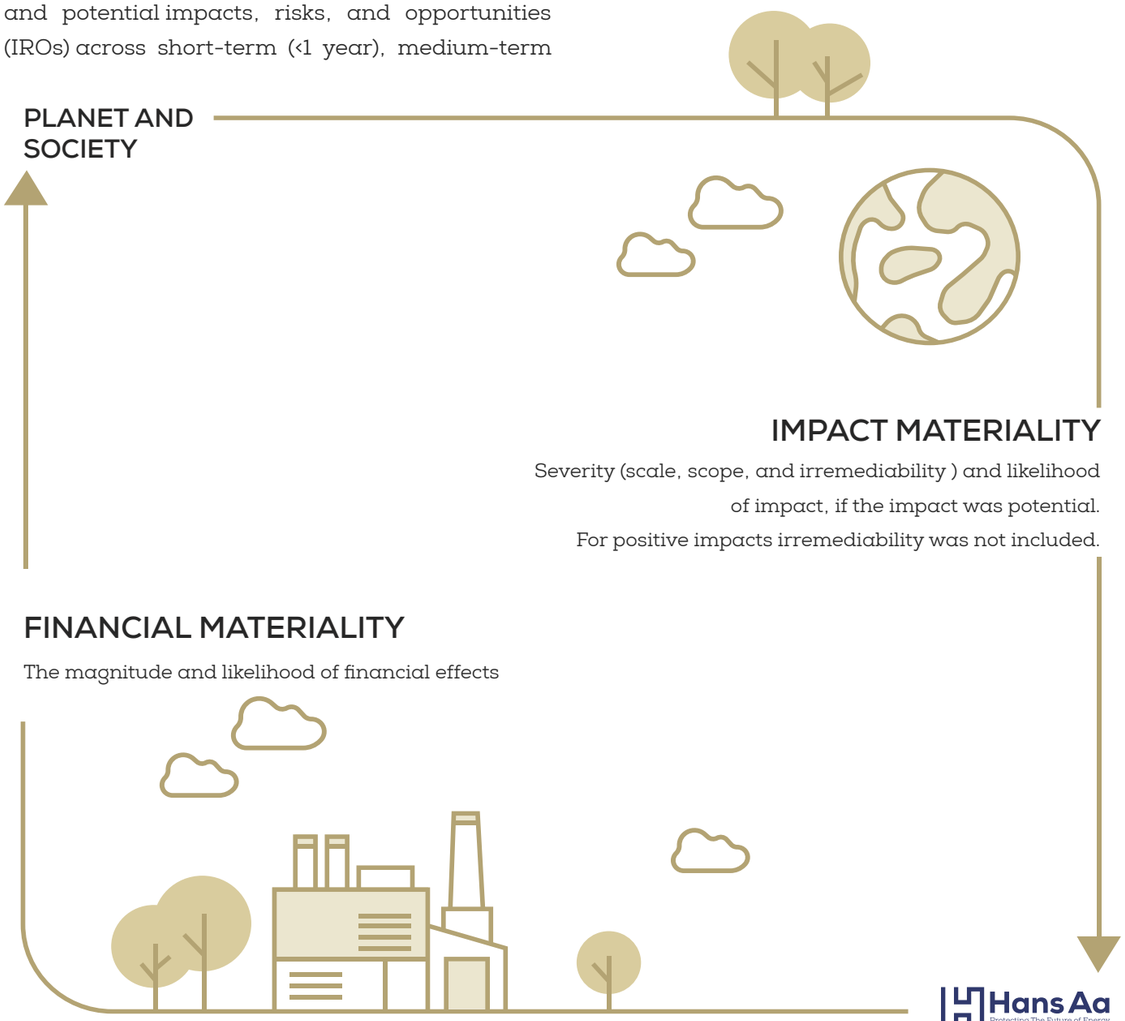
KEY STAKEHOLDERS	DESCRIPTION	CHANNELS	OUTCOME
CUSTOMERS	We work closely with customers to integrate circular economy principles into our products, co-developing solutions that promote durability and resource efficiency. These efforts support our broader ambition to reduce environmental impact and create long-term value.	Dialogue meetings	Enhanced circularity and durability of our products
EMPLOYEES	We are committed to fostering an open, inclusive, and transparent work environment. Employee input plays a vital role in shaping our company culture and business strategies.	Surveys, open dialogues, internal communication channels, annual employee development interviews	Inclusion of employee perspectives, improved engagement and workplace culture
SUPPLIERS	Collaboration with suppliers is fundamental to upholding product quality and ethical sourcing. We engage suppliers in continuous improvement initiatives to ensure alignment with responsible business practices.	Dialogue anchored in the procurement team	High product quality, responsible sourcing, and stronger supplier relationships
OWNERS AND BOARD	We maintain a structured, ongoing communication with the owners and board to align on strategy, performance, and long-term objectives.	Monthly reporting, quarterly board meetings	Strategic alignment, informed decision-making, and long-term value creation
INVESTORS, BANKS	We ensure financial transparency and keep investors informed about key business developments, market trends, and long-term growth potential.	Meetings, financial reports	Meeting information needs, securing financing, and building investor confidence
REGULATORS & AUTHORITIES	Compliance with industry regulations and sustainability requirements is a key priority.	Consultations	Regulatory compliance, risk mitigation, and business continuity

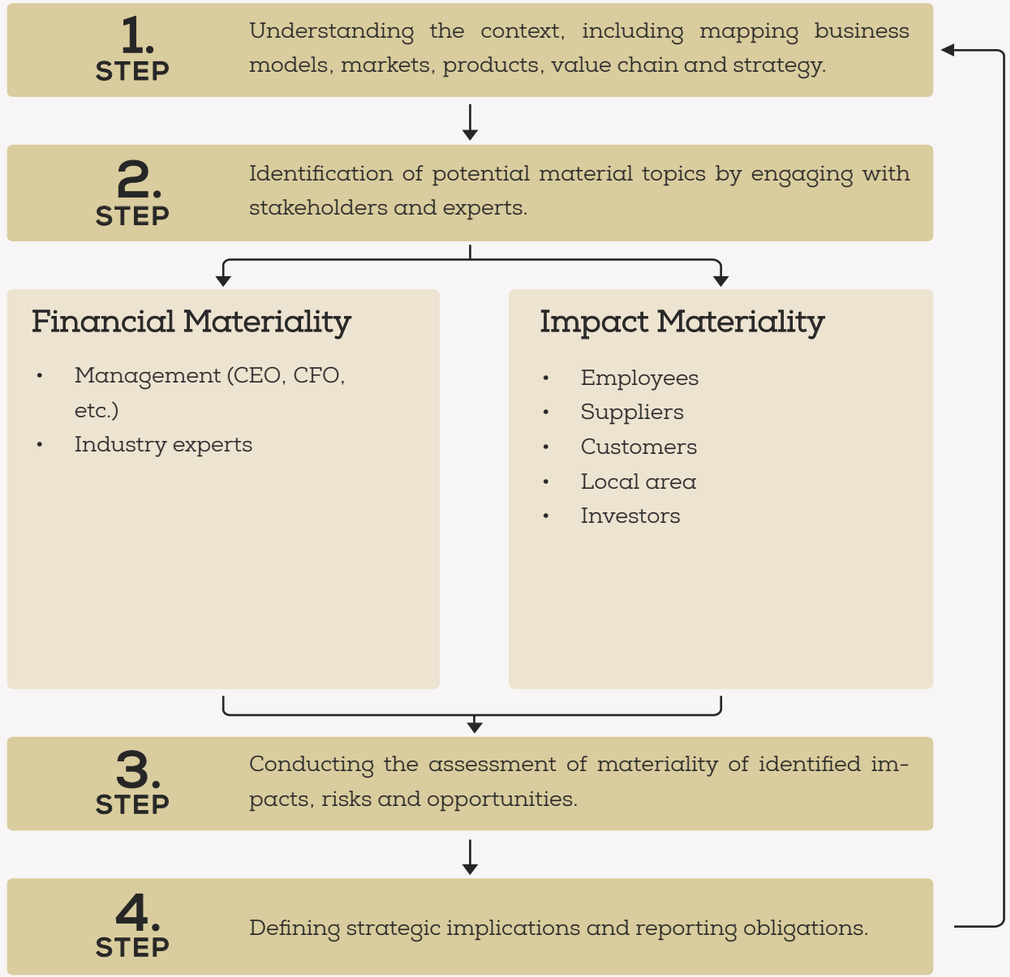
[IRO - 1]

Description of processes to identify and assess material climate-related impacts, risks and opportunities

In 2024, we conducted a Double Materiality Assessment (DMA), despite not being legally required to comply with the Corporate Sustainability Reporting Directive (CSRD). This reflects our commitment to aligning with international sustainability standards and embedding sustainability into strategic decision-making. The analysis covered our value chain – both upstream and downstream – to assess actual and potential impacts, risks, and opportunities (IROs) across short-term (<1 year), medium-term (1-5 years), and long-term (> 5 years) time horizons. Our DMA follows a four-step approach aligned with the guidelines outlined by EFRAG and the CSRD.

To prioritize sustainability topics, each identified IRO was evaluated based on impact and financial materiality as per below.





We applied a 1-to-5 rating system, integrating qualitative insights with quantitative data from internal analyses, external benchmarks, stakeholder consultations, and industry research. The assessment process involved key stakeholders, including the CEO, CFO, owners, customers, suppliers, employees, and industry experts, with each contributing at varying levels.

When relevant, location-specific factors were considered to ensure a precise evaluation. IROs that met impact or financial materiality thresholds were consolidated into a final list of material topics, forming the foundation for determining disclosure requirements and sustainability data points in line with ESRS. The final material topics and impacts were reviewed by The Executive Management and formally approved by the Board of Directors, reinforcing Hans Aa's commitment to transparency, accountability, and long-term sustainability.

The assessment highlighted key material topics across Environmental (E1, E2, E5), Social (S1, S2), and Governance (G1) domains, following guidelines established by EFRAG and the CSRD. We will continuously revisit and refine our approach to remain at the forefront of sustainability best practices.

Climate-related impacts, risks, and opportunities

As part of our DMA, we have systematically evaluated climate-related impacts, risks, and opportunities (IROs). This assessment is based on expert input, literature reviews, and historical data from previous climate-related events affecting our operations and supply chain.

Based on this assessment, no significant physical climate risks have been identified as materially affecting our operations or value chain. However, we continue to monitor potential future climate threats, including:

- extreme weather events that may disrupt logistics and supply chains,
- temperature fluctuations that could impact production processes or material integrity, and
- regulatory developments related to physical climate risk mitigation.

We have identified transition risks and opportunities through expert consultation, literature reviews, and engagement with key stakeholders. Currently, a formal climate scenario analysis has not been conducted, but we recognize its importance in aligning risk assessments with the Paris Agreement's 1.5°C pathway. We remain committed to enhancing our risk assessments and aligning with global sustainability objectives to ensure business resilience and long-term climate compliance.

For detailed results, actions, and metrics, please refer to page 37.

Pollution-related impacts, risks, and opportunities

Our DMA identified pollution-related IROs. The evaluation focused on substances of concern and microplastics to ensure regulatory compliance and risk mitigation.

Material testing confirms compliance with ECHA's REACH. Currently, substances of concern are not considered material. With regard to microplastics, we assessed IROs through expert consultations, industry research, and external analysis.

For detailed results, actions, and metrics, please refer to page 50.

Resource use and circular economy-related impacts, risks, and opportunities

We evaluate resource use and circular economy IROs based on assessments from internal and external experts. To support this, we have initiated an internal LCA and utilized quantitative data related to our products, raw materials, and waste streams. Additionally, we have engaged with customers and suppliers to gain insights into circular solutions and resource efficiency.

For detailed results, actions, and metrics, please refer to page 53.

Business conduct-related impacts, risks, and opportunities

We assess business conduct risks through a geographic risk mapping process, identifying regions with elevated risks of corruption, bribery, and human rights violations. This approach enables us to proactively address potential risks and integrate responsible business practices across our operations and supply chain.

For detailed results, actions, and metrics, please refer to page 90.

