



ESG REPORT 2025





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Introduction: A message from the CEO

Sustainability is an important part of how we conduct our business at Hans Aa. We develop protective solutions for sectors including energy, maritime, and defence, with a focus on durability, safety, and operational reliability. We also work to extend product lifespan through repair, maintenance, and reuse solutions, supporting more resource-efficient operations for our customers.

In 2024, we strengthened our sustainability governance and reporting framework as part of our preparation for the Corporate Sustainability Reporting Directive (CSRD). This included improvements to governance structures, data collection systems, and the clarification of internal roles and responsibilities. These developments established a more structured foundation for integrating environmental, social, and governance considerations into our operations.

In 2025, we report in accordance with the Voluntary Sustainability Reporting Standard for SMEs (VSME). The transition to VSME reflects a proportional reporting approach aligned with our size and expected regulatory scope following recent regulatory developments. It also allows us to prioritize resources towards operational improvements and sustainability initiatives, while maintaining a structured and transparent reporting framework.

While our reporting framework has changed, our overall ambition remains unchanged. We continue to focus on reducing our environmental impact, maintaining a safe and inclusive workplace, and supporting our customers in their sustainability efforts. This report outlines our policies, actions, and performance for the year and reflects our ongoing efforts to develop more responsible and resilient business practices.



Jonas Madsen
CEO

KEY ESG FIGURES

	2025		
Environment (E)	Energy use - electricity	MWh	1,036.87
	Energy use - fossil fuels	MWh	1,063.86
	Energy use - district heating	MWh	117.22
	Scope 1 emissions	t CO ₂ e	254.31
	Scope 2 emissions (location-based)	t CO ₂ e	678.78
	Scope 3 emissions	t CO ₂ e	9,407.59
	CO ₂ e-intensity (total GHG emissions per employee)	t CO ₂ e / employee	28.80
	Water withdrawal	m ³	4,007
	Total amount of waste	t	237.85
	Share of waste sent for recycling	%	44
Social (S)	Employees (as of December 31, 2025)	Headcount	359
	Number of training hours per employee (average)	h	7.20
	Gender diversity (women) in workforce	%	55.2
	Gender diversity (women) at management level	%	45.2
	Number of accidents	Number	3
	Total recordable incident rate (TRIR)	with 200,000 hours as proxy	0.9
	Employees covered by collective bargaining	%	75
Governance (G)	Incidents of corruption and bribery	Number	0



GENERAL INFORMATION

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Basis for preparation

This sustainability report covers the period from 1 January to 31 December 2025. Comparative information from the previous reporting year is included where relevant, as 2024 marked our first year of structured sustainability reporting.

The report has been prepared in accordance with the Voluntary Sustainability Reporting Standard for SMEs (VSME), applying Option B (Basic and Comprehensive Modules).

The report is prepared on a consolidated basis and covers Hans Aa A/S and all wholly owned subsidiaries. The parent company, Hans Aa A/S, holds 100% ownership of the entities included in the reporting scope. Certain entities included in the reporting scope do not carry out operational activities.

Unless otherwise stated, all data presented in this report covers the full operational scope of the group.

The report is based on a combination of measured data and estimates where primary data is not available. Data collection processes have been strengthened in recent years, but certain areas remain subject to ongoing improvement.

Group structure covered by the report

Company Name	Country	Registered address
Hans Aa A/S (Parent Company)	Denmark	Malervej 10, 6710 Esbjerg V
Hans Aa Polska Spółka z.o.o.	Poland	Kamienna 2, 64-920 Pila
Hans Aa Wind A/S	Denmark	Malervej 10, 6710 Esbjerg V
Hans Aa Wind II A/S	Denmark	Malervej 10, 6710 Esbjerg V
HHA Trading Holding ApS	Denmark	Malervej 10, 6710 Esbjerg V
Ejd. Selskabet Malervej 10 ApS	Denmark	Malervej 10, 6710 Esbjerg V
Ningbo Hans Aa Tarpaulin Manufacturing Co. Ltd.	China	No. 358-1 Wutaishan Road, 315800 Ningbo
Chuzhou Hans Aa Tarpaulin Manufacturing Co. Ltd.	China	Building 3, 678 Anning Road, 239050 Chuzhou
Ningbo Hans Aa Trading Co. Ltd.	China	No. 358-1 Wutaishan Road, 315800 Ningbo
Ningbo Hans Aa Trade Co. Ltd.	China	No. 358-1 Wutaishan Road, 315800 Ningbo

Company information



Legal form:
A/S (public limited company)



NACE code:
464100 – Wholesale of textiles



Total assets (Balance sheet total):
Approximately EUR 24.1 million



Revenue:
Omitted due to commercial sensitivity



Number of employees:
359 (headcount)



Primary countries of operation:
Denmark, Poland, and China. Our headquarters is located in Denmark and includes executive management, R&D, and production activities.

Geolocation of sites owned, leased or managed

In accordance with VSME requirements, the geolocation of sites owned, leased, or managed is presented below.

Country	Address	Postal Code	City	Type (Owned / Leased / Managed)	Function	Coordinates (Latitude, Longitude – 5 decimals)
Denmark	Malervej 10	6710	Esbjerg V	Owned	HQ + Production + R&D	55.50759, 8.40668
Poland	Kamienna 2	64-920	Piła	Owned	Production + R&D	53.15608, 16.68529
China	Nr. 358-1 Wutaishan Road	315800	Ningbo	Leased	Production + R&D	29.91867, 121.82004
	678 Anning Road	239050	Chuzhou	Leased	Production + R&D	32.25299, 118.45061



Certifications

We do not hold product-specific or third-party sustainability labels. However, we maintain certified management systems across our operations:

1.

Denmark (certified by DNV, 2023):

- ISO 9001 (Quality Management)
- ISO 14001 (Environmental Management)
- ISO 45001 (Occupational Health & Safety)

2.

Poland (certified by TÜV, 2024):

- ISO 9001
- ISO 14001
- ISO 45001

3.

China (certified by China Quality Certification Centre (CQC), 2024):

- ISO 9001
- ISO 14001

These certifications support structured governance and continuous improvement across quality, environmental management, and occupational health and safety.

Strategy: Business model and sustainability-related initiatives

We are a global manufacturer of customized, high-performance textile-based protective solutions for industrial applications. Our business model is based on engineering-driven product development, close customer collaboration, and scalable in-house production across Denmark, Poland, and China.

Products and services

We develop and manufacture durable, tailor-made protective solutions using high-performance textiles, designed to protect equipment and components during transportation, storage, and operation. We operate across five key segments:



Wind energy:

Protective solutions for turbine components such as towers, blades, and nacelles during transport, storage, and installation



Offshore:

Covers and modular solutions for equipment protection, safety applications, and temporary work environments in harsh offshore conditions



Agriculture:

Customized covers for agricultural and industrial machinery to protect critical components and support operational reliability



Defence:

Specialized, high-performance tarpaulin solutions designed for military applications with strict requirements for durability and functionality



Ground handling:

Protective covers for airport equipment such as baggage trailers and ground support machinery exposed to intensive daily use

Our products are engineered to meet specific customer requirements and operational conditions, often involving complex logistics and harsh environments. In addition to manufacturing new products, we provide repair, maintenance, and modification services. Through these services, we support extended product lifecycles and enable reuse of tarpaulins through structured service loops, including washing, repair, and re-delivery.

Markets and geographic presence

We operate exclusively in business-to-business (B2B) markets, supplying industrial customers globally. Our primary customers are original equipment manufacturers (OEMs) and companies within sectors such as renewable energy, offshore operations, agriculture, defence, and airport ground handling.

With production facilities in Denmark, Poland, and China, we serve customers worldwide through direct sales. We sell directly to our customers without the use of intermediaries or distributors, enabling close collaboration and tailored solutions.

