

ESG REPORT

2024

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INTRODUCTION

At HydraSpecma, we believe that the strength of our business is measured not only by the solutions we deliver, but also by the responsibility with which we deliver them.

2024 has been a year of transformation — not just in how we operate, but in how we think about our impact. Across our organization, we've accelerated our sustainability journey by integrating ESG deeper into our decision-making, our supply chain, and the way we serve our customers.

As a company rooted in industrial strength, we have a responsibility to lead with intention. We are committed to innovation that supports both productivity and a low-carbon future. This report reflects our ambition to grow sustainably — by creating long-term value for our customers, our people, and the planet.

I am proud of the progress we've made, and I look forward to the road ahead.

by Morten Kjær, CEO

Sustainability at HydraSpecma is not a project — it is becoming part of our DNA and we are very proud of introducing our 2024 full year ESG report — our first sustainability report.



In 2024, we've taken significant steps to embed sustainability into the way we think, plan, and act. From addressing Scope 3 emissions in our supply chain to strengthening our approach to human rights and responsible procurement, our focus has been clear: to turn ambition into action.

This year's report highlights both our achievements and the challenges we continue to face. ESG is not a destination, but a discipline — one that requires constant learning, cross-functional collaboration, and transparency.

Together, we are building a more resilient and responsible HydraSpecma — one that is ready to meet the demands of a changing world.

**by Daniel S. Andreasen,
Director of Group Strategy & ESG**

THE COMPANY

HydraSpecma is a specialised trading and engineering company with core competencies in trading, production, and know-how in hydraulic components, electrification, turnkey solutions and systems, central lubrication, manifolds, pipes, hoses, and fittings, as well as cooling systems, filtration and lubrication systems, pitch hydraulic systems and connectors within the Renewables Industry.

HydraSpecma Group is the umbrella for three divisions working with customer segments within: Renewables, Global OEM and IAM & OEM. These divisions serve industries such as Commercial Vehicles, Wind Turbine Generator, Construction Equipment, Marine, Material Handling, Agriculture, Forestry and many others. Headquartered in Skjern, Denmark, HydraSpecma employs more than 1,500 people in 11 countries worldwide. The company is owned by Schouw & Co. that is listed on Nasdaq Copenhagen. You can read more about HydraSpecma on www.HydraSpecma.com

RENEWABLES DIVISION

HydraSpecma Renewable Division serves customers mainly within the wind industry with high technology and reliable cooling solutions and systems, as well as aftermarket spare part products. The cooling solutions are

GLOBAL OEM DIVISION

HydraSpecma Global OEM Division serves large OEM customers with hydraulic solutions for Power & Motion business areas. Transmission of extreme power is essential in a broad range of technical applications, such as contractors' equipment and cranes, in agriculture and forestry and in other areas where heavy machinery can generate power and motion. HydraSpecma supports customers with professional hydraulic, electric and hybrid solution to minimize environmental impact across industries.

IAM & OEM DIVISION

HydraSpecma IAM & OEM Division serves the industry and aftermarket customers, mainly in the Nordic regions, with a wide range of quality products, solutions and services for original equipment. HydraSpecma's IAM & OEM Division is dedicated to close collaboration with the customer to help them achieve operational and environmental goals to ensure enhanced productivity and minimal climate impact across industries.



based on liquid that is moved through cooling matrices, thereby reducing the temperature in a given system. Cooling systems contribute to more efficient operations, which reduces energy consumption and minimize climate impact.

VALUE CHAIN IMPACT

Our ambition is to accelerate the energy efficiency and long-term durability of our products across the operational divisions and industries we are present in, to secure the most optimal solutions for our customers, without compromising our corporate core values and ESG goals.