Output from the materiality assessment

Our Double Materiality Assessment (DMA) identified a total of 46 impacts, risks, and opportunities (IROs), of which 19 were assessed as material. The following topics are deemed material:

E1 CLIMATE CHANGE AND ENERGY

ESG SUB-TOPIC	TYPE OF EFFECT	DESCRIPTION	VALUE CHAIN	TIME HORIZON
CLIMATE CHANGE MITIGATION AND ENERGY	Actual negative impact	**GHG emissions and energy use from own operations:** Manufacturing processes at Hans Aa involve energy consumption for cutting, welding, and assembling tarpaulins, contributing to Scope 1 and 2 emissions.	Own operations	Short, medium
	Actual negative impact	**Value chain GHG emissions and energy use:** The extraction and processing of fossil fuels for plastic production, along with the energy-intensive manufacturing of PP, PE, and PVC, contributes significantly to Scope 3 emissions. The incineration of tarpaulins at end-of-life further releases CO_2 and other greenhouse gases.	Upstream	Short, medium, long
	Actual positive impact	**A part of the wind energy supply chain:** Hans Aa supports the wind energy sector by supplying specialized tarpaulins for the transport and storage of wind turbine components. In this way, we contribute to a reliable and efficient supply chain that underpins the transition to renewable energy.	Downstream	Short, medium, long
	Risk	**Regulation and compliance risk:** Stricter regulations related to climate change may increase costs through tighter emissions standards and potential carbon taxes.	Upstream & Own operations	Long
	Opportunity	**Increasing demand in wind energy sector:** Ambitious CO_2 reduction goals internationally might increase the demand for protective tarps for the wind industry.	Own operations & Downstream	Long

E2 POLLUTION

ESG SUB-TOPIC	TYPE OF EFFECT	DESCRIPTION	VALUE CHAIN	TIME HORIZON
MICROPLASTICS	Actual negative impact	**Generation of microplastics by products:** Generation of primary and secondary microplastics by products during the lifecycle of PP/PVC tarpaulins.	Own operations & Downstream	Short, medium

E5 RESOURCE USE AND CIRCULAR ECONOMY

ESG SUB-TOPIC	TYPE OF EFFECT	DESCRIPTION	VALUE CHAIN	TIME HORIZON
RESOURCE INFLOWS	Actual negative impact	**Use of resources:** Use of virgin resources (e.g., PP/PVC) in tarpaulin production contributes to depletion of natural resources and resource scarcity.	Own operations & Upstream	Short
	Risk	**Changing regulatory environment:** Regulatory risks related to resource inflows pose a financial challenge for the company, especially in an era of increasing environmental awareness and stricter legislation.	Upstream	Medium, long
RESOURCE OUTFLOWS AND WASTE	Actual positive impact	**Providing repair and refurbishing services:** Our repair and refurbish services increase the lifespan of our products.	Own operations & Downstream	Medium
	Opportunity	**Growing demand for recyclable and long-life products:** Providing recyclable solutions, products with extended lifespans, and take-back programs for end-of-life materials would enhance our competitive position in environmentally conscious markets. These initiatives would align with increasing sustainability expectations, regulatory requirements, and circular economy principles, ensuring a more responsible approach to resource management.	Downstream	Medium

S1 OWN WORKFORCE

ESG SUB-TOPIC	TYPE OF EFFECT	DESCRIPTION	VALUE CHAIN	TIME HORIZON
WORKING CONDITIONS AND WORK-RELATED RIGHTS	Actual positive impact	**Good working conditions:** Fair and secure employment ensures that employees benefit from stable job conditions, fair wages, and reasonable working hours, while upholding their rights and well-being in a supportive work environment.	Own operations	Short, medium, long
	Opportunity	**Attracting talent:** Providing good working conditions is essential to our success, as it helps us attract and retain talented professionals who thrive in an engaging workplace.	Own operations	Medium
HEALTH AND SAFETY	Potential negative impact	**Potential work-related injuries or fatalities:** The risk of work-related injuries is a potential negative impact for employees.	Own operations	Short, medium, long

S2 VALUE CHAIN WORKERS

ESG SUB-TOPIC	TYPE OF EFFECT	DESCRIPTION	VALUE CHAIN	TIME HORIZON
WORKING CONDITIONS AND WORK-RELATED RIGHTS	Potential negative impact	**Potential poor working conditions in the upstream value chain:** Potential impacts related to employment conditions, including excessive working hours, unfair wages, and labor rights violations.	Upstream	Short, medium, long
HEALTH AND SAFETY	Potential negative impact	**Potential health risks:** Risk of health-hazards among value chain workers.	Upstream	Short, medium, long

G1 BUSINESS CONDUCT

ESG SUB-TOPIC	TYPE OF EFFECT	DESCRIPTION	VALUE CHAIN	TIME HORIZON
CORPORATE CULTURE	Actual positive impact	**Corporate culture:** At Hans Aa, our corporate culture is built on trust, accountability, and continuous development, ensuring that we operate as a trusted business partner. We recognize that our employees are our most valuable asset and foster a workplace where integrity and responsibility drive long-term success.	Own operations	Short, medium, long
	Opportunity	**Brand value:** By fostering a positive workplace culture, we can strengthen our brand, building a reputation for integrity and responsibility.	Own operations	Short, medium, long
CORRUPTION AND BRIBERY	Risk	**Corruption or bribery can harm brand value:** Risk of corruption and bribery within our operations and across the value chain could result in fines and penalties and reputational damage.	Upstream & Own operations	Short, medium, long

G ENTITY-SPECIFIC

ESG SUB-TOPIC	TYPE OF EFFECT	DESCRIPTION	VALUE CHAIN	TIME HORIZON
DATA AND CYBERSECURITY	Risk	**Data and cybersecurity breaches:** Incidents of data breaches or cyberattacks can result in fines, customer loss, and operational downtime.	Own operations	Short, medium, long

ENVIRONMENTAL

[SBM - 3]

Material impacts, risks, and opportunities and their interaction with strategy and business model

The materiality assessment outlined in disclosure requirement IRO-2 identified the following material impacts, risks, and opportunities.

No climate-related physical risks have been identified.

At the time of reporting, we have not carried out a resilience and climate scenario analysis. However, we plan to conduct a formal resilience and climate scenario analysis in the coming years to evaluate vulnerabilities and ensure alignment with global sustainability standards. Until then, legislative monitoring, value chain collaboration, and strategic investments will continue to form the foundation of our climate resilience strategy.

IRO : GHG emissions and energy use from own operations

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Actual negative impact	Hans Aa's manufacturing processes require energy input, particularly for sewing, welding, and cutting processes. These activities contribute directly to Scope 1 emissions through fuel consumption and Scope 2 emissions from purchased energy.	We have set emission reduction targets for Scope 1 and 2, aiming to achieve carbon neutrality by 2030 in Denmark and by 2050 in Poland and China primarily through direct emissions reductions. Any remaining emissions will be addressed through the purchase of Renewable Energy Certificates (RECs) to support renewable energy generation.

IRO : Value chain GHG emissions and energy use

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Actual negative impact	The extraction and processing of fossil fuels required for plastic production, including polypropylene (PP), polyvinyl chloride (PVC), and metals, are energy intensive. Additionally, end-of-life disposal of tarpaulins, often through incineration, results in further greenhouse gas emissions. Finally, downstream transportation and distribution contribute to emissions.	We have set a target to reduce our Scope 3 emissions from our supply chain by 45% by 2040 and work towards full decarbonization by 2050 through supplier collaboration, material innovation, and efficiency improvements.

IRO : A part of the wind energy supply chain

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Actual positive impact.	Our durable tarpaulins contribute to extending the lifespan of wind turbine components, reducing the frequency of replacements and minimizing material waste.	We continue to focus on core portfolio solutions and remain proactive in product innovation and strategic value chain collaboration.

IRO : Regulation and compliance risk

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Risk (transitional).	Stricter regulations on the use of plastic or carbon emissions may lead to higher operational costs. Compliance with new sustainability requirements, will be essential to maintaining market competitiveness and regulatory alignment.	Engaging with experts, conducting risk assessments, and maintaining strong internal controls ensure compliance with local and global regulations.

[E1] CLIMATE CHANGE

[E1 - 1]

Transition plan for climate change mitigation

We are committed to addressing climate change through a Climate Change Transition Plan. Integrated into the business strategy, this plan drives efforts to reduce greenhouse gas emissions across operations and the value chain.

To achieve this, we have established clear and measurable climate targets, including:

- **Scope 1 and 2:** A 100% reduction in Denmark by 2030 and a 50% reduction in Poland and China by 2030. We aim for a full carbon neutrality for scope 1 and 2 in Poland and China by 2050.
- **Scope 3:** A 45% reduction by 2040, with a goal of achieving net-zero emissions by 2050.

Baseline is 2022.

Decarbonization levers in the transition plan

Our transition plan is focused on decarbonizing our own emissions and emissions related to our value chain.
This is achieved through the following levers:

Circular economy and design innovation

Renewable energy transition

Sustainable procurement practices and value chain management

Investments and financial alignment

The implementation of the climate change transition plan is supported by targeted investments in decarbonization initiatives, such as enhancing circular product design. These investments are aligned with the strategy and financial planning, ensuring the allocation of resources is consistent with sustainability goals.

We do not currently integrate performance measures related to GHG emissions reductions in our management incentive schemes.

Our CEO has formally approved the transition plan, underscoring its priority within the organization.

We are actively working to solidify the transition plan as a core element of our overall strategy, ensuring it becomes a fundamental part of decision-making across the organization. At the same time, we acknowledge that this transformation takes time, and we remain committed to refining and strengthening our approach as we progress.

[E1- 2]

Policies related to climate change mitigation and adaptation

Climate policy

At Hans Aa we are committed to addressing climate change and adapting to associated risks and opportunities. Our Climate Policy defines and communicates how we are managing material climate-related impacts. Key focus areas include:

- **GHG emission reductions & renewable energy**: We are committed to reducing GHG emissions in alignment national and global targets. We recognize that climate change mitigation must be executed beyond our own operations and set targets for scope 1, 2, and 3 reductions.
- **Product innovation:** We are committed to integrating circularity into our product designs when possible.
- **Sustainable supply chain:** We prioritize suppliers that adhere to sustainability goals and adopt environmentally responsible sourcing strategies.
- **Climate change adaptation:** Climate risks are reviewed regularly to assess potential adaptation needs.

The Sustainability Team holds overall responsibility for the policy, which is approved by the Executive Management Team and reviewed annually. The policy applies to the entire organization. At present, no significant risks related to climate change adaption have been identified that necessitate specific adaptation measures.

Environmental policy

Our Environmental Policy complements our Climate Policy and serves as the foundation for our commitment to continuously improving environmental conditions, reducing our ecological footprint, and preventing pollution. We currently have separate environmental policies for our operations in Denmark, Poland, and China. While these policies differ, they all address pollution prevention and environmental protection.

A key future goal is to streamline these policies for a cohesive approach across all locations.

We actively engage in initiatives that promote compliance with environmental standards. This commitment is further reinforced by our ISO 14001 certification for environmental management, which guides our continuous improvement efforts and ensures that environmental considerations remain a key priority in our business decisions.

[E1 - 3]

Actions and resources in relation to climate change policies

In 2024, we developed our first comprehensive sustainability strategy, integrating sustainability into board and executive-level decision-making. While this process has not directly reduced GHG emissions, it has provided critical insights into our environmental impact, laying the foundation for future emission reduction initiatives and anchoring sustainability within the organization's leadership, strengthening our ability to achieve our goals effectively.