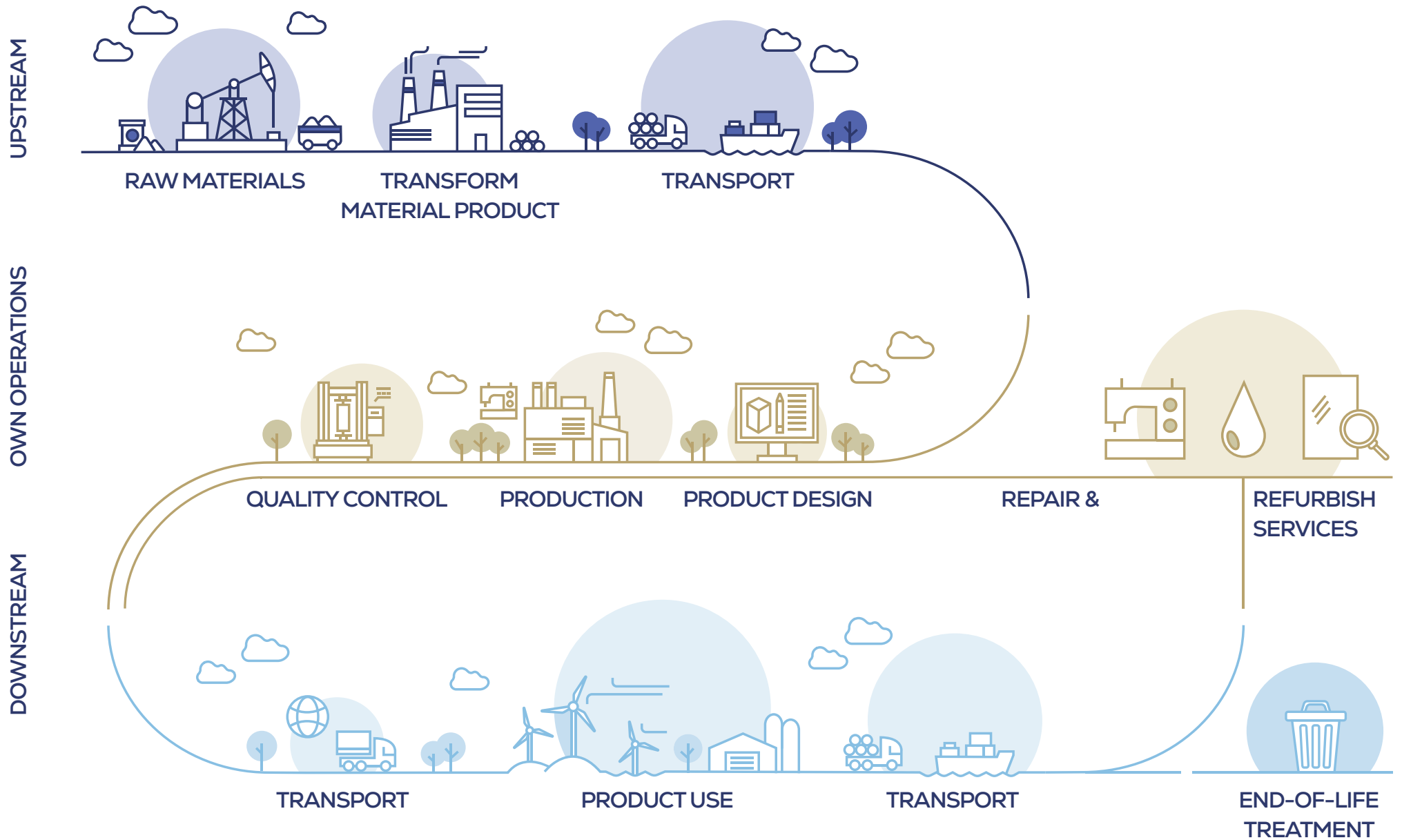
Key business relationships

We maintain close and long-term relationships with both customers and suppliers as an integral part of our business model. Our customer relationships are characterized by early involvement in product development processes, where we collaborate closely to define technical requirements, operational challenges, and lifecycle considerations.



We work with an estimated 350 suppliers across our value chain. These suppliers primarily operate within sectors such as textiles and coated materials (including PVC and alternative materials), metals, plastics, wood, and technical components (e.g., zippers, straps, and fastening systems), as well as logistics and transport services.

Our suppliers are geographically distributed across Europe and Asia, with a significant share located in China and European countries. This diversified supplier base supports both cost efficiency and operational flexibility while providing access to specialized materials and components required for our customized solutions.



Sustainability-related strategy elements

We have established a separate Environmental, Social, and Governance (hereafter ESG) strategy, which was initially developed in 2024 and forms the foundation for our sustainability work. During 2025, we have focused on further maturing this strategy by strengthening our data foundation and improving our understanding of our environmental performance and operational impacts. This has included the collection and analysis of 2025 data across key areas.

Based on these insights, we have updated selected environmental targets to better reflect our current operations, development trajectory, and market conditions. This process has enabled us to refine and further qualify our targets with the aim of ensuring alignment with our operational development, data maturity, and evolving understanding of our business and market conditions. At this stage, we do not expect to make significant revisions to the strategy in the near term, as it reflects our current understanding of the business and available data.

We have defined a set of goals to monitor progress and support the implementation of our ESG strategy.



ESG targets

GHG baseline year: 2022, scope: group level



GHG EMISSIONS

Reduce Scope 1 by 5% by 2030

Maintain Scope 2 (location-based) emissions at or below 2022 levels by 2030 despite business growth

Reduce Scope 3 emissions intensity per revenue by 10% by 2030 compared to the 2022 baseline

CIRCULARITY & PRODUCT DESIGN

Implement product take-back programs by 2030

Develop tarpaulins designed to be fully recyclable 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 to 30% in new tarpaulins sold within EU by 2030

WASTE

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

SOCIAL RESPONSIBILITY

Zero severe injuries and fatalities every year

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% of white-collar employees complete code of conduct training

100% of white-collar employees complete ESG awareness training

Practices, policies, future initiatives and targets for the transition to a more sustainable economy

Our sustainability approach

Our approach to sustainability combines operational practices, formal policies, and continuous improvement. Our work is guided by an overarching ESG strategy that defines the group's sustainability priorities, actions, and long-term targets. These targets are established at group level and are not necessarily embedded within individual policies.

Governance and policy framework

Sustainability policies are implemented through a combination of group-level and local approaches. Climate-related policies, including the climate transition plan, are established at group level, while other policies are developed and implemented locally to reflect operational differences and national regulatory requirements.

Overall responsibility for sustainability-related priorities, policies, and follow-up rests with the Board of Directors and Executive Management. Operational ownership is supported by relevant functions across the organization, with the CFO holding overall responsibility for coordinating ESG activities.

Development during the reporting year

The double materiality assessment completed in 2024 continues to guide the prioritization of sustainability-related initiatives and the further development of our ESG approach.

The table below provides an overview of the key sustainability practices, policies, future initiatives, and targets in place during the reporting year.

Policy development and implementation

Policies and practices related to sustainability are at different stages of maturity across the group. Environmental management and occupational health and safety are supported by established management systems and certifications, while other sustainability areas continue to be developed and formalized.

During 2025, we initiated the harmonization of selected group policies, including the development of a code of conduct covering key human rights and responsible business conduct topics. This work was finalized during 2026.

Policy implementation is supported through management systems, internal procedures, and annual data collection and review. Where sustainability targets have been established, progress is monitored annually as part of management follow-up.

Sustainability area	Practices in place	Policies / governing documents*	Future initiatives and targets
Climate and energy	- Monitoring of energy consumption - Increased on-site solar capacity in Poland - Annual GHG accounting	- QHSE policy - Climate change policy - Climate change transition plan	- Electrification of fleet where possible - Scope 1 and 2 reduction targets for 2030 - Ongoing monitoring of emissions and intensity
Pollution prevention and chemicals	- Structured chemical handling - Compliance with REACH - Material assessments and substitution efforts - Development and use of alternative materials, including PVC-free solutions	QHSE policy	Annual testing of selected materials for substances of concern to verify compliance with regulatory requirements and confirm that supplied materials meet declared specifications
Water and resource efficiency	Monitoring of water use	None	Continued monitoring
Circular economy and resource use	- Wash, repair, and reuse model; waste sorting; tracking of waste and material flows - Product development capabilities that are used to support the design of durable and customer-specific solutions, helping to extend product lifecycles	- Climate change policy - Climate change transition plan	- Development of recyclable designs - Establishment of take-back schemes if feasible - Ongoing monitoring of waste and materials
Health and Safety	Preventive safety procedures; incident monitoring; training; ISO 45001 certification in DK and PL	QHSE policy	- Continued strengthening of safety practices - Monitoring of accident rates
Working conditions and workforce	Compliance with local labor laws; training and development; absenteeism monitoring	HR policy	- Improved data foundation (incl. gender pay gap from 2026) - Monitoring of turnover, training, and absenteeism - Sick leave reduction target
Human rights and supply chain	Supplier code of conduct; supplier dialogue and visits; local grievance mechanisms	Local policies; Supplier code of conduct; Business code of conduct (developed in 2025, finalized 2026)	- Implementation of group-wide code of conduct - Continued material compliance testing
Business conduct and ethics	Zero-tolerance for corruption; internal reporting channels; whistleblower system where required	code of conduct; internal governance procedures	- Implementation of a group-wide internal whistleblower platform across key locations (DK, CN, PL) is ongoing, with completion expected in the next reporting period. - Implementation of group-wide code of conduct

* Policies are internal and not publicly available. They are embedded in management systems and operational procedures and are used in managing environmental, social, and governance performance.