1 DESIGN AND PRODUCT DEVELOPMENT

In close collaboration with the customer, we focus on developing highly energy-efficient products with long-term durability, for minimal climate impact throughout its lifetime

2 PURCHASING

We strive to purchase the best suited materials and components and work in close cooperation with our suppliers to reduce negative impact on people and the planet in our upstream activities

3 SALES

We believe in being transparent in our collaboration with the customer to ensure the best solutions according to their needs

4 OPERATIONS

We work continuously on reducing our climate impact in our own operations by improving operational efficiencies and energy usage across all sites and at HydraSpecma we believe that ensuring the best conditions for our employee's health, safety and well-being, results in the best working environment

5 DISTRIBUTION

We engage with our customers to secure the best solution for packaging and logistics of the products, to minimize climate impact

6 USE OF PRODUCTS

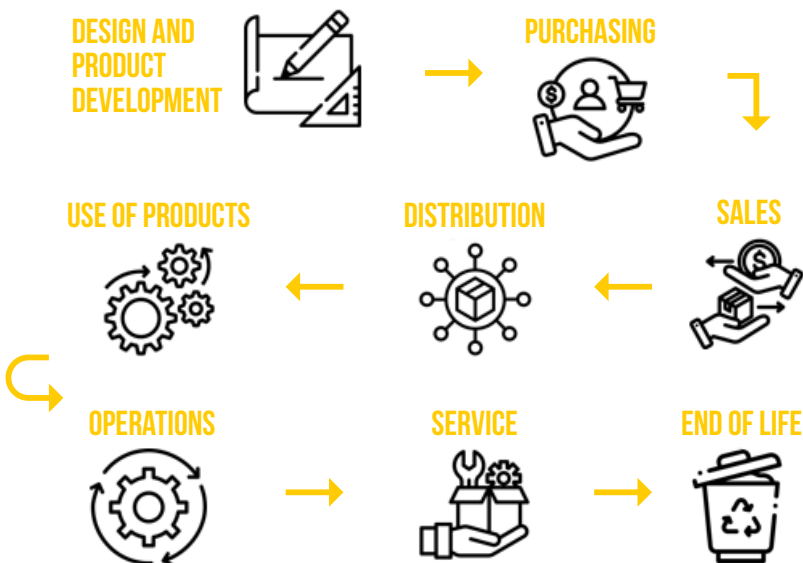
The majority of our emissions come from the use phase of our products. We are therefore constantly working on improving our solutions in collaboration with the customer in order to minimise climate impact in the use phase

7 SERVICE

We take pride in being a service-minded corporation, which is why continuous optimization of our products and solutions performance are essential

8 END OF LIFE

We strive to reduce waste within and outside our operations, and this is why our products and solutions are built with minimal components to secure easier disassembly and reuse of materials





Environmental

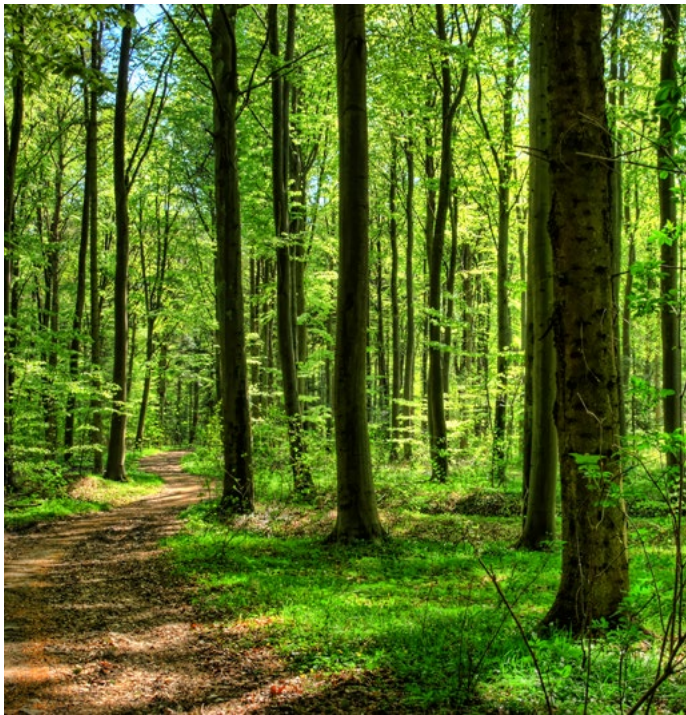
Social

Governance

ENVIRONMENTAL PERFORMANCE

HydraSpecma recognizes the urgency of climate change and is committed to be part of the solution. With the science clear and the societal call for action louder than ever, we have integrated environmental responsibility deeply into our operations and strategy.

Our efforts are driven by a clear ambition: to reduce emissions, improve operational efficiency, and support our customers in their transition to greener technologies. We strive to balance environmental impact with business growth, making sustainability a core part of our value proposition.