Our efforts and resources dedicated to climate change are addressed through the following decarbonization levers:

DECARBONIZATION LEVERS

	DESCRIPTION	ACTIONS TAKEN IN 2024	PLANNED ACTIONS
CIRCULAR ECONOMY & DESIGN INNOVATION	We are redesigning selected product lines to increase recyclability by using mono-materials, as well as incorporating recycled content. As part of our long-term sustainability goals, we aim to explore and test take-back programs for end-of-life tarpaulins in the future to assess their feasibility. Additionally, we already offer service loops for selected customers, providing repair and refurbishment solutions to extend product lifespan and minimize waste.	We initiated product redesign to develop mono-material tarpaulins for greater recyclability. We have expanded our service loop for selected customers, in which protective tarpaulins are returned to our facilities, cleaned, repaired, and sent back to customers for reuse. This approach is designed to extend product lifespan and reduce the need for new materials. In some documented cases, individual covers have been reused up to 20 times. While the initiative shows promising circular potential, GHG emission reductions have not yet been quantified, as the project is still under development.	Full-scale implementation of redesigned products by 2030, targeting nearly 100% recyclability. Reducing production waste, providing take-back programs for end-of-life tarpaulins, and expanding service loop to more customers. We will continue conducting internal LCAs for selected product lines to assess environmental impact. These assessments are currently developed internally and are not yet third-party verified.
RENEWABLE ENERGY TRANSITION	In the future, we will prioritize green energy sources for own operations and supplement this with RECs to further reduce Scope 2 emissions and support the transition to a cleaner grid. We will also actively work to reduce energy consumption and improve efficiency across our sites to minimize the need for external compensation.	Targets were created during 2024 and incorporated in our first comprehensive sustainability strategy for the organization. We aim at being carbon neutral in Denmark by 2030 and in Poland and China by 2050.	Increased reliance on renewable energy sources through the purchase of RECs to offset operational emissions. We will evaluate renewable energy solutions, including on-site solar panels and vertical wind turbines, to enhance energy independence and reduce reliance on non-renewable sources.
SUSTAINABLE PROCUREMENT PRACTICES AND VALUE CHAIN MANAGEMENT	Our goal is to develop a framework for evaluating suppliers based on sustainability objectives and circular economy principles. We currently do not conduct formal supplier audits but aim to implement structured assessments in the future. We work closely with our suppliers and customers to prioritize sustainability through circular economy principles, innovative designs and circular business models.	We established partnerships to build a value chain focused on end-of-life solutions, including refurbishment and recycling. Since the project is still in development, GHG emission reductions have not yet been realized.	Creating a global logistics network for the end-of-life management of tarpaulins.

[E1- 4]

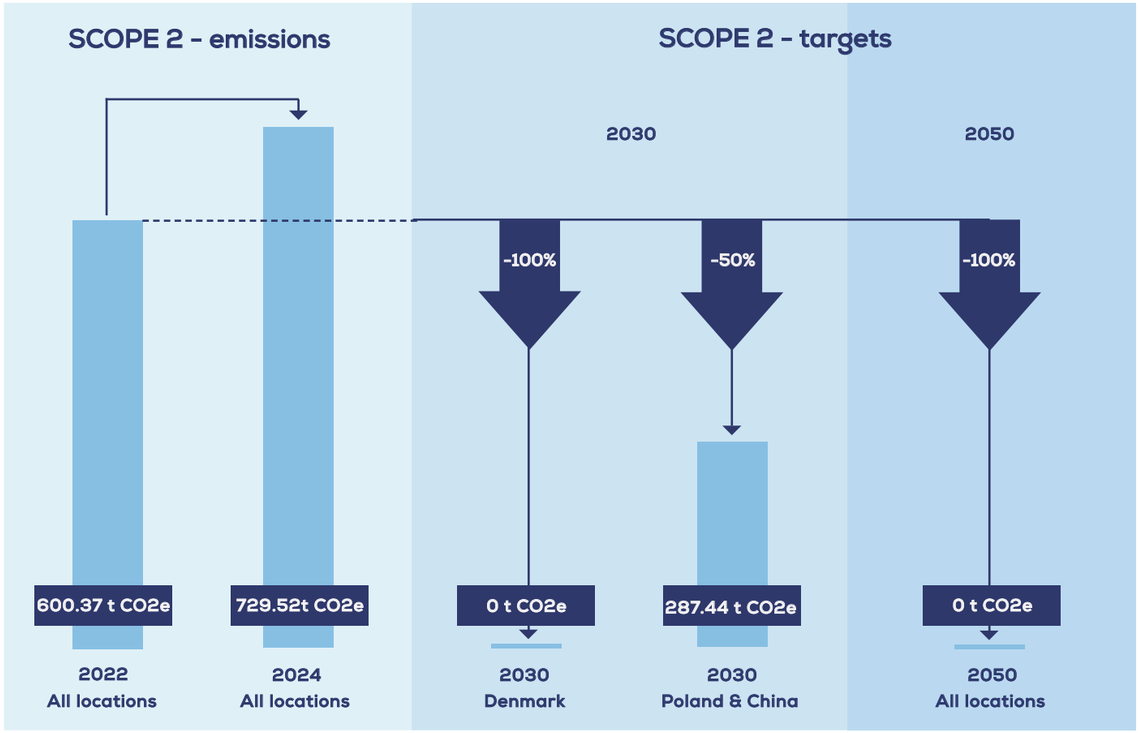
Targets related to climate change mitigation and adaptation

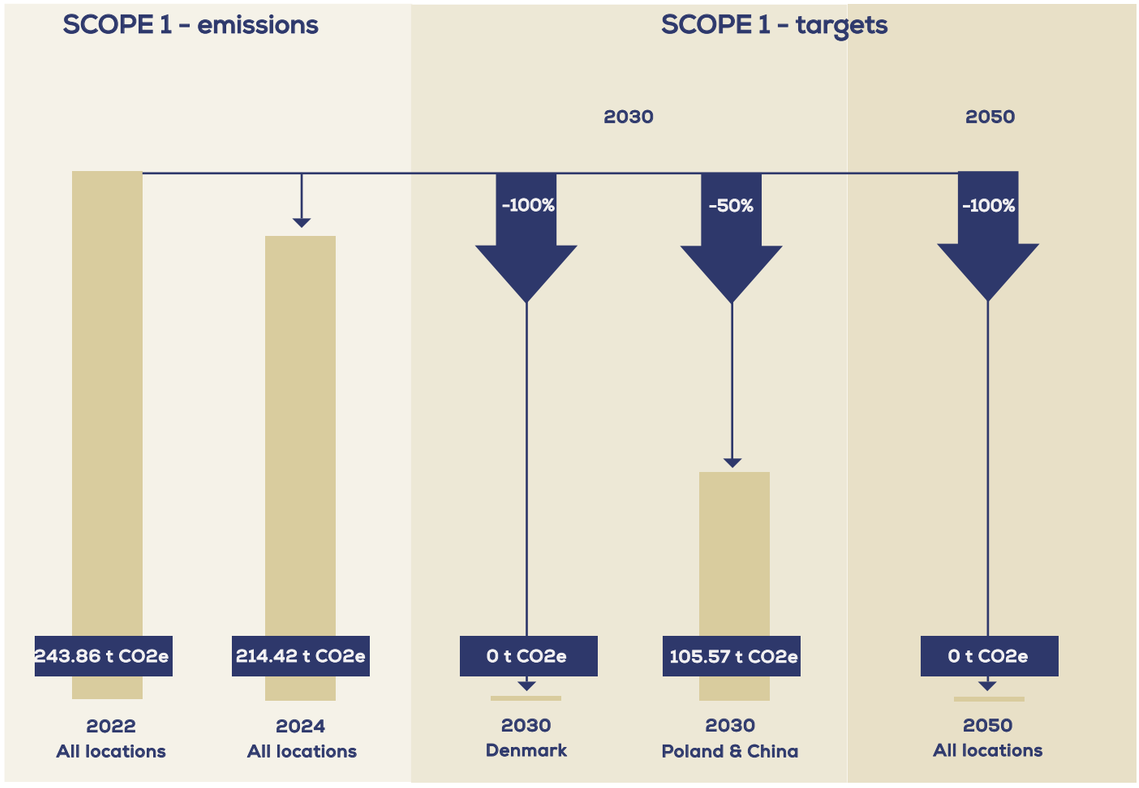
We are committed to achieving ambitious greenhouse gas (GHG) reduction targets to address material climate-related impacts, risks, and opportunities.

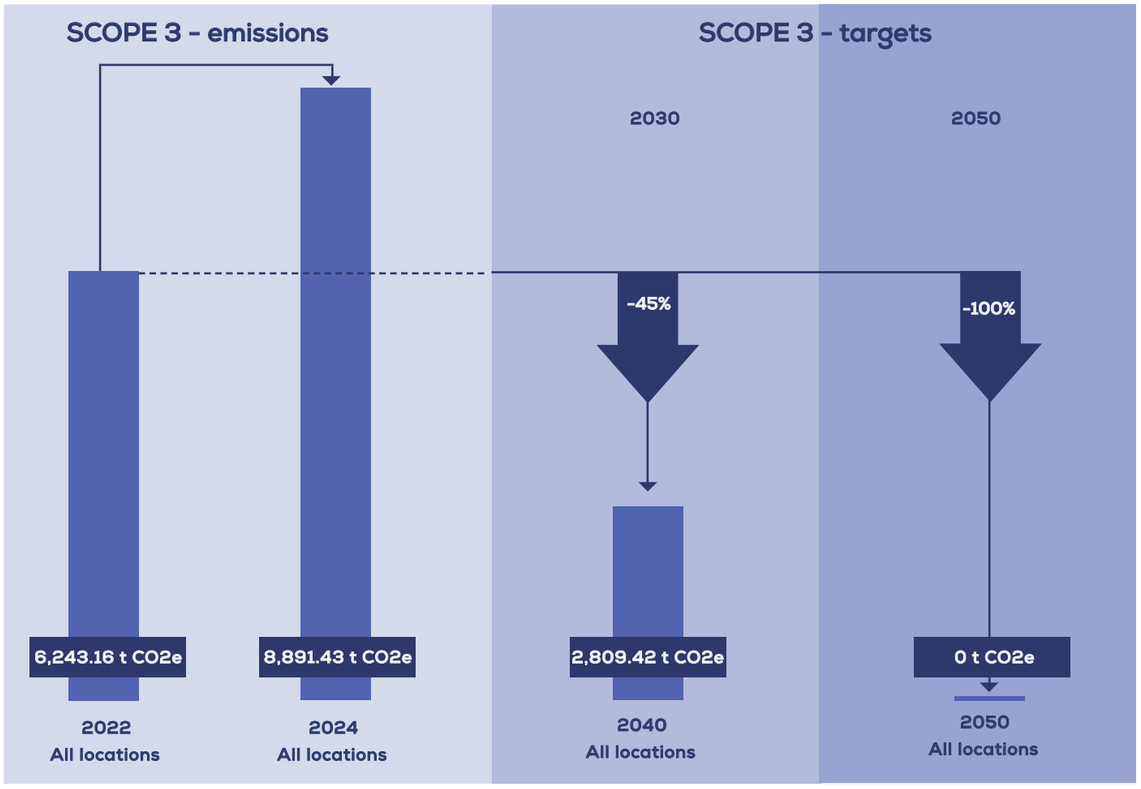
We are dedicated to reduce our **Scope 1 and 2 emissions**, achieving carbon neutrality (without carbon offsets) in Denmark by 2030 and in Poland and China by 2050. These reductions will be accomplished through investments in Renewable Energy Certificates (RECs), directly supporting renewable energy production to offset electricity consumption. RECs are not considered carbon offsets.

We also recognize the importance of addressing emissions beyond our own operations and are committed to reducing emissions across our supply chain. With an interim **Scope 3** goal of 45% reduction by 2040, we aim to achieve net zero across all locations by 2050.

All our targets use 2022 as a baseline year.







[E1 - 5]

Energy consumption and mix

In 2024, total energy consumption was distributed as follows:

84.92% from fossil sources

13.68% from renewable energy sources

0.68% from nuclear sources

In 2024, our total energy consumption was 1,962.49 MWh, representing an 8% increase compared to 2023 (1,821.73 MWh).

This increase was primarily driven by higher production activity, particularly in China and Poland, where several electricity-intensive processes were scaled up to meet demand.

Despite the rise in absolute consumption, our energy intensity (MWh/net revenue in thousand DKK) decreased to 0.011 in 2024 from 0.012 in 2023, reflecting improved operational efficiency relative to revenue growth.

As part of our ongoing commitment to energy efficiency, we continue to explore optimization measures to reduce absolute consumption where possible and to increase the share of renewable energy in our operations.