ENVIRONMENT

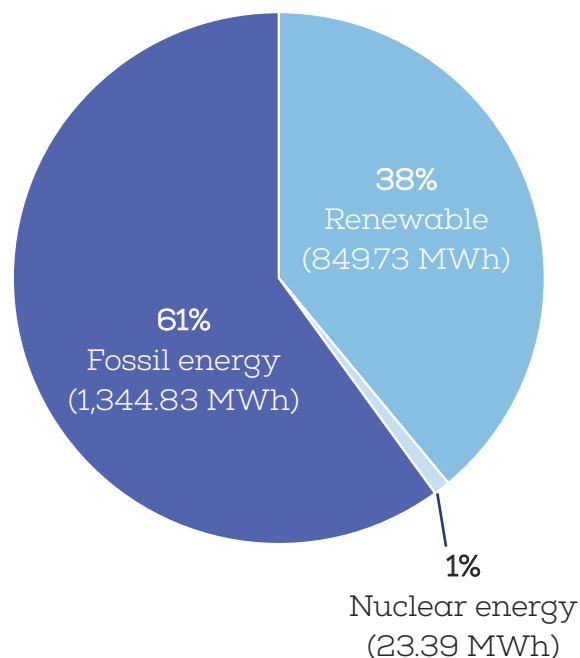
B3	Energy and greenhouse gas emissions	16	B4	Pollution of air, water and soil	29
C3	Targets for greenhouse gas emissions reduction and climate transition	24	B5	Biodiversity	30
C4	Climate risks	26	B6	Water	32
			B7	Resource use, circular economy and waste management	33

Energy and greenhouse gas emissions

Energy consumption

In 2025, total energy consumption amounted to 2,217.95 MWh (2024: 1,924.81 MWh) representing an increase of 15% compared to 2024. The increase primarily reflects higher production activity and expanded manufacturing capacity, resulting in higher consumption of electricity and transport fuels.

Energy consumption 2025



Electricity

Electricity is the largest energy source and is primarily used in production activities, including sewing equipment and related manufacturing processes. Electricity consumption amounted to 1,036.87 MWh in 2025 (2024: 911.99 MWh), representing an increase of 13.7%.

During 2025, on-site solar generation capacity was expanded at the Polish production facility. Consequently, 20.8% of the site's electricity consumption was supplied by electricity generated from on-site solar panels, compared to 10.3% in 2024.

Heating

Consumption of district heating amounted to 117.22 MWh in 2025 (2024: 132.42 MWh), representing a decrease of 11.5%. In Poland, consumption of natural gas for heating increased from 372.59 to 597.39 MWh, due to the expansion of the facility.

Transport fuels

Energy consumption from transport fuels, including diesel, petrol, and LPG used in company vehicles and forklifts, amounted to 1,063.86 MWh in 2025, compared to 880.41 MWh in 2024, representing an increase of 20.9%. The increase primarily reflects higher production activity and associated transport needs.



Energy consumption by source

	2025				2024			
Energy source	Renewable (MWh)	Nuclear energy (MWh)	Fossil energy (MWh)	Total (MWh)	Renewable (MWh)	Nuclear energy (MWh)	Fossil energy (MWh)	Total (MWh)
Electricity	743.63	23.39	269.85	1,036.87	640.87	21.01	250.10	911.99
District heating	76.08	0	41.15	117.22	56.41	0	76.01	132.42
Fossil fuels	30.02	0	1,033.84	1,063.86	32.19	0	848.22	880.41
Total energy consumption	849.73	23.39	1,344.83	2,217.95	729.47	21.01	1,174.33	1,924.81
Share of total	38%	1%	61%	100%	38%	1%	61%	100%

***Methodology and conversion factors:** We applied the Danish Climate Compass (Klimakompasset) tool to convert activity data (e.g., liters) into MWh. Where available, country-specific data was used to determine the share of renewable, nuclear, and fossil energy for each energy source. Electricity-related distributions are based on country-specific energy mixes, as provided in Klimakompasset. For diesel, gasoline, propane, and natural gas

in Poland, country-specific breakdowns were not available in Klimakompasset. For these energy sources, the Danish distribution between renewable, nuclear, and fossil energy was therefore applied as a proxy. All calculations are based on 2024 emission factors from Klimakompasset as 2025 data is not yet available. The only exception was district heating, as the supplier has published a preliminary declaration for 2025 regarding the energy sources.



Greenhouse gas emissions

Greenhouse gas (GHG) emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and reported across Scope 1, Scope 2 (location-based and market-based), and selected Scope 3 categories.

In 2025, total GHG emissions (location-based) amounted to 10,340.68 t CO₂e,

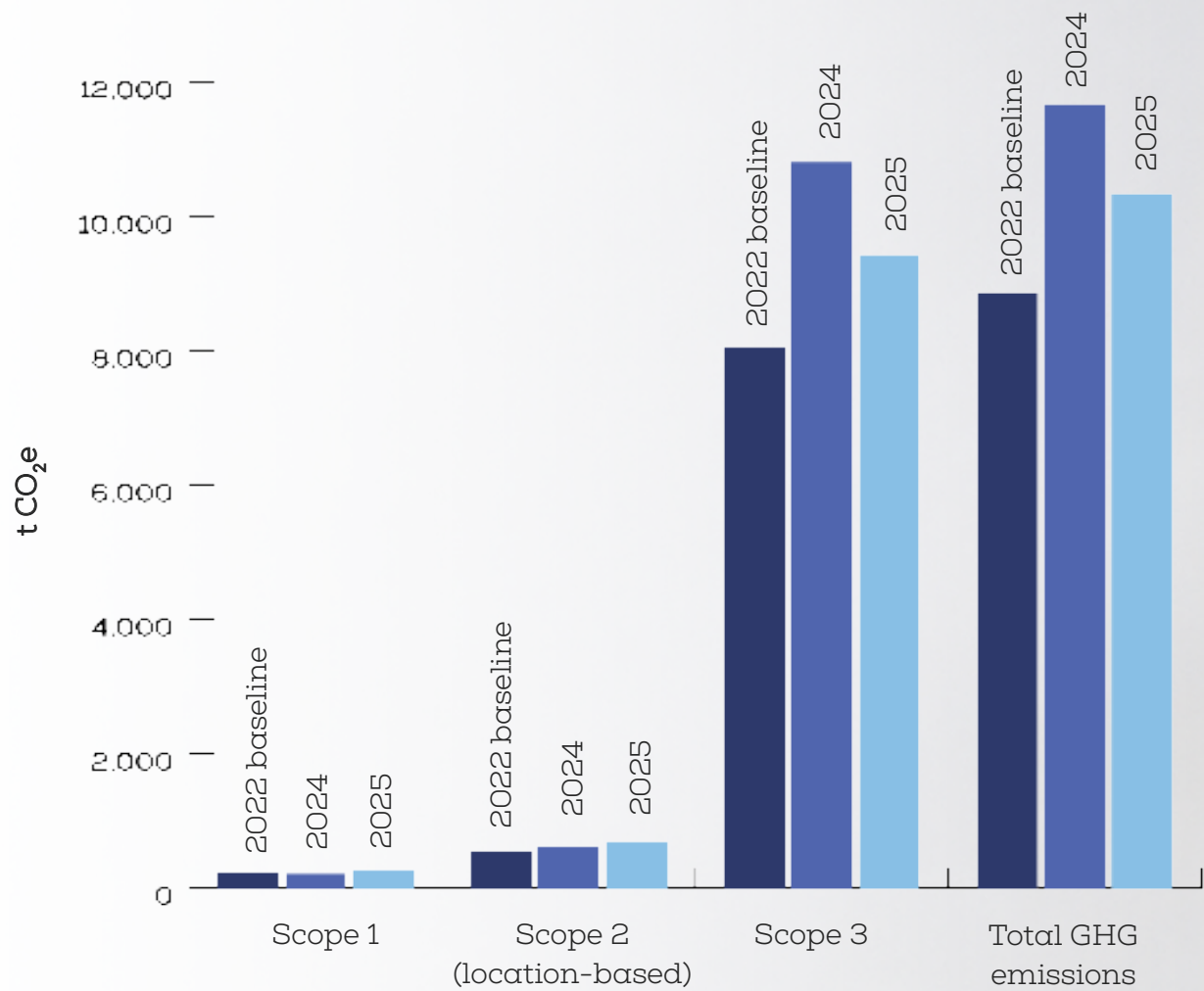
corresponding to an 11% decrease compared to 2024. This decrease was primarily driven by Scope 3 emissions, where lower investments in capital goods in 2025 resulted in a significant reduction.