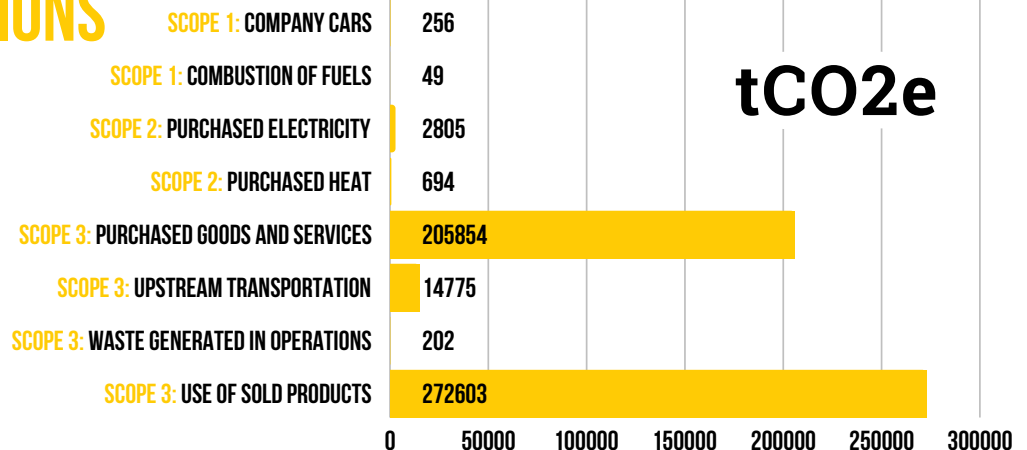


ENVIRONMENTAL ACHIEVEMENTS IN 2024

In 2024, HydraSpecma undertook extensive work to archive even better environmental activity data across all sites to ensure compliance with the legislative requirements we are facing in the coming years. Here, the greatest task was to transition from annual to monthly reporting on all business activities across sites and ensure adequate data foundation.

Based on previous years consolidated data foundation, 2024 has also been a year where HydraSpecma has initiated various projects for eliminating operational emissions in our Scope 1 & 2, as well as implementing reporting practices for Scope 3 full year.

EMISSIONS



DATA MANAGEMENT ACROSS OUR SITES AROUND THE GLOBE

Environmental activity data are collected by local data-contributors at all operational sites, productions, shops and offices in HydraSpecma, enhancing transparency and ownership across the company.

Previously HydraSpecma followed an annual reporting cadence on operational environmental activity data across all sites. To ensure compliance with the legal requirements we are subject to as part of the listed industrial conglomerate Schouw & Co, it was decided to transition to a monthly reporting pace from 2024-year start. The transition was initiated to ensure more reliable data and promote better data quality, enabling HydraSpecma to continuously direct/track our efforts and measure improvements in our environmental performance across the company.

Throughout the year HydraSpecma found that the data quality across sites improved significantly, and significant deviations was captured timely for improvements enabling targeted efforts.

OPERATIONAL EMISSIONS

From the activity data collection across sites, it was found that the total amount of carbon emissions we are responsible for in 2024 in our own operations is 3 804 tonnes, which corresponds to 0.8 % of our total CO₂e emissions.

The emissions mainly stem from our site's electricity usage, heating, natural gas and our company car fleet.

CONTINUOUS OPERATIONAL UPGRADES

Throughout 2024, we have proactively taken concrete actions towards eliminating our operational emissions across sites, which enables us to reach our 2030 emission targets.

We are continuously launching local and group energy efficient initiatives in our own operations, from replacement of light bulbs and retrofitting of machinery to installation of a large solar panels arrays.

SECURING RENEWABLE ENERGY USAGE

In HydraSpecma, electricity consumption constitutes the most significant source of our operational emissions in Scope 2, which is why we are committed to ensuring our own operations are sourcing 100 % renewable electricity.

We are ambitious in our approach for decarbonizing our electricity consumption. In 2024 we finished building our new facility and production site in Stargard, Poland.

As an investment for securing renewable energy supply, the roof was installed with solar panels estimated to generate 1300 MWh electricity annually.

HydraSpecma will have the complete overview of the annual renewable energy return in FY2025. We have initiated the same project at our operational site in India, and pending approval from local authorities, we continue to accelerate the decarbonisation of our Scope 2 footprint.