ENERGY CONSUMPTION MIX	2024	2023
- Fuel consumption from coal and coal products (MWh)	0	0
- Fuel consumption from crude oil and petroleum products	520.62	607.33
- Fuel consumption from natural gas (MWh)	397.47	356.30
- Fuel consumption from other fossil sources (MWh)	0	0
- Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	748.43	600.26
Total fossil energy consumption (MWh)	**1,666.52**	**1,563.89**
Share of fossil sources in total energy consumption (%)	84.92%	85.88%
Consumption from nuclear sources (MWh)	**13.39**	**10.99**
Share of consumption from nuclear sources in total energy consumption (%)	0.68 %	0.60%
- Fuel consumption for renewable sources, including biomass (MWh)	0	0
- Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	224.68	189.41
- The consumption of self-generated non-fuel renewable energy (MWh)	43.76	46.34
Total renewable energy consumption (MWh)	**268.44**	**235.75**
Share of renewable sources in total energy consumption (%)	13.68 %	12.94 %
Other energy consumption (MWh)	14.14	11.10
Total energy consumption (MWh)	1,962.49	1,821.73

[E1 - 6]

Gross Scopes 1, 2, 3 and total GHG emissions

In 2024, our total GHG emissions (Scope 1, 2, and 3) amounted to 9,835.37 t CO_2e based on the location-based method, representing a 46% increase compared to 6,753.52 t CO_2e in 2023. This increase is mainly driven by higher Scope 2 and Scope 3 emissions. Scope 2 emissions rose due to increased electricity consumption following higher operational activity, while Scope 3 emissions were impacted by a significant rise in purchased goods and services. In contrast, Scope 1 emissions decreased as a result of reduced diesel consumption.

The overall rise in emissions reflects increased business activity and demand in 2024, underlining the importance of continued focus on energy efficiency and value chain engagement.

As part of our commitment to sustainability and emissions reduction, we continue to explore and implement measures to optimize energy consumption and reduce our carbon footprint across all scopes.

GHG EMISSIONS	2024	2023	Change	2022 (baseline)
SCOPE 1				
Gross Scope 1 GHG emissions (t CO_2e)	214.42	227.82	-6%	243.86
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0
SCOPE 2				
Gross location-based Scope 2 GHG emissions (t CO_2e)	729.52	549.77	+33%	600.37
Gross market-based Scope 2 GHG emissions (t CO_2e)	785.79	609.64	+29%	657.71
SIGNIFICANT SCOPE 3 GHG EMISSIONS				
Gross Scope 3 GHG emissions (t CO_2e)	8,891.43	5,975.93	+49%	6,243.16
Category 1: Purchased goods and services (t CO_2e)	8,418.06	5,484.99	+53%	5,787.17
Category 5: Waste generated in operations (t CO_2e)	125.03	208.89	-40%	297.96
Category 9: Downstream transportation (t CO_2e)	348.34	282.05	+24%	158.03
Total GHG emissions (location-based) (t CO_2e)	9,835.37	6,753.52	+46%	7,087.38
Total GHG emissions (market-based) (t CO_2e)	9,891.64	6,813.39	+45%	7,144.72

GHG INTENSITY PER NET REVENUE	2024	2023	Change
Total GHG emissions (location-based) per net revenue (t CO2eq/ thousand DKK)	0.055	0.045	+22%
Total GHG emissions (market-based) per net revenue (t CO2eq/thousand DKK)	0.056	0.046	+22%

[E1 - 9]

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Hans Aa has chosen to utilize the phase-in allowance to exclude the financial effects of material physical and transition risks, as well as potential climate-related opportunities, as required in E1-9.

[E2] POLLUTION

[SBM - 3]

Material impacts, risks, and opportunities and their interaction with strategy and business model

Impacts, risks, and opportunities are identified through a double materiality assessment, conducted with the support of external experts. As part of this process, substances of concern, substances of very high concern, and microplastics are thoroughly evaluated.

The materiality assessment outlined in disclosure requirement IRO-2 identified the following material impact. Substances of concern are currently not considered material but will be reviewed annually to ensure ongoing compliance and risk assessment. There are no material risks or opportunities identified.

IRO : Generation of microplastics by products

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/ OR BUSINESS MODEL MITIGATE THE IRO
Actual negative impact	Our tarpaulins can contribute to microplastics pollution in two ways: 1. Secondary microplastics are generated over time as tarpaulins degrade due to wear and environmental exposure. This occurs particularly in harsh conditions. 2. Additionally, microplastic emissions can also occur during refurbishment and recycling processes, as cutting, grinding, and handling worn materials may release small plastic particles.	Although classified as textiles, our tarpaulins are designed for high durability, tear resistance, and wear resilience, which may help reduce material degradation and associated microplastic emissions over time.

[E 2 - 1] + [E2 - 2]

Policies, actions, and resources related to pollution

Our Environmental Policy emphasizes the importance of maintaining a safe and healthy work environment through clear guidelines on chemical usage and management. This includes comprehensive documentation in KemiBasen in WORXS and KemiArkivet in Würth (both in Denmark), and the mandatory use of personal protective equipment (PPE). These efforts also mitigate pollution risks.

At Hans Aa, we take a structured approach to ensuring that work processes are well-defined and that employees have access to safety data sheets and chemical risk assessments via QR codes. This streamlined system enhances workplace safety, regulatory compliance, operational efficiency, and mitigate pollution risks.

We prioritize regulatory compliance and risk minimization by maintaining high standards in material use and chemical management through the following key actions:

1. Material assessment and testing

In 2024, third-party testing was conducted on PVC tarpaulins to ensure compliance with the European Chemicals Agency's (ECHA) Substances of Very High Concern (SVHC) list under the REACH regulation. The results confirmed that none of the tested Hans Aa's products contain SVHC-listed substances. As a result, SVHC is not currently considered a material topic in our DMA. However, we remain committed to ongoing material assessments to ensure compliance with evolving regulations and industry best practices.

2. Responsible chemical management

Robust procedures are in place to address the use of substances of concern, including:

- Conducting chemical risk assessments every three years, with additional reviews following significant operational or material changes,
- Implementing strict protocols for the handling and evaluation of new chemical products to prevent the introduction of substances of concern, and
- Eliminating the use of mutagenic substances (completed in 2024).

We continuously assess our chemical portfolio to identify and replace substances with safer alternatives whenever technically and economically feasible.

[E2- 3]

Targets related to pollution

We aim to replace environmentally harmful substances and materials with alternatives whenever technically and economically feasible. Additionally, in 2024, we phased out products with mutagenic properties to enhance workplace safety and minimize environmental impact.

[E5] RESOURCE MANAGEMENT

In 2024, resource management and circularity remained at the core of our sustainability agenda. As a supplier of tarpaulins, we acknowledge the environmental impact of their limited lifespan, underscoring our responsibility to develop circular solutions that prolong product life and minimize waste generation.

To address these challenges, we are committed to:

- Developing recyclable alternatives to enhance product circularity,
- Extending product lifespan through repair and maintenance programs, and
- Implementing take-back initiatives to ensure responsible end-of-life management.

We systematically identify impacts, risks, and opportunities related to resource management and circularity through a double materiality assessment, conducted with the support of external experts. This process enables us to:

- Evaluate resource inflows, outflows, and waste streams,
- Mitigate risks associated with resource scarcity, waste management, and regulatory changes, and
- Strengthen our role in closing material loops within the wind industry by integrating sustainability considerations into our business strategy.

The materiality assessment outlined in disclosure requirement IRO-2 identified the following material impacts, risks and opportunities.

IRO : Use of resources

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Actual negative impact	The use of virgin resources, such as polypropylene (PP) and polyvinyl chloride (PVC), in tarpaulin production contributes to natural resource depletion and increasing resource scarcity. The extraction and processing of these materials are energy-intensive and rely on fossil fuel-based feedstocks, further impacting the environment.	At Hans Aa, we are dedicated to minimizing our reliance on virgin materials by integrating circular economy principles into our operations. Our approach focuses on enhancing resource efficiency, extending product lifespans, and reducing dependence on finite natural resources.

IRO : Changing regulatory environment

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Risk	Regulatory risks related to resource inflows pose a financial challenge for the company, especially in an era of increasing environmental awareness and stricter legislation.	We continuously monitor new and upcoming regulations to ensure timely action and compliance.

IRO : Providing repair and refurbish services

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Actual positive impact	Our repair and refurbishment services are designed to extend the usability of our products and may help reduce the need for new materials. This approach enables customers to reuse their tarpaulins over multiple cycles, lowering the cost of replacement and supporting more resource-efficient use.	We have successfully implemented a service loop with several customers, where their tarps are returned to one of our facilities for cleaning and repair before being sent back for reuse.

IRO : Increased demand for recyclable products

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Opportunity	The demand for recyclable products is increasing, particularly in industries like wind energy, where sustainability and circular economy principles are key priorities. As companies strive to reduce their environmental foot-print, there is a growing expectation for suppliers to provide eco-friendly, recyclable materials that align with their sustainability goals.	Hans Aa aims to contribute to this transition by developing recyclable solutions, optimizing material use, and supporting take-back programs that promote resource efficiency and circularity.

[E5 - 1] + [E5 - 2]

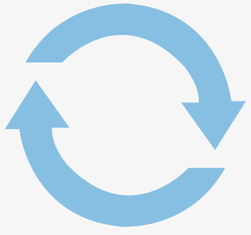
Policies and actions related to resource use and circular economy

At Hans Aa, we are committed to enhancing resource efficiency and embedding circular economy principles across our operations. Our Environmental and Climate Policies provide a foundation for responsible resource management and impact reduction, guiding decision-making and operational improvements. Our Climate Policy outlines our commitments to product innovation initiatives while our Environmental policies focus on environmental protection.

We are actively working to align our operations with sustainable practices and address the material impacts, risks, and opportunities associated with resource use and circular economy principles. Our key initiatives are:

Repair and refurbishment: Increasing the lifespan of our tarpaulins is a core priority. By collecting, washing, and repairing used tarpaulins at our facilities in Poland and China, we aim to reduce the need for virgin materials by extending product usability. These protective covers can be reused up to 20 times before replacement. This reuse has the potential to reduce waste and material consumption compared to single-use alternatives.

Circular product design: Efforts are underway to develop recyclable product designs. As part of this, we have initiated a proof-of-concept recycling project for select tarpaulin product lines. While this represents an early step forward, we continue to explore scalable solutions that could enable better material recovery and potentially reduce waste in the future. We aim to develop fully recyclable tarpaulin solutions by 2030. This ambition reflects our broader intent to reduce material waste and support circular design principles.



REUSE OUR COVERS, 20 + TIMES

Covers are washed for inspection.

Covers are repaired for maximum utilization.

Ready for reuse.

RECYCLE OUR COVERS, MAKE IT NEW

Retired covers are shredded into pieces.