The baseline year for emissions is 2022, and developments are assessed against this baseline where relevant.

t CO ₂ e	2025	2024	% change from 2024 to 2025	Baseline year (2022)
Scope 1	254.31	213.43	+19%	243.30
Scope 2 (location-based)	678.78	632.17	+7%	559.78
Scope 2 (market-based)	694.47	647.85	+7%	574.14
Scope 3	9,407.59	10,806.95	-13%	8,065.85
Outside of scope*	- 59.24	- 32.94	+80%	- 50.58
Total GHG emissions (location-based)	10,340.68	11,652.55	-11%	8,868.93

**Outside of scope emissions relate to biogenic emissions and are reported separately in accordance with the GHG Protocol.*

GHG emissions trend



Key developments

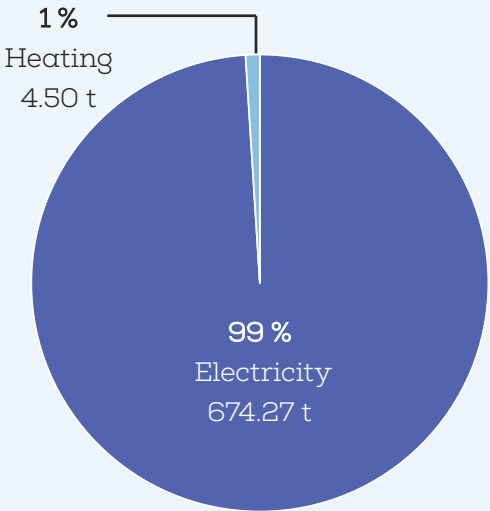
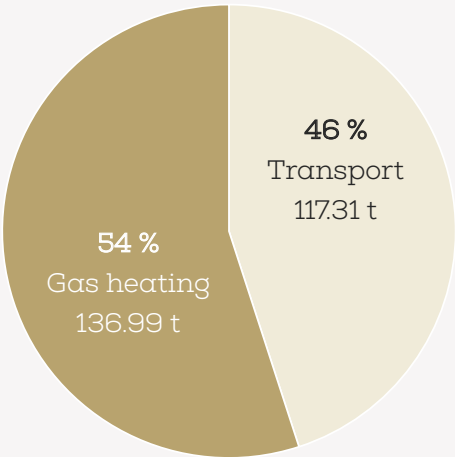
Scope 1

Scope 1 emissions amounted to 254.31 t CO₂e in 2025, corresponding to a 19% increase compared to 2024 (and a 5% increase compared to base year 2022).

The increase is primarily driven by higher natural gas consumption for heating at the Polish site, reflecting the expansion of the Polish site.

Approximately 54% of Scope 1 emissions relate to natural gas consumption, while the remaining 46% originate from fuel use in vehicles and equipment. Diesel accounts for the largest share of transport-related emissions.

Despite increased activity levels, diesel consumption decreased compared to 2024, reflecting improvements in operational efficiency and internal logistics.



Scope 2

Scope 2 emissions are generated from electricity consumption used in production processes and district heating in Denmark.

Location-based Scope 2 emissions increased by 7% driven by electricity consumption.

Market-based Scope 2 emissions also increased by 7% compared to 2024. As we do not have guarantees of origin (GOs), renewable energy certificates (RECs), or similar instruments, purchased electricity is accounted for using residual mix factors. This results in higher emissions under the market-based method compared to the location-based method.

Scope 3

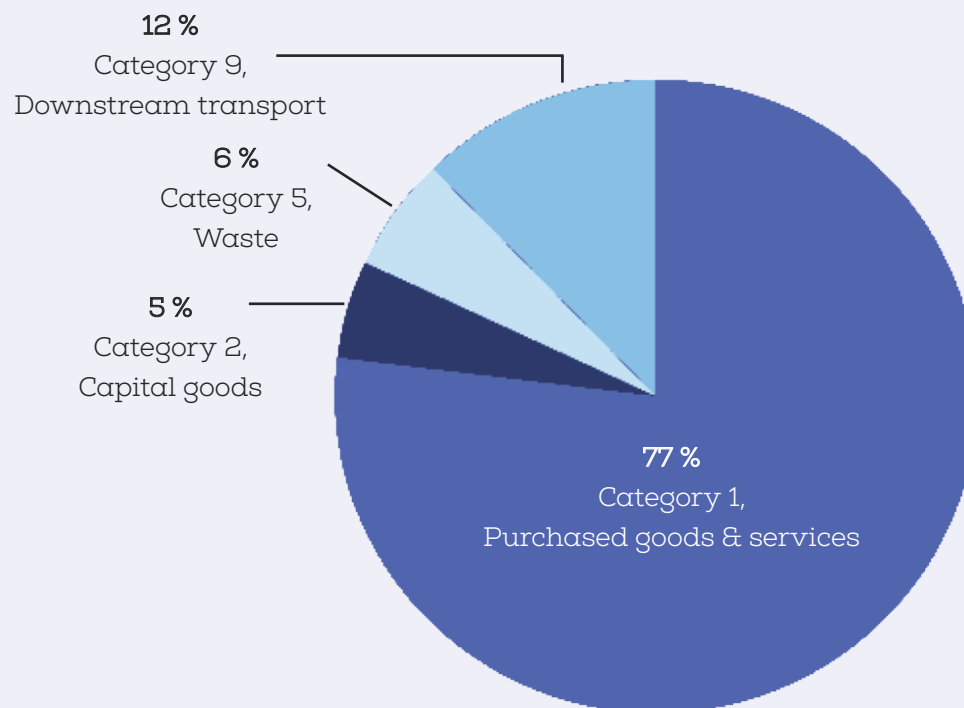
Scope 3 emissions amounted to 9,407.59 t CO₂e in 2025, corresponding to a decrease of 13% compared to 2024.

The following categories are included:

- ✓ **Category 1** – Purchased goods and services
- ✓ **Category 2** – Capital goods
- ✓ **Category 5** – Waste generated in operations
- ✓ **Category 9** – Downstream transportation

Approximately 77% of total Scope 3 emissions relate to purchased goods and services.

Compared to the baseline year (2022), Scope 3 emissions increased by 17%, reflecting increased activity levels and changes in the data inventory. Furthermore, Category 2 (capital goods) is a newly reported category that triggered recalculation of base year as well as the 2024 inventory.



GHG emissions intensity metrics

We monitor our GHG emissions intensity relative to both revenue and workforce size to assess our environmental performance independently of business growth.

Compared to 2024, our carbon intensity relative to revenue decreased by approximately 22%, resulting in a level that was approximately 10% lower than our 2022 baseline.

We also improved emissions intensity per employee, reducing it by approximately 14% compared to 2024.

Metric	2025	2024	Change
Number of employees	359	349	+3%
Scope 1 + 2 intensity (t CO ₂ e/employee)	2.60	2.42	+7%
Total GHG intensity (t CO ₂ e/employee)	28.80	33.39	-14%



Accounting policies and methodology

Our GHG emissions are prepared on an annual basis and cover the reporting period from 1 January to 31 December 2025. Emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and are reported in tonnes of carbon dioxide equivalents (t CO₂e).

Our emissions inventory includes all activities over which we have operational control, and this consolidation approach is applied consistently across the organization. The inventory covers Scope 1, Scope 2 (both location-based and market-based), and selected Scope 3 categories, based on an assessment of materiality.

As part of the preparation of the 2025 emissions inventory, we have implemented the Danish Climate Compass (Klimakompasset) as our primary calculation tool. This supports a more standardized and consistent methodology across reporting years and reduces the risk of manual errors.

An updated calculation methodology and emission factor database were implemented in 2025. As a result, historical emissions, including the baseline year (2022) and 2024, have been recalculated to ensure consistency and comparability.

Previously reported figures may therefore differ from earlier disclosures.

Data quality and emission factors

We source emission factors from recognized and reliable databases, primarily through the Climate Compass, which integrates data from:

- Energinet environmental declarations and Danish Energy Agency statistics (Denmark)
- EEA CO₂ intensity of electricity generation (Poland)
- IGES grid emission factors (China)
- UK Government GHG Conversion Factors for Company Reporting (DEFRA)



Where available, we apply country-specific emission factors to reflect local conditions. In cases where such factors are not available, we apply Danish emission factors as a proxy. As verified emission factors for 2025 were not available at the time of reporting, we have applied the most recent verified emission factors (2024).

We prioritize the use of activity-based data for key emission sources, including energy consumption, fuel use, procurement, and transportation, to enhance the accuracy and reliability of our reported emissions.

Scope 1 emissions arise from direct fuel consumption, including gas heating and company-operated vehicles.

Scope 2 emissions relate to purchased electricity and heating and are calculated using both the location-based and market-based methods. Where available, supplier-specific or location-specific emission factors are applied; otherwise, residual mix emission factors are used. We do not purchase renewable energy certificates. Electricity generated from on-site solar panels is accounted for with zero Scope 2 emissions.

Scope 3 emissions include selected categories based on a materiality assessment, including purchased goods, capital goods, waste generated in operations, and downstream transportation. Emissions are estimated using available activity data and standardized emission factors.

Biogenic emissions are reported separately in accordance with the GHG Protocol and are not included in total emissions.

Targets for greenhouse gas emissions reduction and climate transition

During 2025, we revised our ESG strategy and updated our greenhouse gas emissions reduction targets to better reflect our operational footprint, improved data quality, and expected business development.