As a tool for reaching our ambition, we have acquired green certificate guaranteeing purchase agreements of electricity from renewable energy source such as Wind Turbines and Solar Panels on some sites.

ELECTRIFYING OUR CAR FLEET

To reach our reduction-goals towards 2030, electrification of our own car fleet is decisive to eliminate HydraSpecma's Scope 1 emissions. Through this initiative, we are committed to transitioning our company car fleet to electric vehicles wherever possible over the next five years, as well as installing charging infrastructure on our premises to make the choice of driving electric vehicles preferable. The transition from fossil fuel cars to electric cars furthermore reduce noise and eliminate NOx, which causes air pollution. We aim to have 90% of our Nordic (DK, SE, FI, NO) car fleet powered by low or no emission fuel types by 2030.

Through a general roll-out, HydraSpecma has expanded the share of on-site charging stations with 12 charging outputs across multiple of our owned sites. This initiative is done to promote choosing electric vehicles.

TOWARDS 100% RENEWABLE ELECTRICITY

To accelerate the procurement of renewable energy, HydraSpecma are happy to share that Schouw & Co. in 2024 has entered a long-term Power Purchase Agreement with Encavis AG for the European business operations of Schouw & Co.

From this, Schouw & Co. will receive renewable electricity certificates from Encavis' 55 MW solar park located in Andalusia, Spain. Under the PPA, Schouw & Co. will receive a volume of approx. 88 GWh of renewable electricity certificates per year, which corresponds to more than 40% of the electricity consumed by their businesses' European operations – or the equivalent of the annual electricity consumption of about 20,000 Danish households.

The Power Purchase Agreement with Encavis means that Schouw & Co.'s six portfolio businesses, including HydraSpecma, will have a secure and steady supply of market based renewable electricity that has been added to the European grid and financed without subsidies.

It is expected that the Power Purchase Agreement will commence in H1 2025.





EMISSIONS IN VALUE CHAIN

Value chain emissions, known as Scope 3 emissions, accounts for the majority of HydraSpecma's total carbon footprint. The total amount of carbon emissions in our scope 3 inventory is 490 000 tonnes CO₂e, which corresponds to 99.2 % of our total emissions across scopes. These emissions are emitted outside of our own operations, either in upstream activities at suppliers or downstream activities in the use of our products by the end customer.

In the beginning of 2024, we concluded our Scope 3 base year emissions-calculations in four material up- and downstream categories. The purpose of the base year calculations is to set the agenda for the further intensive work of reducing our Scope 3 emissions across the value chain towards future reductions.

After concluding the baseline calculations we have worked on implementing and preparing practices for a recurring full year Scope 3 reporting. HydraSpecma has found that decarbonizing Scope 3 emissions are complex and require close collaboration with stakeholders throughout the value chain.

HydraSpecma takes responsibility to be part of the solution for reducing emissions in the value chain. We will therefor continue to mature and further enhance our roadmap for reducing emissions, to help achieve the shared goal of decarbonizing the industries in which we are present.

OPERATIONAL WASTE MANAGEMENT AND RECYCLABILITY

In HydraSpecma we track our operational waste fractions and treatment across all sites, to secure the data foundation for solutions towards greater resource use through recyclability, circularity and waste reduction. We are still working in the initial stages of finding the most optimal solutions, for the greatest environmental achievements.

However, small initiatives are being launched to enhance recyclability. Locally in Skjern, disposed and defectively produced hoses are, in an agreement with a recycling centre, being picked up to separate the rubber and metal thereby enabling recycling of both materials. Previously, the same fraction of hoses was disposed for incineration.

UPSTREAM EMISSIONS >>

Our upstream activities account for around 45 % of our total Scope 3 emissions. We measure our upstream activities across three categories, Purchased Goods and Services, Upstream Transportation and Waste Generated in Operation, and have found that our climate impact in the categories are highly dependent on our level of business activities. To continue to reduce our upstream emissions, the key figures in the decarbonization roadmaps for our upstream activities must be supported by increased supplier engagement and collaboration, low-carbon raw materials and solutions, energy efficient transportation and enhanced circular economy practices.