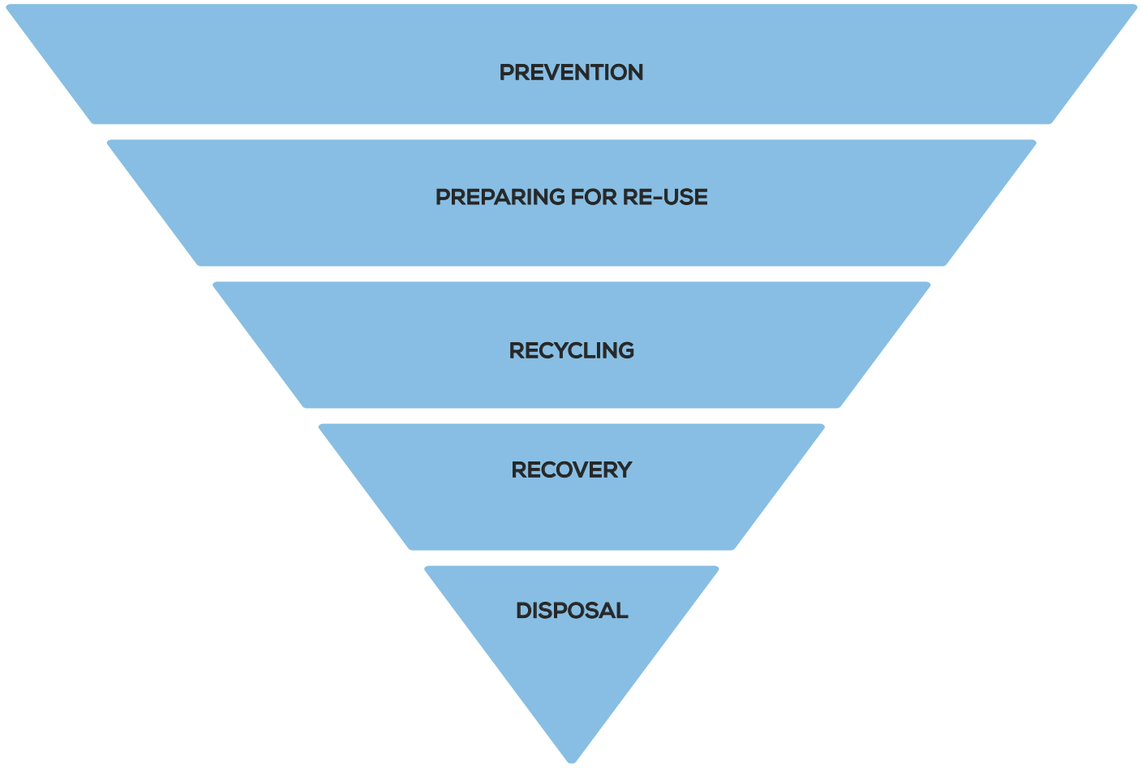
Sorting of pieces and washing of PP.

The sorted PP material is transformed into granules.

The granules are used for new products.

Waste management: We adhere to the EU Waste Hierarchy, prioritizing:

- **Prevention**: Designing high-quality tarpaulins intended for extended lifespans, which may help reduce the demand for virgin materials over time.
- **Reuse & Refurbishment**: Our facilities in Poland and China support the washing, repair, and reuse of tarpaulins.
- **Recycling**: We aim to recycle more of our waste into new materials, with the intention of reducing reliance on landfill and incineration over time. This is an ongoing effort.



Future aspirations: As part of our commitment to circular economy principles, we are working towards establishing take-back programs for end-of-life tarpaulins. Through close collaboration with customers and partners, we aim to develop a scalable and efficient system that supports both environmental objectives and cost-effective resource management.

[E5 - 3]

Targets related to resource use and circular economy

Commitment to circular economy and resource efficiency

We are committed to enhancing resource efficiency and promoting circular economy principles, as outlined in our sustainability strategy approved by the Board of Directors. Our efforts focus on increasing the recyclability of our products, improving waste management practices, and reducing reliance on virgin materials

Alignment with circular economy principles

These targets align with key circular economy strategies, including initiatives to minimize waste generation and support higher recycling rates, while acknowledging that success depends on available infrastructure and technical feasibility.

Tracking and implementation

To measure the effectiveness of these initiatives, we track progress through key performance indicators (KPIs). By setting ambitious yet realistic targets, we aim to contribute meaningfully to sustainable resource management and circular innovation within our industry.

Key targets and initiatives

TARGETS	KEY PERFORMANCE INDICATORS FOR TRACKING	TARGET'S RELATION TO RESOURCES	TARGET'S RELATION TO RESOURCES				
			PREVENT	PREPARING FOR RE-USE	RECYCLE	RECOVER	DISPOSE
50% of production waste recycled by 2027, increasing to 70% by 2030	Annual amount of production waste recycled	**Resource inflow:** Maximizing circular material use while minimizing reliance on primary raw materials. **Resource outflow:** Optimizing material recirculation through proper waste sorting, processing, and reuse.			✘		
Recycle 20% of end-of-life tarps by 2035	Percentage of EoL tarpaulins recycled	**Resource inflow:** Maximizing circular material use while minimizing reliance on primary raw materials. **Resource outflow:** Ensuring proper recirculation of materials through recycling initiatives.			✘		
Develop a take-back program by 2030, allowing customers to return used tarps	Number of tarps returned	**Resource inflow:** Encouraging circular material use by reintegrating return products. **Resource outflow:** Facilitating material reuse and recycling, reducing overall waste generation.	✘	✘	✘		

[E5 - 4]

Resource inflows

Overview of resource inflows

Our primary resource inflows consist of polypropylene (PP) and polyvinyl chloride (PVC), which are essential to the production of our tarpaulins. In addition to these materials, we also use smaller quantities of polyester, nylon, polyethylene, metals, and HDPE in our production processes.

Currently, all plastic raw materials used are virgin fossil-based, and we do not yet incorporate bio-based materials in our products. However, we are exploring alternatives to reduce our reliance on virgin resources and increase circularity in our material inflows.

Our packaging materials primarily include wood pallets, bubble wrap, stretch film, and paper-based products, which protect products during transport.

In line with our commitment to reducing our environmental impact, we have introduced FreeTarp, which is PVC-Free, Phthalate-Free, BPA-Free, Antimony-Free, Lead-Free, and Heavy Metal-Free.

Overall weight of products, technical and biological materials

2,457 t

Percentage of biological materials sustainably sourced

0%

Percentage of secondary reuse or recycled components

0.9%

[E5 - 5]

Resource outflows

By designing products for durability and repairability, we support a more efficient use of materials. With the 2024 expansion of our facility in Poland, we have significantly increased our capacity to wash, repair, and reuse tarpaulins – helping improve resource efficiency and reduce waste.

Resource outflows and waste management

In 2024, we generated 179.33 tonnes of waste, which is 5.8% less than in 2023. Our waste management approach follows the waste hierarchy principles, prioritizing prevention, reuse, recycling, and responsible disposal.

While total waste generation decreased, we have also improved our waste intensity relative to revenue, demonstrating more efficient resource use.

		2024				2023		
	UNIT	HAZARDOUS	NON-HAZARDOUS	TOTAL	CHANGE COMPARED TO 2023	HAZARDOUS	NON-HAZARDOUS	TOTAL
TOTAL WASTE GENERATED	t	3.06	176.27	179.33	-6%	1.42	188.96	190.38
DIVERTED FROM DISPOSAL								
Preparation for reuse	t	0	0	0	0%	0	0	0
Recycling	t	0	61.48	61.48	-11%	0	68.89	68.89
Other recovery operations	t	0	1.27	1.27	n/a	0	0	0
TOTAL WASTE DIVERTED FROM DISPOSAL	t	**0**	**62.75**	**62.75**	**-9%**	**0**	**68.89**	**68.89**
DIRECTED TO DISPOSAL								
Incineration	t	0	29.28	29.28	-48%	0	56.56	56.56
Landfill	t	0.03	77.47	77.50	+46%	0.05	53.13	53.18
Other disposal operations	t	3.03	6.77	9.80	-17%	1.37	10.38	11.75
TOTAL DIRECTED TO DISPOSAL	t	**3.06**	**113.52**	**116.58**	**-4%**	**1.42**	**120.07**	**121.49**
NON-RECYCLED WASTE								
TOTAL NON-RECYCLED WASTE	t	**3.06**	**114.79**	**117.85**	**-3%**	**1.42**	**120.07**	**121.49**
Share of non-recycled waste	%	100	65	66		100	64	64
SHARE OF RECYCLED WASTE	%	0	35	34		0	36	36

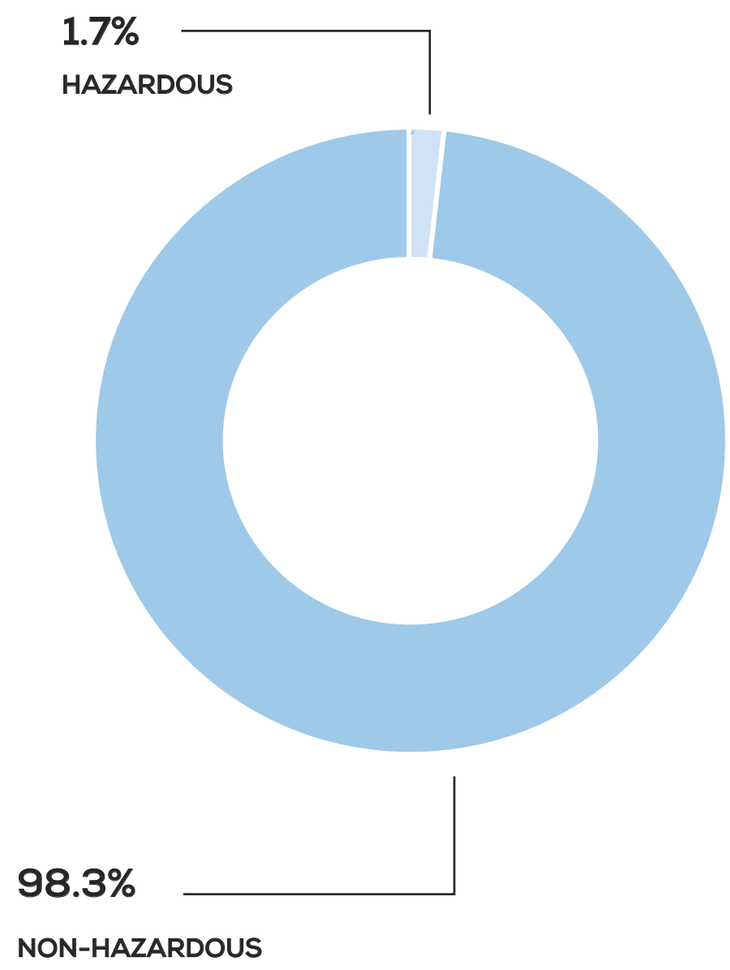
Material composition of waste

Our waste streams consist of:

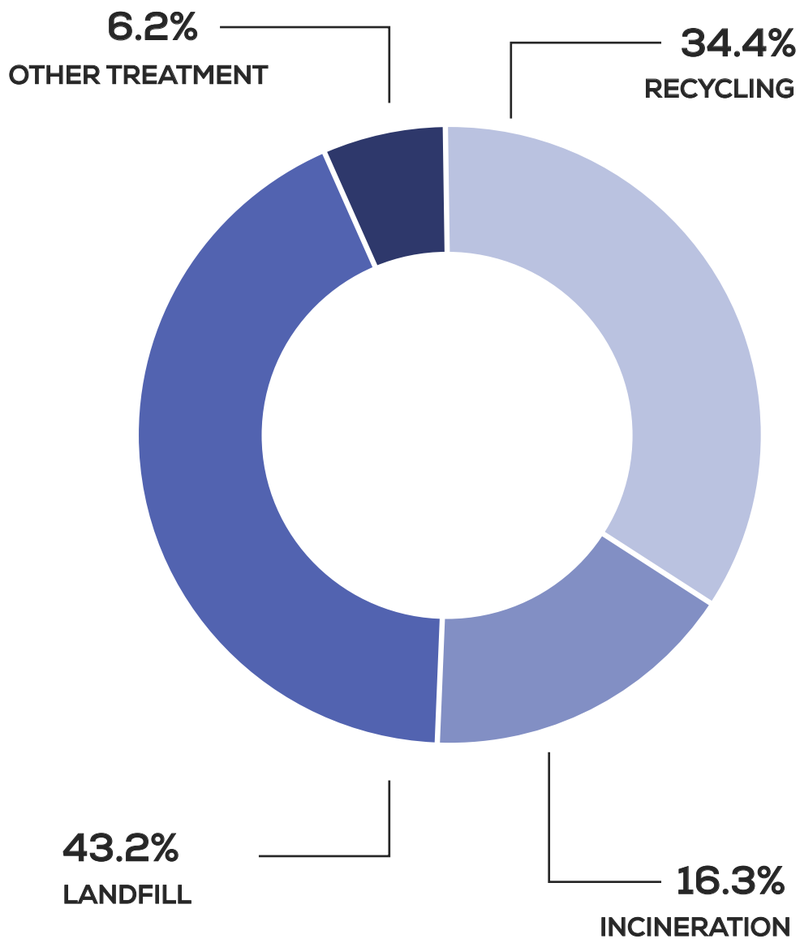
- Plastic waste (126.11 t in 2024) – primarily from used tarpaulins and production scrap,
- Paper waste (28.41 t in 2024) – from packaging and office operations,
- Unspecified waste (17.24 t in 2024),
- Bio waste (4.07 t in 2024) – organic waste,
- Sewage waste (2.69 t in 2024) – from manufacturing processes,
- Metal and electronic waste (0.79 t) – from damaged components and discarded equipment.