Scope	Baseline year	Baseline value (t CO ₂ e)	Target year	Target value (t CO ₂ e)	Reduction	Scope coverage
Scope 1	2022	243.30	2030	231.14	-5%	100%
Scope 2 (location-based)	2022	559.78	2030	559.78	0%	100%
Scope 3	–	–	–	–	–	–

The targets cover 100% of Scope 1 and Scope 2 emissions across all operations and are defined in absolute terms (gross emissions). The targets do not include carbon removals or avoided emissions.

Targets for Scope 2 are defined on a location-based basis, as this reflects operational energy consumption. Market-based emissions are monitored but are not currently subject to a formal target.

For Scope 3, we have set an intensity-based target to reduce emissions intensity by 10% by 2030 compared to the 2022 baseline. We have not set an absolute Scope 3 emissions reduction target. Scope 3 remains a key focus area, and work is ongoing to improve data quality and transparency to support future target setting.

The targets have been revised compared to 2024 to reflect improved data quality, a clearer understanding of our operational footprint, and developments in external conditions. The updated targets are aligned with our current level of ESG maturity and provide a more practical basis for managing emissions reductions.

Key actions and decarbonization levers

To support the achievement of the defined targets, we are focusing on a combination of operational improvements, electrification, and gradual energy transition.

Scope 1

Key initiatives include:

- ✓ Gradual replacement of diesel and petrol vehicles with electric alternatives where possible
- ✓ Improved insulation and optimization of heat management

Scope 2

Key initiatives include the gradual replacement of equipment with more energy-efficient alternatives.

We will also continue to explore opportunities to increase the share of renewable electricity generated through solar energy. Potential initiatives may include the expansion of existing solar installations, the establishment of solar capacity at additional locations, and the implementation of battery storage solutions to optimize the use of self-generated electricity.

Our Scope 2 target is to bring location-based emissions back to the 2022 level by 2030, despite business growth. The target is intended to support improved energy efficiency and a lower emissions intensity as the business develops.

Climate transition approach

We have established a climate change transition plan, which was initially developed in the previous reporting year and is continuously being refined. The plan outlines key actions, investments, and priorities to support the transition towards lower emissions. It is integrated into business planning and operational decision-making processes.



Climate risks

Climate risk assessment

We consider climate-related risks as part of our overall climate management. Our climate change transition plan identifies extreme weather events, including storms, floods and droughts, as potential physical climate risks that could affect production and supply chains. It also identifies potential transition risks related to regulatory changes, sustainable sourcing and stakeholder expectations.

As part of the preparation of this report, we supplemented this with a high-level screening of flood exposure across our operating locations in Denmark, Poland and China. The screening was based on regional WRI Aqueduct data, available information on site elevation and location, and our operational experience. For our Danish site, additional address-specific information on flooding and groundwater conditions was available and included in the screening.



Physical climate risks

The screening identified different levels of regional flood exposure across our locations.

Site	Riverine flood screening	Coastal flood screening	Assessment
Esbjerg, Denmark	Low-medium	High	Address-specific information indicates limited current exposure to riverine and coastal flooding. Extreme rainfall and longer-term groundwater changes remain relevant to monitor.
Pila, Poland	Low-medium	Low	No specific climate-related issues have been experienced.
Ningbo, China	High	Very high	Flooding is considered a relevant physical climate hazard due to the regional exposure and relatively low-lying coastal location. However, no specific climate-related issues have been experienced.
Chuzhou, China	Low-medium	Low	No specific climate-related issues have been experienced.

The WRI classifications are regional screening indicators and not company-specific risk ratings. Available information on site location and elevation was considered as additional context when assessing exposure.

In considering sensitivity, we assessed whether the identified hazards could affect our facilities, production activities, logistics and wider value chain. No climate-related events have materially affected our operations.



Climate-related transition risks

Our Climate Change Transition Plan identifies potential transition risks related to:

- **Regulation and compliance:** Changes in climate-related regulation may result in additional requirements and costs.
- **Supplychain:** The transition may affect the availability of suppliers and materials that support our sustainability objectives.
- **Reputation and stakeholder expectations:** Climate performance and our ability to meet climate commitments may become increasingly important to customers and other stakeholders.

Changes in customer expectations, technologies, energy and raw-material markets may also become increasingly relevant as the transition towards a lower-carbon economy progresses. We expect to address these developments as part of our ongoing business and sustainability activities and adapt our approach as requirements and market conditions evolve.

Time horizons

We consider climate-related hazards and transition events across short-term (less than 1 year), medium-term (1–5 years) and long-term (more than 5 years) horizons.

Acute physical hazards, such as flooding and extreme rainfall, are relevant across the time horizons, while changes in groundwater conditions are primarily a longer-term consideration. Climate-related regulatory, market and technological developments are considered primarily relevant over the medium and long term.

Climate adaptation

We have not implemented dedicated climate-adaptation measures in response to the identified hazards, as none of our sites has required such measures to date. Climate-related conditions are currently addressed through normal building, site and operational management.



Pollution of air, water and soil

We are not subject to legal requirements to monitor or report pollutant emissions to competent authorities. Furthermore, while we are certified in accordance with ISO 14001, our environmental management system does not currently include quantification or systematic reporting of specific pollutant emissions. As a result, no quantitative data on pollutant emissions is currently available for disclosure.

Although we are not subject to specific reporting requirements, we manage relevant risks in our operations through structured chemical management procedures, compliance with applicable regulations (including REACH), safe handling and disposal of materials, ongoing material assessments, and the integration of pollution prevention measures within our ISO 14001-certified environmental management system.

As part of this approach, we conduct testing of selected materials for substances of very high concern (SVHC) in accordance with REACH requirements. This supports our efforts to identify and limit the presence of hazardous substances in our products with the aim of reducing potential environmental and health impacts.

Monitoring practices will be expanded if regulatory requirements or materiality change.



Biodiversity

Sites in biodiversity-sensitive areas

We have assessed whether our sites are located within or in proximity to biodiversity-sensitive areas, including protected areas such as Natura 2000 sites, Ramsar sites, and other designated protected areas.

The assessment shows that none of our operational sites are located within or near biodiversity-sensitive areas based on currently available data. The mapping was conducted using relevant international databases.

- Number of sites located in or near biodiversity-sensitive areas: 0
- Total area located in or near biodiversity-sensitive areas: 0 m²

Land use

We report the following aggregated land use metrics across our operational sites:

Land use type	Area (m ²)
Total land use	56,791 m ²
Total sealed area	~43,160 m ²
Total natural area (on-site)	~13,631 m ²
Total natural area (off-site)	0 m ²