UPSTREAM EMISSIONS



- 1. Purchased goods or services**
- 2. Capital goods**
- 3. Fuel- and energy-related activities not included in Scope 1 or 2**
- 4. Upstream transportation and distribution**
- 5. Waste generated operations**
- 6. Business travel**
- 7. Employee commuting**
- 8. Upstream leased assets**

- 9. Downstream transportation and distribution**
- 10. Processing of solid products**
- 11. Use of solid products**
- 12. End-of-life treatment of solid products**
- 13. Downstream leased assets**
- 14. Franchises**
- 15. Investments**



DOWNSTREAM EMISSIONS

DOWNSTREAM EMISSIONS <<

We measure our downstream emissions exclusively within one category, Use of Sold Products, which solely accounts for around 55 % of our total Scope 3 emissions. Thus, we have found that our largest climate impact take place when our products are in use at the customer.

To actively play a role in reducing emissions and ensure a renewable energy transition, we are focusing on developing and delivering energy efficient and emission saving solutions for our customers, why we initiate processes for working closely with our customers to understand where our solutions are used and how we can contribute to creating energy saving solutions for our customers.

Through change of technology in our products, enabling enhanced energy efficiency and electrification, we will help our customers reduce carbon emissions and decarbonize their operations, towards our common goal.

SECURING HYDRASPECMA'S ENVIRONMENTAL PERFORMANCE

Our commitment for safeguarding the environment is a fundamental part of HydraSpecma's corporate values and strategy. Our Environmental-, Health and Safety-, and Code of Conduct policy and standards defines the minimum requirements for HydraSpecma's commitment.

ENERGY EFFICIENCY ACROSS SITES

Our target/ambition is to reduce our operational emissions with 50 % towards 2030 (relative to our 2020 base year).



ISO 14001 - ENVIRONMENTAL MANAGEMENT SYSTEMS

To minimize the environmental impact and ensure our efforts across sites results in continuous improvements, all HydraSpecma's sites are covered by our Environmental-, Health and Safety-, and Code of Conduct policies.

In 2024, 87 % of all our production sites were certified to the ISO 14001 environmental management system certification.

SOCIAL RESPONSIBILITY

AT HYDRASPECMA, WE BELIEVE OUR PEOPLE ARE OUR GREATEST ASSET. WITH OVER 1,500 EMPLOYEES ACROSS 11 COUNTRIES, WE MAINTAIN A STRONG FOCUS ON WORKPLACE SAFETY, EMPLOYEE ENGAGEMENT, AND INCLUSION.



WORKERS IN OWN WORKFORCE

Most of our employees are located in the Nordic countries, where the risk of violations of human rights in general is deemed low. But as a global company with a workforce in 11 countries, we do also have operational sites in countries, where the risk of a breach is higher. To avoid any potential breaches of human rights, we developed a risk assessment on Human Rights in our own workforce in 2024. We expect to take some initiatives during 2025 and onwards which

will increase the focus on workers' rights and working conditions internally in our company.

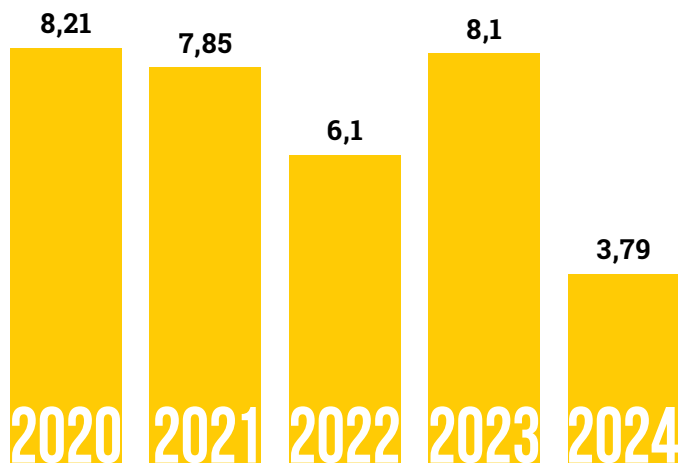
One essential element of good working conditions is a healthy and safe environment, which also includes contemporary facilities and staff spaces. During 2024, HydraSpecma upgraded and renovated several sites with the aim of improving the working conditions.