Our waste management approach ensures that hazardous waste is properly treated, and we continue to explore ways to increase recyclability and circularity in waste processing. Hazardous waste stream consists of a limited number of wiping cloths and waste equipment containing hazardous components, while the non-hazardous waste stream includes various production residues.

TYPE OF WASTE, 2024



DIRECT DISPOSAL, 2024



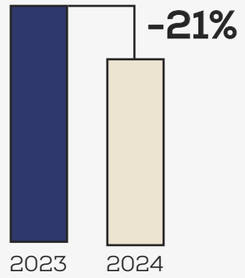
[E5 - 6]

Potential financial effects from resource use and circular economy-related impacts, risks and opportunities

We have chosen to utilize the phase-in allowance to exclude the financial effects of material risks and opportunities, as required in E5-6.

WASTE INTENSITY

TOTAL WASTE PER NET REVENUE



RESOURCE OUTFLOW

2024

Absolute weight of recyclable content in product and packaging **1,197.50 t**

48.74% Rate of recyclable content in product and packaging

SOCIAL

[S1] OWN WORKFORCE

At Hans Aa, our employees are our most valuable asset. We are committed to creating and maintaining a safe, healthy, and inclusive work environment where everyone can thrive and grow. Our management team takes active responsibility for workplace safety and well-being by ensuring that guidelines are followed and effectively communicated. We encourage all employees to share their feedback and needs so that we can continuously improve working conditions together. Our own workforce consists of employees across our operations in Denmark, Poland, and China, as well as four non-employees. Employees include both production and office staff, with production employees being more exposed to material impacts related to health and safety risks. Non-employees consist of external consultants.

In 2024, our workforce grew by 13.3%, reaching 349 employees across our locations in Denmark, Poland, and China. Our workforce is distributed across our sites with 60.17% based in Poland, 29.79% in China, and 10.04% in Denmark.

All materially affected members of Hans Aa's own workforce are included in the scope of this disclosure.

[SBM - 3]

Material impacts, risks, and opportunities and their interaction with strategy and business model

The materiality assessment outlined in disclosure requirement IRO-2 identified the following material impacts, risks and opportunities. We did not identify operations with significant risk of forced or child labor.

IRO : Working conditions

TYPE	DESCRIPTION
Actual positive impact	**Good working conditions:** At Hans Aa, we prioritize fair and secure employment, ensuring that all employees benefit from stable job conditions, fair wages, and reasonable working hours. We are committed to upholding employee rights and promoting long-term job security. By fostering a positive workplace culture, we strive to create an environment where employees feel supported and encouraged in their roles. 100% of our own workforce are covered by social protection through public programs or through benefits offered upon loss of income due to sickness. Covered sub-topics are adequate wages, social protection, work-life balance, and human rights.

IRO : Working conditions

TYPE	DESCRIPTION
Opportunity	**Attracting talent:** Providing good working conditions is essential to our success, as it helps us attract and retain talented professionals who seek stability, fair employment practices, and growth opportunities. A supportive work environment combined with competitive employment terms enhances our ability to recruit skilled individuals and build a strong, committed workforce for the future.

IRO : Health and safety

TYPE	DESCRIPTION
Actual negative impact	**Work-related injuries:** Ensuring a safe work environment is a key priority. While all roles carry some level of risk, warehouse and production environments present a higher likelihood of physical incidents compared to office settings. Beyond physical harm, workplace accidents can lead to emotional distress, financial strain, and a decline in overall well-being within the workforce.

[S1 - 1]

Policies related to own workforce

At Hans Aa, we are committed to ensuring fair working conditions, occupational health and safety, and ethical labor practices across all locations. While our workforce policies and handbooks are not yet fully harmonized across the group, they all reflect our commitment to employee well-being. We are actively working to streamline these policies. As part of this process, we will integrate elements identified through our Double Materiality Assessment (DMA), including insights from risk assessments, employee engagement surveys, and stakeholder input, to ensure our policies effectively address material workforce impacts and risks. We do not accept any violations of human rights or labor rights.

Our workforce-related policies, handbooks, and regulations currently cover, to varying degrees, the following areas:

- Fair working conditions and employment terms,
- Occupational health and safety (HSE),
- Equal opportunities, diversity, and inclusion,
- Ethical labor practices, including policies on forced labor, human trafficking, and child labor,
- Non-discrimination and anti-harassment measures.

As part of our ongoing efforts to standardize and align policies across all locations, we are working towards streamlining these policies to ensure a consistent and structured approach to workforce management throughout the organization.

Occupational health and safety management is a core part of our workforce policies. We are ISO 45001 certified in Denmark and Poland, with equivalent safety practices in place at our facilities in China.

Key safety measures include:

- Hazard identification and risk assessments to prevent workplace injuries,
- Structured incident reporting systems to ensure resolution of safety concerns, and

Hans Aa's Executive Management Team is responsible for ensuring that workforce policies are implemented and monitored effectively. The Group CEO holds the highest accountability, ensuring that employee well-being and responsible workforce management remain strategic priorities.

[S1 - 2]

Processes for engaging with own workers and workers' representatives about impacts

At Hans Aa, we encourage employees to speak up and share their perspectives, fostering an open workplace culture. We believe that actively listening to our employees is essential for creating a positive work environment and making well-informed decisions that support both our workforce and the organization.

Our engagement processes vary across our locations. We have a formal engagement process through Annual Employee Development Interviews in Denmark and a similar structured process is in place in Poland. While a structured approach has not yet been implemented in China, we are working towards introducing a consistent and comprehensive employee development framework across all locations. Our approach relies on direct employee engagement with managers and Human Resource teams to ensure that perspectives are heard, which help shape policy improvements, working conditions, and workplace initiatives.

[S1 - 3]

Processes to remediate negative impacts and channels for own workforce to raise concerns

Employees are encouraged to report concerns directly to their manager or Human Resources. In addition, we have a whistleblower mechanism at our Polish site. Our whistleblower policy protects against retaliation, ensuring that employees can speak up without fear of negative consequences. In 2025, we are working towards implementing a global whistleblower system despite not being legally required to do so. All reported concerns are reviewed, and corrective actions are taken where necessary.

[S1 - 4]

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

In 2024, we initiated efforts to streamline our workforce policies to create a structured and consistent approach across all locations. This work will continue in 2025, focusing on implementation and concrete actions to improve working conditions, workplace safety, and employee well-being.

As part of this effort, our DMA provided key insights into workforce-related impacts across different legal and risk environments. We also integrated Workplace Assessment (APV) findings to better understand absenteeism drivers and implement targeted interventions. Moving forward, we plan to introduce employee well-being surveys to continuously assess and improve working conditions, ensuring a proactive approach to employee engagement and satisfaction.

Risk assessment and mitigation efforts

We take a proactive approach to risk management, implementing preventive measures to minimize workplace accidents and fostering a transparent feedback culture where employees feel empowered to raise concerns and contribute to continuous improvements. Workplace incidents and absenteeism rates are monitored regularly and reported to the Board of Directors, ensuring accountability and ongoing enhancements to our work environment.

Key actions related to working conditions

In accordance with national laws, we uphold our employees' rights to freedom of association, including the right to join labor unions and works councils without fear of discrimination, harassment, intimidation, retaliation, or violence. We also recognize and respect employees' rights related to working hours, fair wages, and flexible work arrangements, supporting a healthy work-life balance where possible. All our employees (both fixed-salary and hourly workers) are on permanent contracts. We do not employ workers on zero-hour contracts.

We prohibit forced labor, child labor, and discrimination and expect the same from our suppliers.

We ensure that employees receive a fair wage that align with relevant regulations and standards.

All employees in our workforce receive social protection, either through public schemes or company-sponsored benefits, ensuring financial stability during key life events. In addition, all employees at Hans Aa are entitled to various degrees of family-related leave.

Key actions related to health and safety

We have implemented emergency preparedness plans, standardized safety procedures, and mandatory training programs for chemical handling and emergency response. Personal Protective Equipment (PPE) compliance is reinforced. Currently, 70.2% of our employees are covered by our Health and Safety Management System.

Tracking and assessing the effectiveness of workforce actions

We regularly monitor and assess the effectiveness of our workforce initiatives to ensure continuous improvement. Absenteeism rates and workplace incidents are tracked, with findings reported to the Board of Directors, ensuring transparency and accountability in workforce management. Where applicable, employee survey results and APV analyses inform adjustments to workplace well-being programs.

Addressing workforce risks and opportunities

Managing workforce risks and opportunities is key to our sustainability strategy. We prioritize risk mitigation while seizing opportunities to enhance employee engagement, workplace conditions, and career development. Insights from workforce data, employee feedback, our DMA, and APV assessments guide our actions.

[S1 - 5]

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

At Hans Aa, we have established clear, time-bound targets to reduce material negative impacts, enhance workforce well-being, and improve occupational health and safety. These targets reflect our commitment to continuous improvement and accountability in workforce management.

Our workforce targets are based on workplace safety data, absenteeism trends, and employee feedback gathered through APV and engagement surveys. Progress against these targets is regularly tracked and assessed, with key findings reported to the Board of Directors to ensure transparency, accountability, and continuous improvement.

Targets

- **Zero severe injuries and fatalities** – We aim to maintain a zero-incident record annually on severe injuries and fatalities.
- A **Total Recordable Incident Rate** (TRIR) reduction target of **maximum 2.0** (with 200,000 hours as proxy) to continuously improve safety performance.
- **Reduce employee absence to 3%** – We have introduced targeted initiatives to support this goal, focusing on workplace well-being, proactive health management, and monitoring trends.

[S1 - 6]

Characteristics of undertaking's employees

Our headquarters is located in Denmark (Esbjerg), with additional locations in Poland (Piła) and two sites in China (Chuzhou and Ningbo).

At the end of 2024, the total number of employees was 349, representing an increase of 41 employees (13.3%) compared to 2023.

During the reporting period, the employee turnover rate was 6%.

The headcount increase from 2023 to 2024 was primarily driven by expansion in Poland and China, where additional employees were needed to support growing operations. The gender distribution has become more balanced in 2024, with 45% male and 55% female employees.

GENDER	2024	2023
Female	191	182
Male	158	126
Other	0	0
Not reported	0	0
Total	**349**	**308**

COUNTRY	Number of employees (headcount) 2024	2023
Poland	210	187
China	104	88
Denmark	35	33

	FEMALE		MALE		OTHER		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
Number of employees	191	182	158	126	0	0	349	308
Number of permanent employees	191	182	158	126	0	0	349	308
Number of temporary employees	0	0	0	0	0	0	0	0
Number of non-guaranteed hours employees	0	0	0	0	0	0	0	0

[S1 - 7]

Characteristics of non-employees in undertaking's own workforce

Our own workforce includes four non-employee workers, specifically consultants within QHSE, sustainability, and IT. These individuals have been contracted due to their specialized expertise and are classified as self-employed workers. We do not rely on temporary non-employee labor.

	2024	2023
Total number of non-employee workers in own workforce	4	4
Total number of non-employee workers in own workforce - self-employed workers	4	4
Total number of non-employee workers in own workforce - workers provided by undertakings primarily engaged in employment activities	0	0

[S1 - 8]

Collective bargaining coverage and social dialogue

As of the reporting period, 80% of employees in Denmark are covered by a collective bargaining agreement. (negotiated by Danish Industry and CO-industri). No employees in Poland or China are currently covered by such agreements. For employees not covered, working conditions are determined directly by the company and not based on collective agreements.
Hans Aa has not established a European Works Council or other cross-border employee representation bodies. No agreements on such representation currently exist.