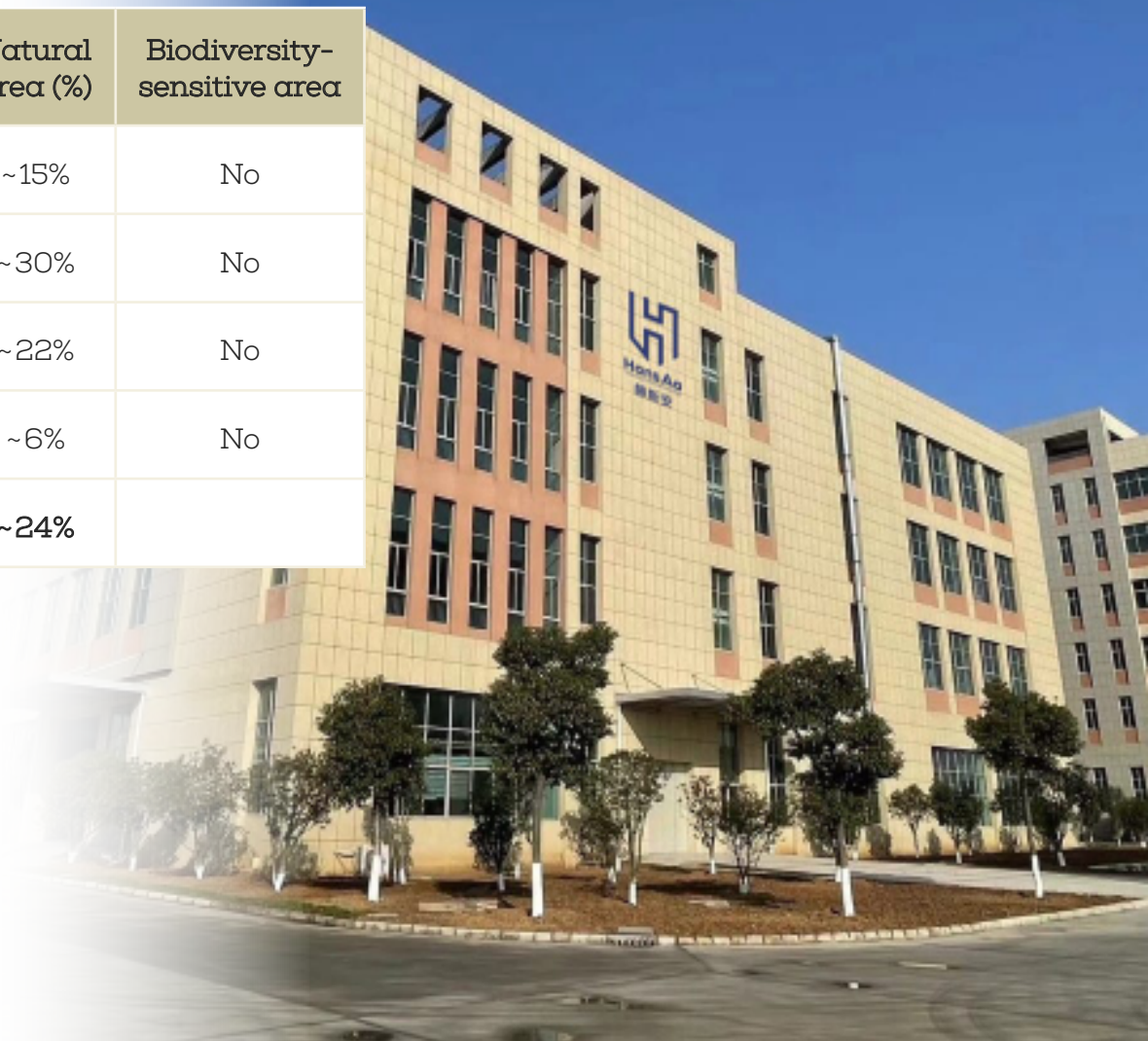


Natural areas refer to green or semi-natural surfaces such as grass-covered areas, while sealed areas include buildings, roads, and other impermeable surfaces.

Values are based on internal estimates and visual assessments and are therefore subject to a degree of uncertainty.

Sites overview (supplementary information)

Location	Country	Total area (m ²)	Sealed and built-up area (%)	Natural area (%)	Biodiversity-sensitive area
Esbjerg	Denmark	6,338	~85%	~15%	No
Pila	Poland	34,185	~70%	~30%	No
Ningbo	China	8,616	~78%	~22%	No
Chuzhou	China	7,652	~94%	~6%	No
Total		56,791 m²	~76%	~24%	



Water

Our total water withdrawal for the reporting year 2025 amounted to 4,007 m³ (2024: 4,009 m³) across all operations.

 Total water withdrawal (2025)
4,007 m³

Water withdrawal refers to the total volume of water drawn within our operational boundaries during the reporting period. For our operations, this consists of water supplied through public utility networks and is based on metered data from utility bills.

The distribution of water withdrawal by water stress level is presented below:

Water stress level	2025 (m ³)	2024 (m ³)
High water stress	0	0
Not classified as high water stress	4,007	4,009
Total	4,007	4,009



Water stress levels are assessed using recognized tools such as the WRI Aqueduct Water Risk Atlas. Areas with a baseline water stress level above 40% are classified as high water stress.

None of our operations are located in areas classified as having high water stress. All water withdrawal therefore relates to operations in areas classified as low or medium water stress.

Water is mainly used for cleaning tarpaulins as part of our efforts to extend product lifetime through reuse and repair, as well as for general operational purposes. We do not have water-intensive production processes where water consumption (defined as water withdrawal minus water discharge) is assessed as material. As water is generally discharged to the public wastewater system after use, water consumption is not considered material and is therefore not separately reported.

Resource use, circular economy and waste management

We apply circular economy principles in selected parts of our operations and product lifecycle, with resource efficiency as a key focus area. Our approach to resource management and circularity has been further strengthened during the reporting year, reflecting ongoing development of our ESG practices.

Our work is anchored in our Environmental Policy and Climate Change Policy, which define our commitment to responsible resource use, waste reduction, and continuous improvement of material efficiency. These policies guide both strategic decision-making and day-to-day operations across all sites.

We recognize that a significant share of our environmental impact is associated with the materials used in our products, particularly plastic-based components, as well as the environmental impacts arising throughout the product lifecycle. We therefore focus on improving resource efficiency and circularity through design, operational practices, and customer-oriented solutions.

Our approach focuses on:

- ✓ Reducing material use by extending product lifecycles
- ✓ Maintaining material value through repair, reuse, and controlled handling
- ✓ Improving resource efficiency in production and material use, including waste sorting and handling procedures
- ✓ Developing circular solutions, including take-back and recycling initiatives

A key element of our circular approach is our “wash, repair, and reuse” model (service-loop), where tarpaulins are returned from customers, cleaned, repaired, and prepared for reuse before being sent back into operation. This model can enable products to be reused multiple times, depending on their condition and how they are used by customers. As a result, it has the potential to extend product lifecycle and reduce the demand for new materials. In some applications, such as large-scale covers used in the wind industry, products can be reused up to 10 times or more (depending on application and condition)

before replacement is required. Repair activities may include replacement of components such as zippers, velcro, and ropes, supporting continued product use.

When products reach end-of-life, they are handled through available waste treatment channels, including recycling where feasible.

In addition, our FreeTarp solution has been developed using alternative materials, offering customers a PVC-free product option.

We have also defined targets related to circular economy and resource efficiency, including:

- ✓ Increasing the share of production waste diverted to recycling over time
- ✓ Developing recyclable product designs
- ✓ Establishing take-back solutions for end-of-life tarpaulins

These targets support our long-term ambition to improve resource efficiency and strengthen circular material flows.

Waste generation and treatment

In 2025, total waste generation amounted to 237.85 t (2024: 179.33 t), corresponding to an increase of 33%. The increase is primarily driven by higher production activity during the reporting period.

Of the total waste generated, 236.66 t were non-hazardous waste and 1.19 t were hazardous waste, corresponding to an increase of 34% in non-hazardous waste and a decrease of 61% in hazardous waste compared to 2024.

The table to the right presents total waste generation and its allocation between recycling and disposal methods (including incineration, landfill, other and unknown waste treatments) in accordance with VSME requirements.



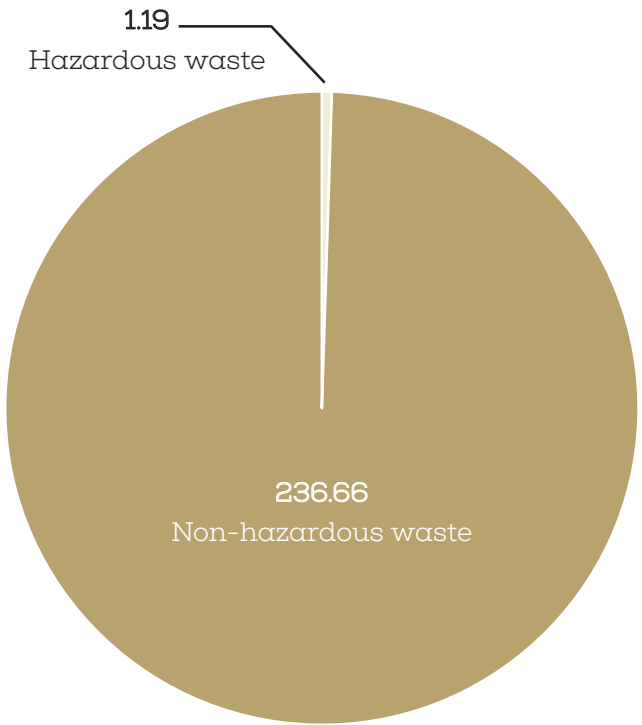
Category*	2025 (t)	2024 (t)	Change (%)
Total non-hazardous waste generated	236.66	176.28	+34%
Of which recycled	103.69	58.65	+77%
Of which disposed	132.97	117.64	+13%
- Incineration	57.62	35.26	+63%
- Landfill	74.03	80.69	-8%
- Other (e.g., energy recovery)	1.32	1.27	+4%
- Unknown	-	0.42	-100%
Total hazardous waste	1.19	3.05	-61%
Total waste generated	237.85	179.33	+33%

* Waste treatment allocation to recycling, incineration, landfill and unknown treatment is based on estimates reflecting typical practices in the relevant countries, as detailed data from external waste operators is not available. Waste is assigned to a specific treatment method only where this can be assumed with reasonable certainty; otherwise, it is classified as unknown treatment. Waste is sorted into relevant fractions at source. For China, selected fractions are estimated, including hazardous waste, residual waste and food waste, while remaining fractions are based on recorded data. Biowaste in Poland is not measurable due to lack of quantified data and limited access to the necessary information.