WORK RELATED INJURIES

To maintain HydraSpecma as an attractive workplace, we have continued to work towards our 2030 ambitions during 2024. When our employees go to work, it is crucial to us that they feel safe and are safe during their workday. We are determined to secure a low Lost Time Incident Frequency Rate (LTIFR), where our ambition is to score below 2 LTI incidents per million working hours. In 2024, our LTIFR was 3.8, which is the lowest since we started measuring on a group level. It clearly indicates that the continuous improvements have a positive effect. However, we have not reached our target yet, which means that we will continue to focus on lowering our LTIFR through preventive actions.

LOST TIME INJURY FREQUENCY RATE



GOOD SAFETY CULTURE

A good safety culture requires education of employees and allocation of resources to enable a low LTIFR. Many of our sites have made preventive measures during 2024 to secure a low occupational accident rate. The initiatives vary as the processes on our sites are different. For example, one site has upgraded four forklifts with improved safety features, such as display lights in all directions for better warning and they have been installed with protection roof, where they previously were an open driver's seat. Another site has begun replacing containers to a different type, where the forklift driver can stay in the forklift while it is being emptied making it much safer for the driver. In 2024, we also improved safety through installation of safety nets in material racks, which raise the safety when handling pallets. At our largest facility in Skjern, Denmark we have installed wheel locks that clamps the wheels of an unloading truck to ensure the safety of the personnel loading and unloading the truck. We have also installed new safety fences that lock when a forklift is operating in the area, ensuring that there are no personnel in the same area as the forklift.



There are many ways to embed a constant awareness on safety, and different approaches have been taken during 2024. One site conducts a quarterly safety training, another site has adopted 12 safety focus areas with the aim to find unsecure situations before they turn into a risk, while a third site has started to make a written report once a month which includes all kind of information, e.g. facts about eventual incidents, accidents, or investments made. All those different approaches have the same aim – to create awareness about the importance of safety.

IMPROVING ERGONOMIC

Strain injuries are injuries that develop over time due to repetitive motions and different actions has been made during 2024 to prevent those repetitive motions. One site has robotized post-processing tasks that previously were assembled manually. Same site does also focus on preventive healthcare in collaboration with an external company to reduce wear and tear injuries. Another site has installed a new assembly fixture that can be raised, lowered or tilted depending on what position a task needs to be performed in. The function of the new fixture has contributed to a better ergonomic.

ISO 45001 – OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

ISO 45001 is a framework to systematically manage occupational health and safety risks with the aim of reducing incidents and injuries. It goes hand in hand with our ambitions of being a secure workplace, why we actively use the certification process to implement various local safety and wellbeing initiatives. In 2024 one third (39%) of our production sites were covered by a certificate.

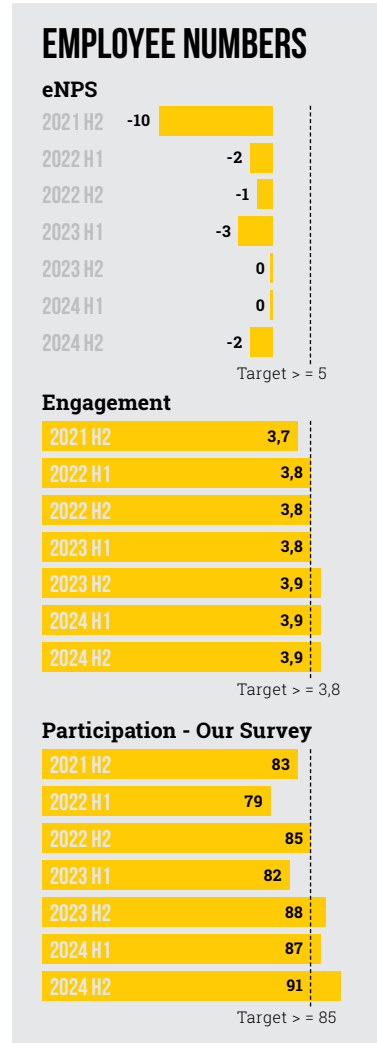
EMPLOYEE SATISFACTION

We want to continuously improve our employee satisfaction and employee well-being, and with a biannually employee satisfaction survey we can take the temperature. We hope all employees want to participate in the surveys, but our target is a participation rate >85%. In both H1 2024 and H2 2024 we successfully achieved our target, and a new record was made in H2 2024 on 91%. Simultaneously, the engagement rate is 3,9 in both H1 and H2, which also is higher than our target on 3,8. We do also use the employee Net Promoter Score (eNPS) as an indicator for employee satisfaction. In H1 2024 it was 0, and in H2 -2, while the benchmark for our industry (manufacturing) is 3. Our ambition is to reach an eNPS score of at least 3 before setting a new target. The surveys indicate a high level of employee satisfaction, which we are keen to uphold with new actions initiated the coming years.