[S1 -10] + [S1 - 11] + [S1 -15]

Adequate wages, social protection and work-life balance

At Hans Aa, we ensure that all employees across our operations in Denmark, Poland, and China receive an adequate wage in line with relevant benchmarks. In Denmark, wages exceed the requirements outlined by the collective agreements. For those employees who are not covered by collective agreements, we ensure that their wages are aligned with market standards. In Poland and China wages meet or exceed national legal standards.

We ensure that all employees are covered by social protection against loss of income due to major life events through public programs or company-provided benefits. Lastly, we ensure that all employees are entitled to family-related leave, as provided by national laws and/or collective agreements. All employees at Hans Aa have access to these benefits, ensuring work-life balance. We track utilization rates to ensure that employees are aware of and can make use of their leave entitlements as needed.

[S1 -14]

Health and safety metrics

Health and safety are top priorities at Hans Aa, and we continuously work to improve workplace safety across all operations. In 2024, the number of recordable work-related incidents remained at eight, the same as in 2023. However, as the total number of hours worked increased by 7.85% compared to 2023, our TRIR per 1 million working hours decreased from 13.84 in 2023 to 12.83 in 2024, reflecting a relative improvement in safety performance.

When measured per 200,000 working hours, the TRIR was 2.57 in 2024, down from 2.77 in 2023. While TRIR is a widely used benchmark, it is important to recognize that 1 million working hours correspond to approximately two years of work at Hans Aa. As a result, TRIR fluctuations may be influenced by individual incidents rather than a broad trend, making it less representative of the continuous improvements and preventive measures implemented throughout the year.

We are proud to report that there were zero fatal accidents in 2024, reinforcing our commitment to maintaining a safe and secure work environment. With a continued and strengthened focus on health and safety, Hans Aa aims to further reduce incidents through proactive risk management, enhanced training programs, and continuous monitoring of workplace safety.

We currently do not have data on number of cases of work-related ill health. Non-employees are not covered by our health and safety management system but experienced 0 incidents in 2024.

	2024	2023
Total recordable Injuries per 200,000 working hours	2.57	2.77
Total recordable Injuries per million working hours	12.83	13.84
Total Recordable Injuries (number)	8	8
- Of which Lost Time Injuries (number)	7	7
- Of which fatal injuries	0	0
Number of days lost due to work-related injuries and fatalities	156	255
Percentage of own workers who are covered by health and safety management system	70.20%	71.40%

[S1 -17]

Incidents, complaints and severe human rights impact

In 2024, no incidents of severe human rights violations (such as forced labor, human trafficking, or child labor) were detected.

[S2] WORKERS IN THE VALUE CHAIN

Workers in our value chain primarily consist of employees at supplier companies, particularly those involved in raw material sourcing, manufacturing, and logistics. To address potential negative impacts and protect workers throughout our supply chain, we have implemented a Supplier Code of Conduct and conduct regular visits to our largest suppliers.

[SBM -3]

Material impacts, risks and opportunities and their interaction with strategy and business model

The materiality assessment outlined in disclosure requirement IRO-2 identified the following material impacts, risks and opportunities. Impacts are identified as a potential negative impact in the upstream value chain, which covers different tiers of suppliers from manufacturing to mining sites.

IRO : Working conditions

TYPE	DESCRIPTION	How Hans Aa's strategy and/or business model mitigate the IRO
Potential negative impact	There is a potential risk of poor working conditions in the upstream value chain, particularly concerning employment conditions, excessive working hours, unfair wages, and labor rights violations. These risks may impact workers' well-being and conflict with our commitment to ethical labor practices.	We maintain an ongoing dialogue with key suppliers and regularly visit our largest suppliers, with a goal of conducting audits in the near future.

IRO : Health and safety

TYPE	DESCRIPTION	How Hans Aa's strategy and/or business model mitigate the IRO
Potential negative impact	Health risks associated with PVC exposure are a concern for workers throughout the value chain. These risks arise from the chemical composition and additives in PVC, which can be hazardous if not handled properly.	To mitigate these risks, we conducted tests on our PVC materials in 2024 to ensure compliance with the European Chemicals Agency's (ECHA) Substances of Very High Concern (SVHC) list under the REACH regulation.

[S2 - 1]

Policies related to value chain workers

We strive to contribute to fair and safe working conditions throughout our value chain where possible. Responsibility for supplier oversight lies with relevant managers and procurement teams, who evaluate supplier compliance across various criteria.

Our Danish Supplier Code of Conduct sets out minimum requirements for labor rights, human rights—including forced labor, human trafficking, and child labor—as well as ethical business conduct. We expect all suppliers to comply with national laws and regulations, as well as the principles outlined in our Supplier Code of Conduct.

While compliance is not currently assessed through formal audits, we conduct regular visits to key suppliers and aim to develop a structured supplier assessment framework in the future. For further details on the application and oversight of the Supplier Code of Conduct, see G1-1.

[S2 - 2]

Processes for engaging with value chain workers about impacts

We recognize the importance of engaging with value chain workers to assess working conditions and potential risks. While our current engagement primarily takes place through supplier management, we conduct regular visits to key suppliers to observe workplace conditions and compliance with labor standards.

[S2 - 3]

Processes to remediate negative impacts and channels for value chain workers to raise concerns

As part of our commitment to responsible business practices, we are working towards improving grievance mechanisms for value chain workers. While we do not yet have a dedicated channel for workers in our supply chain to raise concerns directly, we recognize the need for accessible and confidential reporting mechanisms.

Our future efforts will focus on identifying best practices for grievance handling and remediation. In the interim, we continue to monitor supplier performance and compliance through regular engagement with supplier management.

[S2 - 4]

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

We do not currently have a formal system for identifying labor rights violations, but if concerns arise, we evaluate them on a case-by-case basis and determine the appropriate course of action. In 2024, no such cases were identified that required termination of supplier relationships. To support health, safety, and environmental (HSE) standards across our value chain, we conducted material testing in 2024 to ensure compliance with REACH and ECHA regulations, verifying that our materials meet legal requirements. However, while these tests verify legal compliance for materials, they do not assess working conditions or occupational health and safety at supplier sites.

Moving forward, we aim to strengthen our ability to identify and address risks within our supply chain by enhancing supplier engagement and improving monitoring efforts.

[S2 - 5]

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We at Hans Aa have not yet set formal targets for working conditions and health & safety in the value chain. In 2025, we will assess key risks, define measurable targets, and establish tracking methods to monitor progress. This process will include engagement with suppliers and industry stakeholders to ensure effectiveness

BUSINESS CONDUCT

At Hans Aa, governance the way we do business is more than just compliance—it is the foundation of our trust-based partnerships and commitments to integrity, accountability, and continuous development. We prioritize transparency, ethical business conduct, and strong corporate values, ensuring that we not only meet industry standards but set them.

Our approach to governance business conduct is rooted in a corporate culture that values reliability, flexibility, and innovation, making us a trusted business partner. By fostering a positive and responsible workplace culture, we strengthen employee engagement, brand reputation, and long-term partnerships. At the same time, we remain vigilant against risks such as corruption and bribery, recognizing their potential impact on our business and stakeholders.

Targets

- Conduct at least **3 supplier audits annually** from 2026
- **100%** white-collar employees **trained in Code of Conduct** every three years
- **100%** white-collar employees **trained in ESG**

[SBM - 3]

Material impacts, risks and opportunities and their interaction with strategy and business model

The materiality assessment outlined in disclosure requirement IRO-2 identified the following material impacts, risks and opportunities:

IRO : Corporate culture

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Actual positive impact	**Corporate culture:** At Hans Aa, our corporate culture is built on trust, accountability, and continuous development, ensuring that we operate as a trusted business partner. We recognize that our employees are our most valuable asset and foster a workplace where integrity and responsibility drive long-term success. A core aspect of our culture is the belief in partnership and reliability. We are more than just a supplier– we are a trusted partner. Internally, this means fostering an open and honest work environment, where transparency and responsibility are key values. Externally, it translates into strong partnerships with customers, where commitments are upheld, and agreements are honored without exceptions.	We continuously work to strengthen our corporate culture by maintaining clear ethical guidelines, encouraging employee engagement, and reinforcing our values through leadership and training.

IRO : Corporate culture

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Opportunity	**Brand value:** A strong corporate culture enhances our reputation for integrity and responsibility. By fostering a workplace where employees feel valued, we improve retention and attract skilled professionals. A well-established corporate culture also strengthens long-term partnerships and customer trust, ensuring a competitive advantage in the market.	We reinforce our corporate culture by embedding our values into leadership practices, development opportunities, and engagement initiatives.

IRO : Corruption and bribery

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Risk	At Hans Aa, we uphold high ethical standards and consider the risk of corruption and bribery within our operations and value chain to be low. However, we recognize that if such incidents were to occur, they could have financial and reputational consequences. Maintaining integrity and ensuring compliance with ethical business standards remain key priorities in safeguarding stakeholder trust and business sustainability.	We have a group-wide anti-corruption policy that ensures compliance with national and international legal frameworks. This policy also includes clear definitions of what we consider to be corruption and bribery to prevent misunderstandings and ensure a consistent approach across our organization.

[G1 - 4]

Incidents of corruption or bribery

In 2024, we did not experience any incidents of corruption or bribery. There were no legal actions, convictions, or fines related to violations of anti-corruption or anti-bribery laws during the reporting period. Additionally, no employees were disciplined or dismissed for corruption-related misconduct, and no business contracts were terminated due to such violations.

[G1 - 1]

Business conduct policies and corporate culture

Disclosure of initiatives to establish, develop and promote corporate culture as well as policies with respect to business conduct matters

Commitment to ethical business practices

At Hans Aa, we foster a corporate culture founded on trust, accountability, and ethical business conduct. Our employee handbooks outline clear expectations for responsible decision-making and professional integrity. To enhance transparency and reinforce ethical standards, we are working towards expanding our existing whistleblower system in Poland into a global mechanism, ensuring all employees have a secure and confidential channel to report concerns.

Anti-corruption and compliance

We maintain a zero-tolerance policy for bribery and corruption. Our group-wide anti-corruption policy applies to all employees, board members, and relevant third parties. It provides clear definitions of bribery, facilitation payments, kickbacks, and political contributions to prevent ambiguity and ensure full compliance with internal ethical guidelines and external legal requirements. Non-compliance may result in disciplinary action, including dismissal, as well as potential legal consequences.

The CEO and senior leadership are responsible for overseeing business conduct risks and ensuring compliance with ethical standards.

Governance and certification

Hans Aa is committed to upholding internationally recognized governance and compliance standards. Our operations in Denmark, Poland, and China are ISO 9001 and ISO 14001 certified, ensuring quality management and environmental responsibility. Additionally, our sites in Denmark and Poland are ISO 45001 certified, reflecting our commitment to workplace health and safety.

We continuously evaluate and refine our governance practices to maintain transparency, integrity, and responsible business conduct across all operations.

[G1 - 3]

Prevention and detection of corruption or bribery

At Hans Aa, we maintain a zero-tolerance policy on corruption and bribery. To prevent and detect corruption risks, we have established clear compliance procedures. All designated employees are required to read, understand, and adhere to our group-wide anti-corruption policy. Employees must avoid any activity that could compromise ethical standards or indicate a potential breach of this policy.

If an employee suspects corruption or bribery, they are encouraged to report concerns to their line manager or the compliance manager.

To strengthen awareness and compliance, we provide annual anti-corruption training for employees in roles exposed to bribery risks. This training is also included in the onboarding program for new employees in designated roles. The compliance manager is responsible for monitoring, reviewing, and updating our anti-corruption framework to ensure it remains effective and aligned with evolving regulatory requirements. Any necessary improvements are promptly identified and implemented.

Entity specific disclosure: Data and cybersecurity

At Hans Aa, data protection and cybersecurity are fundamental to maintaining trust and ensuring the integrity of our operations.

[SBM - 3]

Material impacts, risks and opportunities and their interaction with strategy and business model

The materiality assessment outlined in disclosure requirement IRO-2 identified the following material impacts, risks and opportunities:

IRO : Data and cybersecurity

TYPE	DESCRIPTION	HOW HANS AA'S STRATEGY AND/OR BUSINESS MODEL MITIGATE THE IRO
Risk	**Data and cybersecurity breaches:** At Hans Aa, we recognize the critical importance of protecting our digital infrastructure against potential cybersecurity threats. Incidents of data breaches or cyberattacks can result in financial losses and operational downtime.	We take data and cybersecurity very seriously and mitigate risks through a robust IT policy and strong security controls, ensuring data protection and resilience against cyber threats.