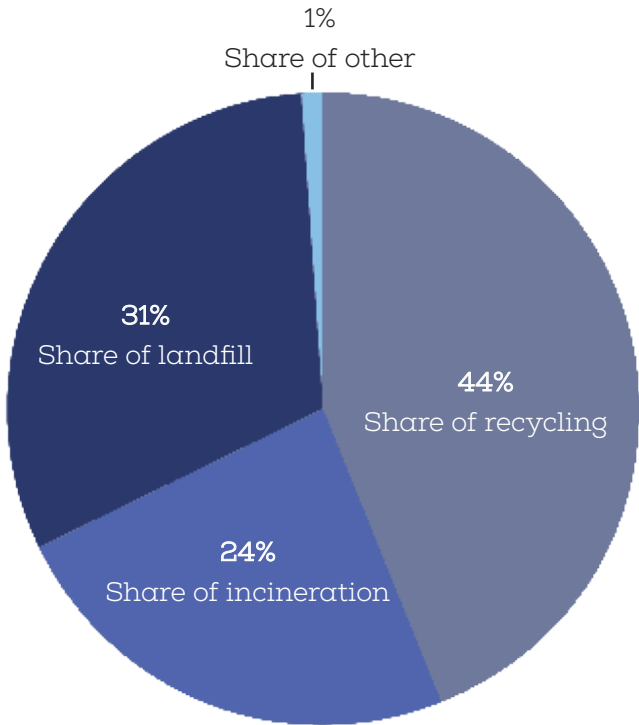
The share of waste sent for recycling increased from 33% in 2024 to 44% in 2025. This improvement primarily reflects changes in waste handling and waste treatment allocation, and therefore indicates an increase in the estimated share of waste sent for recycling.

Waste intensity increased by 16% in 2025 compared to the previous year, indicating that waste generation grew at a higher rate than revenue. While this points to a decline in resource efficiency, improving waste handling practices and increasing recycling rates remain key areas of focus going forward.

Hazardous vs. non-hazardous waste in 2025 (t)

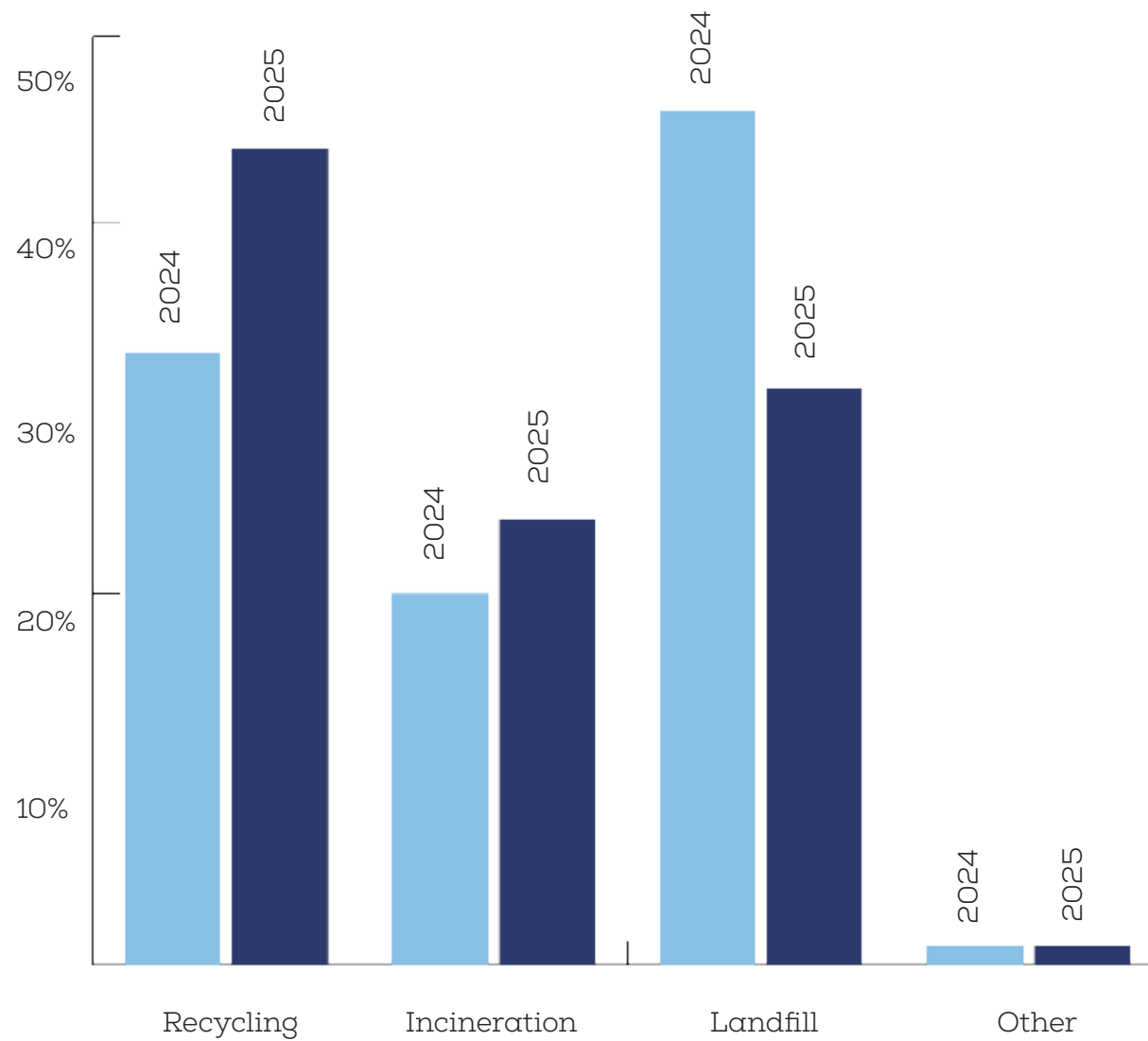


Waste treatment of non-hazardous waste 2025





Non-hazardous waste streams trend 2024-2025



As a manufacturing company, we rely on a range of materials in our production. Our main material inputs consist of plastic-based materials, including PVC, PP, PE, polyester and nylon, as well as metals, wood, paper and cardboard and other supporting materials.

We continue to develop our data collection processes for material use and have therefore not included a consolidated annual mass flow for the current reporting period.





SOCIAL

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Our approach to our own workforce

At Hans Aa, our employees are central to our operations and our ability to deliver consistent product quality and maintain long-term customer relationships. We aim to provide a safe, healthy, and respectful working environment across our sites in Denmark, Poland, and China.

Our production activities are supported by clear procedures and appropriate training to ensure safe and well-functioning working conditions. We focus on preventive measures, structured incident monitoring, and continuous improvements to reduce work-related injuries and maintain safe working conditions.

We seek to provide fair and stable working conditions for all employees, including employment terms aligned with applicable legislation and recognized labor standards.

Beyond our own workforce, we recognize our responsibility to promote responsible business conduct among suppliers and other business partners. Through our Supplier code of conduct and ongoing supplier engagement, we communicate expectations related to labor rights, human rights, and ethical standards. Our current approach is primarily based on dialogue and selected site visits, and we continue to assess how these processes can be further developed over time.

Our social approach is based on operational responsibility, compliance with local regulations, and continuous improvement.



General characteristics of own workforce

Workforce data is presented as headcount as of 31 December.

At year-end 2025, we employed 359 employees, compared to 349 employees in 2024, corresponding to an overall workforce increase of 2.9%.

Employees by gender

The gender distribution remained broadly unchanged between 2024 and 2025, with female employees representing 55.2% of the workforce in 2025 (2024: 54.7%).

Gender	2025	2024	Change (%)
Male	161	158	+1.9%
Female	198	191	+3.7%
Other	0	0	0%
Not reported	0	0	0%
Total employees	359	349	+2.9%



Employees by type of contract

The majority of our employees are employed on permanent contracts. In 2025, 314 employees held permanent positions (including both full-time and part-time), corresponding to approximately 87% of the total workforce (2024: 100%).

45 employees were employed on temporary contracts in 2025, compared to none in 2024. This reflects the introduction of temporary positions to support production needs and operational flexibility.

Contract Type	2025	2024	Change (%)
Temporary contract	45	0	N/A
Permanent contract (full-time and part-time)	314	349	-10.0%
Total employees	359	349	+2.9%

Employees by country

We operate across multiple countries, and employees are employed under contracts in the country where they perform their work. The majority of employees are based in Poland, representing approximately 59% of the total workforce in 2025.

Country	2025	2024	Change (%)
Poland	211	210	+0.5%
Denmark	38	35	+8.6%
China*	110	104	+5.8%
Total	359	349	+2.9%

**Includes operations in Ningbo and Chuzhou.*

Employee turnover

Employee turnover reflects employees who left the company during the reporting period due to voluntary resignation, dismissal, retirement, or other reasons.

Employees with less than 91 days of service (e.g., during probation periods) are excluded from the calculation to ensure comparability.

Based on an estimated average workforce of 354 employees during the year, the employee turnover rate for 2025 was 21.2%.



Supplementary workforce information

Gender distribution at management level

In 2025, the total number of employees at management level across the group was 31. This is defined as the total number of employees holding managerial or leadership positions with responsibility for supervising employees or managing business functions.