As actions to uphold a high employee satisfaction we hold one-to-one conversations with the nearest manager monthly as well as a mandatory appraisal yearly, which gives the employees the opportunity to talk about everything from employee satisfaction, professional concerns, a wish for continuing education, internal job rotation etc. Of the employees invited (1422*) to an appraisal 97,5 % have concluded

their 2024 appraisal. Once a year all our permanent employees have a salary negotiation, to make sure we deliver a fair income for our employees. In addition, 77% of our permanent employees are covered by collective agreements, which typically includes a salary increase or other benefits.

**1422 is not in line with headcount due to parental leave, sick leave, new hires, leavers etc.*



DIVERSITY

At HydraSpecma, it is part of our strong Nordic heritage that all employees are treated equally, and that everybody is provided the same opportunities. We do not discriminate due to any personal characteristics or preferences, such as gender, age, ethnicity, sexuality, political beliefs, faith or other. We believe our actions and behavior in everyday life is the best guideline to indicate whether all employees are treated equally. An informal business culture, yearly appraisals, and an anonymous whistleblower system makes it possible to address any concerns regarding discrimination. Personal relationships must not affect obligations towards the company, and we expect our employees to foster a respectful culture and communication each other between as well as follow our Code of Conduct. In 2024 we have started the process of collecting data to support our statement saying everybody is treated equally in HydraSpecma.

Given the number of employees, cultures and nationalities represented at HydraSpecma and our presence in 11 countries worldwide, there is a natural degree of diversity among the Group's workforce.

DIVERSITY FIGURES FOR HYDRASPECMA IN 2024:

	Female	Male	Other	Total
Number of total workers in HydraSpecma	361	1168	4	1,533
Percentage of total workers in total HydraSpecma (%)	23,55%	76,19%	0,26	100%
Board of Directors	0	6	0	6
Board of Directors (%)	0	100%	0	100%
Level 1	0	5	0	5
Level 1 (%)	0	100%	0	100%
Level 2	6	22	0	28
Level 2 (%)	21,43%	78,57%	0	100%
Level 3	20	61	0	81
Level 3 (%)	24,69%	75,31%	0	100%

GENDER DIVERSITY

HydraSpecma is generally involved in industrial processing, where one gender is overrepresented, especially in management. As a result, the Group's diversity and inclusion efforts focus on gender and aim to enhance opportunities for the underrepresented gender in management. In 2024, we developed a DEI policy. Among other things, the policy specifies a focus on procedures supporting an inclusive culture, especially regarding recruitment and appointments, as well as an ambition to always have at least one representative of each gender among the final candidates for management positions.

WORKERS IN THE VALUE CHAIN

In HydraSpecma we wish to enhance a responsible collaboration with our suppliers to make sure that the working conditions are good and that our suppliers comply with national and international human rights legislation. In 2024 we initiated Sustainable Supplier Requirements, by which we will increase our focus on responsible collaboration with our supply chain. We expect the requirements will be ready for roll-out early 2026 aiming to prepare for the upcoming EU CSDDD regulation.

For many years we have asked our suppliers to formally sign a Code of Conduct to secure that no human rights are violated and that good working conditions are in place. 55 % of our suppliers in scope have signed a CoC on group level. By 2030 the aim is that 100 % of our suppliers in scope have formally certified our CoC. Furthermore, using a risk based approach our suppliers are assessed according to a wide range of ESG related questions through a self-assessment questionnaire.



DOUBLE MATERIALITY ASSESSMENT

In accordance with the European Sustainability Reporting Standards (ESRS) requirements, we have conducted our first Double Materiality Assessment (DMA) to identify and prioritize sustainability matters relevant to our business. This process evaluates both impact materiality—how our activities affect people and the environment—and financial materiality—how sustainability-related risks and opportunities may influence our enterprise value.