Policies

We have implemented an IT security policy to ensure that our digital environment is well-protected.

This policy covers:

- Data protection and access control – Ensuring that data is handled responsibly, and access is restricted to authorized personnel.
- Cybersecurity safeguards – Implementing strong protection measures to defend against cyber threats.
- Incident management – Ensuring clear procedures are in place to detect, respond to, and mitigate security incidents effectively.

Hans Aa follows industry best practices and regulatory requirements to maintain a high level of security and compliance across all business units.

Actions and targets

We continuously assess and enhance our cybersecurity framework to stay ahead of potential threats. Our efforts include:

- Ongoing investments in security solutions that strengthen our digital infrastructure.
- Alignment across our international locations to ensure a consistent and robust security approach.
- Regular reviews to maintain high security standards and adapt to new challenges.

We at Hans Aa remain committed to protecting business-critical systems, maintaining data integrity, and ensuring the trust of our customers and partners. We have increased investments into cybersecurity capabilities over the last couple of years.

Accounting policies

Reporting Period
Our reporting covers the period from January 1, 2024, to December 31, 2024.

Reporting Scope
The report includes all entities under the operational control of Hans Aa A/S, as referenced in the Annual Report 2024.

Reporting Framework
The report is structured in alignment with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). However, it is not yet fully compliant with these standards.

ENVIRONMENTAL

Energy Consumption
The report details the company's total energy consumption, which is measured in physical quantities. The data covers both production and office energy consumption, and the energy intensity is calculated by dividing the total Energy Consumption by net revenue (MWh/ net revenue in thousand DKK).

GHG Emissions
Carbon emissions are calculated using carbon dioxide equivalents (CO_2e) to encompass all greenhouse gases, following the ESRS and GHG Protocol guidelines. GHG intensity is calculated by dividing total GHG emissions by net revenue (t CO_2e/net revenue in thousand DKK). The emission factors are selected for the year 2011-2023, sourced from Ecoinvent.

In this ESG report, Hans Aa applies the operational control approach in line with the GHG Protocol Corporate Standard. This includes all sites under operational control: Hans Aa A/S (Denmark), Hans Aa Polska (Poland), Hans Aa Chuzhou and Hans Aa Ningbo (China).

Scope 1 – Direct GHG Emissions
Scope 1 emissions include direct GHG emissions from fuel consumption in company-owned or -controlled vehicles and equipment (e.g. forklifts), as well as gas heating in Poland (with gas furnaces on site).

Denmark:
Fuel consumption data for the vehicle fleet is estimated by dividing total annual fuel expenditure by the average annual diesel price. The resulting fuel volume is multiplied by a CO_2e emission factor sourced from the UK Government GHG Conversion Factors for Company Reporting – Diesel (2.70 kg CO_2e/liter). For propane/butane used in forklifts, consumption is aggregated from supplier invoices, and the emission factor used is 1.75 kg CO_2e/liter, based on the UK Government GHG Conversion Factors for Petrol (Butane).

Poland:
Fuel data was provided in tonnes. To enable emission calculations, the following conversion factors were applied:

- Diesel: 1 liter = 0.84 kg
- Petrol: 1 liter = 0.775 kg
- Propane/butane: 1 kg = 1.96 liters

These conversion factors were sourced from public technical references. Emission factors applied are consistent with those used in Denmark: 2.70 kg CO_2e/liter for diesel and 2.34 kg CO_2e/liter for petrol (UK Government GHG Conversion Factors for Company Reporting – 100% Mineral Petrol).
Gas heating data was provided in m^3, whereas related emission factors from the UK Government reporting scheme were used.

China:
No Scope 1 emissions are reported for the Chinese sites, as there are no company-owned vehicles or forklifts in use.

Scope 2 – Indirect GHG emissions from energy consumption
Scope 2 emissions are calculated using both the location- and market-based methods in accordance with the GHG Protocol.

Denmark:
Electricity consumption data (in kWh) is aggregated from utility bills. Emission factors are provided by Energinet, which supplies specific CO_2 intensity values for grid electricity consumption in Esbjerg. These factors have improved in recent years due to the increased share of renewable energy.
Heat consumption (in GJ) is obtained from the heat supplier Din Forsyning, whose emission factors have also improved over time due to infrastructure upgrades (e.g., installation of heat pumps and reduced fossil fuel usage).

Poland:
Electricity data is provided by local management, with additional data on electricity generated by on-site solar panels. It is estimated that 90% of solar electricity is self-consumed and 10% is exported to the grid. Total electricity consumption includes both purchased and self-generated electricity. A zero-emission factor is applied to solar energy in the location-based Scope 2 calculation, while the grid electricity emission factor is 0.93 kg CO_2e/kWh, sourced from One Click LCA.
In the market-based calculation, the general grid electricity emission factor of 0.93 kg CO_2e/kWh was applied when accounting for the electricity consumption from self-generated sources.

China:
Electricity consumption data is aggregated from invoices. The emission factor for electricity is based on the average Chinese power mix, sourced from Open Click LCA.

Scope 3 – Indirect GHG emissions from value chain activities
We calculate and report Scope 3 emissions in accordance with the GHG Protocol. We include the most relevant Scope 3 categories and continuously improve data collection and estimation methods to ensure enhanced accuracy, completeness, and consistency over time.
Categories have been selected based on information in our materiality assessment. At the same time, certain categories have been excluded due to current limitations in data availability or quality, with the aim of including them in future reporting as data improves

Category 1 – Purchased goods and services
Emissions are calculated using the average data method as defined by the GHG Protocol. CO_2e emission factors are sourced from Ecoinvent.
Currently, the inventory covers 73% of all purchased products, measured by monetary value. Due to data limitations, services are not yet included. In Denmark, a materiality threshold of DKK 20,000 is applied to manage reporting complexity given the high volume and diversity of procured goods. Purchases below this threshold are excluded. Material weight data is primarily extracted from internal ERP-systems. Where gaps exist, supplementary data is gathered from supplier websites. Procurement is decentralized, with each branch – Hans Aa Trading, Hans Aa Manufacturing, Hans Aa Polska Spólka z.o.o, Hans Aa Chuzhou, and Hans Aa A/S – responsible for its own purchasing activities. To ensure a standardized approach across all branches, a dedicated Excel template has been developed with detailed instructions. Each branch uses this tool to extract and compile relevant procurement data from their respective ERP systems. The consolidated dataset is reviewed and processed in Denmark, where material categories are matched with appropriate CO_2e factors to determine total emissions.

Category 5 – Waste generated in operations
Emissions related to operational waste are calculated using the waste-type-specific

method, following GHG Protocol guidance.
Activity data is sourced from local waste service providers (e.g., City Container in Denmark) to ensure reliability and traceability. CO_2e emission factors are obtained from Ecoinvent, and disposal routes – such as recycling, incineration, and landfill – are based on provider data.
In China, Hans Aa engages in material reuse practices, where PVC waste is sold to third-party recyclers. This not only diverts waste from landfill but also extends the lifecycle of materials and reduces overall GHG impact.

Category 9 – Downstream transportation and distribution

Emissions from downstream logistics are estimated using the distance-based method, in accordance with GHG Protocol recommendations. CO_2e factors are expressed in kg CO_2e per tonne-kilometer (tkm) and sourced from Ecoinvent.
Due to ERP limitations, transportation data is not systematically available across all branches. In Poland, transport information is partially integrated, while other branches manually collect data from major logistics providers. These include:

- Denmark: Esbjerg Gods, Blue Water Shipping
- Poland: DB Schenker and other local providers
- China: DVS, Compass

Collected data includes the weight of transported goods, origin and destination cities, and mode of transport (road, sea, air). Transport distances are calculated using Google Maps. For road transport, calculations assume transportation by a EURO 4 semi-truck (3.5–7.5 tonnes). Specific Ecoinvent emission factors are applied for sea and air freight.
Emissions are calculated using the following formula: Emissions = Transport Distance × Weight (tonnes) × CO_2e Factor (kg CO_2e/tkm)

Resource inflow

Resource inflow metrics include the total weight of products and materials, the percentage of biological materials based on total weight, and the total weight and proportion of secondary, reused, or recycled components. The scope encompasses materials used in both product manufacturing and service operations. Data sources for resource inflow calculations are referenced from the internal ERP system.

Resource outflow

Resource outflow is measured based on key indicators, including repairability and durability, which are defined by the number of times a tarpaulin is repaired during its lifecycle. Additionally, recyclability is assessed as the proportion of recyclable material within the total tarp composition.

- Repairability is defined by the number of repairs per tarpaulin during its lifecycle. Currently, no data is available on repair frequency.
- Durability varies by material, application, and industry.
- Recyclability is calculated as the share of recyclable materials purchased in 2024

We aim to improve data collection on product lifecycle and material circularity going forward.

Waste

We collect waste data from local waste management providers in each country to ensure full coverage of operational waste across the group. Waste is classified as hazardous or non-hazardous based on disposal routes (e.g. recycling, incineration, landfill) and material type (e.g. plastic, metal).

- In Denmark, data is sourced from City Container.
- In Poland, data is from official documentation provided by local waste contractors.
- In China, waste estimates are based on either weight or cost, depending on waste type.

We calculate the share of non-recycled waste by dividing non-recycled waste by total waste. The same method is applied to determine the proportion of hazardous and non-hazardous waste.

The rate of other recovery operations (e.g. incineration, anaerobic digestion) is calculated by dividing recovered waste by total waste. We aim to improve data granularity and coverage, particularly for cost-based estimates in China.
Waste intensity is calculated by dividing total waste (in tonnes) by net revenue (in thousand DKK).

SOCIAL

Working conditions

The term "own workforce" (S1) is defined as all employees and other workers who operate under the supervision and control of Hans Aa. This includes employees with standard or temporary contracts directly employed by Hans Aa, as well as full-time, part-time, and non-guaranteed hours workers.

Headcount and Full-Time Equivalents (FTEs)

Headcount employees are defined as the total number of employees meeting the criteria of the own workforce by end of 2024. Full-Time Equivalents (FTEs) are calculated based on total hours worked at the end of the reporting year

Employee turnover

We calculate employee turnover in alignment with ESRS AR 59, which defines turnover as the aggregate number of employees who leave the company voluntarily, due to dismissal, retirement, or death in service.
The numerator of the turnover rate includes all such departures over the reporting period.
For the denominator, we apply the average number of employees during the year, calculated as:
(Headcount at the beginning of the year + headcount at the end of the year) / 2
This approach ensures that the turnover rate reflects changes in workforce size and allows for more accurate comparisons over time.

Incidents and complaints of severe human rights violations

Severe human rights incidents and complaints are recorded as any complaints filed through any reporting channel to Hans Aa's management.

Health and Safety

The own workforce (S1) comprises employees and workers who fall under the supervision and control of Hans Aa. 70% of the workforce is currently covered by our Health and Safety Management System, aligned with the scope of our ISO 45001 certifications in Denmark and Poland.
In Denmark, work-related injuries are registered in our internal system, WORXS. We report incidents using industry-standard safety metrics:
Total Recordable Incident Rate (TRIR) is calculated as:

- (Number of recordable incidents × 200,000) / Total working hours in one year

and

- (Number of recordable incidents × 1,000,000) / Total working hours in one year

The number of working hours used in this calculation is based on the actual working hours per year. Thus, sick days and holidays are excluded from the calculations.
Lost Time In jury (LTI) is classified as an incident occurring in the workplace that results in lost productive working time.

Workers in the value chain

Workers in the value chain refer to individuals employed in upstream or downstream activities related to Hans Aa's operations. There are no workers performing tasks at Hans Aa's sites who are not part of the own workforce.

GOVERNANCE

Incidents of corruption or bribery

Incidents of corruption or bribery are defined as any violations of our internal policies regarding anti-corruption and anti-bribery regulations. The report outlines the procedures for identifying, reporting, and documenting such incidents.