Of these, 14 employees were female (45.2%) and 17 employees were male (54.8%).

Self-employed workers and temporary agency workers

We do not engage self-employed individuals without employees who work exclusively for the company. Furthermore, no temporary agency workers provided by employment agencies (NACE code N78) were engaged during the reporting period.

The workforce consists entirely of directly employed staff.



Human rights policies and processes

Policy framework and governance

In 2025, we had a range of policies and governing documents in place addressing human rights and workforce-related matters across our operations. These policies were primarily established at local level and therefore varied in scope and level of detail between locations.

Our approach to human rights is based on a combination of formal policies and operational procedures. While not all topics are covered by global policies, relevant areas are addressed either through local policies or embedded in internal procedures and action plans.

Occupational health and safety are systematically managed across our operations, supported by ISO 45001 certification in Denmark and Poland. Other topics, such as anti-harassment and anti-mobbing, are addressed through local policies and practices in selected locations.

Topic	Coverage
Code of conduct / human rights policy	Not in place at group level (under development in 2025, finalized in 2026)
Child labor	Addressed through local policies or procedures
Forced labor	Addressed through local policies or procedures
Human trafficking	Addressed through local policies or procedures
Non-discrimination	Addressed through local policies or practices
Occupational health and safety	Covered through structured processes and ISO 45001 certification (Denmark and Poland)
Grievance / whistleblower mechanism	Implemented where required by law, however not yet group-wide

Development of group-wide policies

In 2025, we initiated the development of group-wide policies to strengthen alignment across locations. This includes a Business code of conduct covering key human rights topics such as child labor, forced labor, human trafficking, and non-discrimination.

This work was finalized in 2026 and will be implemented and reflected in the 2026 reporting period.

Grievance and whistleblower mechanisms

Whistleblower mechanisms are in place at the location where this is required by law but have not yet been implemented across all operations. At the remaining locations, employees are encouraged to raise concerns directly with their immediate manager. Establishing a group-wide whistleblower mechanism is a priority for 2026.

Severe human rights incidents

During the reporting period, we had no confirmed incidents within our own workforce relating to:

Category	Confirmed incidents (Yes/No)
Child labor	No
Forced labor	No
Human trafficking	No
Discrimination	No
Other severe human rights violations	No

As no such incidents were identified, no remediation measures were required in 2025.

We are not aware of any confirmed severe human rights incidents involving workers in our value chain, affected communities, consumers, or end users during the reporting period.

We maintain ongoing dialogue with key suppliers and conduct visits to our largest suppliers. We are working to strengthen our approach to supplier oversight, including the development of more structured assessment and monitoring processes.



Health and safety

Occupational health and safety is an integral part of our operations. We are ISO 45001 certified in Denmark and Poland, indicating that our health and safety management systems are aligned with internationally recognized standards. In 2025, 69.4% of employees were covered by a certified Health and Safety Management System. For workers that are not covered by such a certified system (i.e., workers in China), we follow similar internal procedures that are intended to protect the health and safety of our employees.

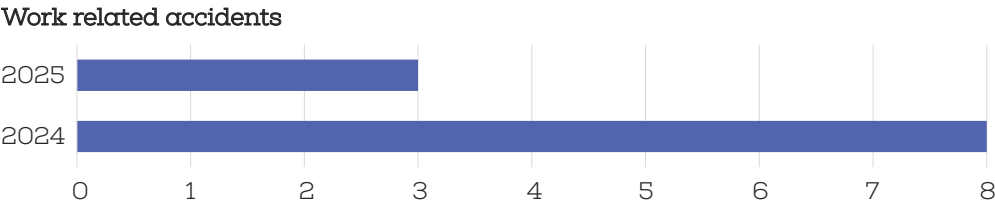
Health and safety performance across all locations is monitored on an ongoing basis, and results are reviewed by management to support improvements in workplace conditions and preventive measures.

Recordable work-related accidents

In 2025, we recorded a total of three work-related accidents, compared to seven accidents in 2024, corresponding to a 57.1% reduction in the number of recordable accidents year-on-year.

Health & Safety metrics	2025	2024	Change (%)
Number of recordable accidents	3	7	-57.1%
Total recordable incident rate (TRIR) (per 200,000 hours)	0.9	2.2	-59.5%
Number of fatalities	0	0	0%
Work-related ill health cases	0	0	0%

The accident rate decreased to 0.9 per 200,000 hours worked in 2025, compared to 2.2 in 2024.



No fatalities occurred in 2025, consistent with 2024. No cases of work-related ill health were reported. The reduction in accidents may reflect our continued focus on preventive measures and safety practices across our sites.

Sick leave (absenteeism)

Although not a formal requirement under VSME, absenteeism is monitored as part of our approach to employee well-being.

We monitor employee sick leave on a quarterly basis and have now established data collection across all locations, enabling more comprehensive reporting and oversight of employee well-being.

Remuneration, collective bargaining and training

Minimum wage compliance and gender pay gap

Employees are remunerated in line with applicable national minimum wage requirements or relevant collective agreements in the countries where we operate.

We are currently in the process of establishing a consistent data foundation for reporting on the gender pay gap. As such, the percentage difference in average gross hourly pay between female and male employees is not disclosed for 2025. This information is expected to be included from 2026.

Collective bargaining coverage

As of the reporting period, 70% of employees in Denmark are covered by a collective bargaining agreement negotiated by Danish Industry and CO-industri. Collective bargaining agreements are not commonly applied in Poland and China, and no employees in these locations are currently covered.

At group level, this corresponds to 75% of the total workforce being covered by collective bargaining agreements.



Training and development

Training and skills development activities are provided across all locations.

In 2025, the average annual training hours per employee, disaggregated by gender at group level, were:

- **5.79 hours** per female employee
- **8.93 hours** per male employee

The group averages are calculated as weighted averages based on the number of employees per gender in each location.



GOVERNANCE

C8	Revenue from specific activities and exclusion from EU Paris-aligned benchmarks	50
C9	Gender distribution in governing bodies	50
B11	Convictions and fines for corruption and bribery	51

Governance approach

Our governance approach – including how we conduct business, manage risks, and ensure accountability across our operations – is guided by our core values.

Being a trusted partner, supplying safely, and acting in a forward-thinking and flexible manner are principles that shape our decision-making and corporate culture.



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.



Governance structure and oversight

We operate under a defined governance structure consisting of the Board of Directors, Executive Management, and supporting functions, including finance, HR, procurement, and sustainability. Responsibilities are defined to support oversight and accountability across the organization.

The Board of Directors holds overall responsibility for the company's strategic direction and governance oversight, including sustainability-related matters. The Board approves key priorities, reviews relevant risks, and receives updates on performance and regulatory developments. Sustainability topics are addressed as part of regular Board discussions.

Executive Management is responsible for implementing strategy and integrating governance principles into daily operations. The Executive Management Team consists of the CEO, CCO, CFO, and COO. The CFO supports oversight of financial controls and sustainability reporting processes.

Sustainability coordination and data management are handled internally, with ESG-related information reported to Executive Management and the Board as part of ongoing processes.

We continue to develop our governance practices in line with operational needs and regulatory requirements.

Revenue from specific activities and exclusion from EU Paris-aligned benchmarks

During the reporting period, we did not engage in activities related to:

- Controversial weapons, including anti-personnel mines, cluster munitions, chemical weapons, or biological weapons
- Cultivation or production of tobacco
- Fossil fuel exploration, extraction, production, refining, storage, transportation, or trading (coal, oil, or gas)
- Production of pesticides or other agrochemical products

Our activities are focused on textile-based industrial solutions.

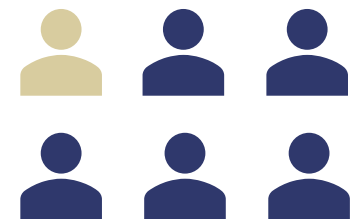
We are not excluded from any EU Paris-aligned benchmark under the applicable EU regulation.

Gender distribution in governing bodies

Our governing structure includes the Board of Directors. During the reporting period, the Board consisted of six members:

- 1 female (17%)
- 5 male (83%)

In addition, two employees (one male and one female) participate at the Board meetings.



Convictions and fines for corruption and bribery

We apply a zero-tolerance approach to corruption and bribery. Compliance with applicable legislation and ethical business conduct are integral to our operations.

During the reporting period:

- **0 convictions** related to corruption or bribery were recorded
- **0 fines for violations** of anti-corruption or anti-bribery legislation were incurred

We maintain internal policies addressing ethical conduct and responsible business behavior. Our code of conduct (finalized in 2026) outlines expectations regarding integrity, legal compliance, and professional standards.

Employees have access to internal reporting channels, including whistleblower mechanisms where implemented, through which concerns can be raised confidentially and handled in accordance with internal procedures and applicable legislation.

No cases related to corruption or bribery were reported during the reporting period.



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