The assessment was carried out through a structured methodology involving:

- » Stakeholder engagement to understand expectations and concerns.
- » Impact and risk mapping across our operations, value chain, and key geographies.
- » Scoring and prioritization based on severity, likelihood, and potential financial effects.
- » Validation by senior management to ensure alignment with strategic objectives.
- » The outcome defines our metrics and sustainability focus as well as it becomes part of the Schouw & Co portfolio DMA that is reported on.

Our Double Materiality Assessment is included in our owner, Schouw & Co.'s, Annual report which you can find on their website. Our data is audited by Schouw & Co.'s third party auditor on an annual basis.

UN GLOBAL COMPACT AND SDGS

In December 2024, we formally committed to the United Nations Global Compact, reinforcing our dedication to responsible business conduct. By joining the initiative, we support and integrate its **Ten Principles on human rights, labour, environment, and anti-corruption** into our strategy, operations, and culture.

This commitment aligns with our ESG ambitions and underlines our role in advancing the UN Sustainable Development Goals (SDGs). In particular, we focus our efforts on:

- » **SDG 8: Decent Work and Economic Growth** – by promoting safe working conditions, fair employment practices, and inclusive growth across our operations and supply chain.
- » **SDG 12: Responsible Consumption and Production** – through our work to improve resource efficiency, reduce waste, and promote sustainable procurement.
- » **SDG 13: Climate Action** – by addressing our greenhouse gas emissions, including Scope 3, and integrating climate risk into strategic decision-making.

As part of our participation, we will report annually on our progress through the Communication on Progress (CoP), ensuring transparency and accountability.



*Morten Kjær, Group CEO
and Daniel S. Andreasen,
Director of Group Strategy
& ESG commit to the
UN Global Compact*

BUSINESS ETHICS & ANTI-CORRUPTION

We are committed to upholding the highest standards of business ethics and integrity across all aspects of our operations. As part of our alignment with the UN Global Compact and our internal Code of Conduct, we actively work to prevent corruption, bribery, and other unethical practices.

To support this, we have set a clear target: **100% of our administrative employees must receive training in our ethics and compliance policies.** This ensures a strong foundation of awareness and accountability throughout the organization. Regular updates, guidance, and reporting mechanisms further reinforce our culture of integrity.



WHISTLEBLOWER

To ensure transparency and accountability, we maintain a secure and confidential **whistleblower system** that enables employees and external stakeholders to report concerns related to unethical behavior, legal violations, or breaches of our Code of Conduct.

The system is accessible online and allows for anonymous reporting, in full compliance with applicable legislation. All reports are handled promptly, fairly, and with full respect for the rights of all parties involved. This mechanism is a key element in supporting our commitment to integrity and responsible business conduct.

ECOVADIS & CONTINUOUS IMPROVEMENT

In 2024, we achieved an **EcoVadis score of 48**, reflecting our performance across key areas including environment, labor & human rights, ethics, and sustainable procurement. This external assessment provides valuable benchmarking and guidance as we strengthen our ESG efforts.

We are committed to improving our performance and transparency, with a clear goal to **enhance our EcoVadis rating in 2025** through targeted initiatives, such as policy development, supplier engagement, and improved monitoring.



SPONSORSHIPS & CHARITY

At HydraSpecma, we view sponsorships and charitable contributions as important tools for strengthening community ties and supporting positive social impact, in alignment with our core values and strategic direction. Our approach is guided by a clear policy framework that ensures **transparency, relevance, and alignment with sustainability goals**.

We engage in both **local and strategic sponsorships**, supporting initiatives that promote innovation, education, sustainability, and community well-being. Charitable contributions are focused on assisting vulnerable groups, advancing health and education, and supporting environmental and humanitarian efforts. In 2024, we strengthened our efforts

in this area by formalizing internal processes that ensure contributions are made responsibly and transparently. Our ambition is to contribute positively to the communities in which we operate, while supporting causes that reflect our values and advance sustainable development.

CONCLUSION

2024 marked a pivotal year in HydraSpecma's sustainability journey. With our first consolidated ESG report, we've laid a transparent foundation for long-term impact and continuous improvement. From reducing our operational emissions and engaging suppliers on Scope 3, to strengthening employee safety and committing to the UN Global Compact, we have taken meaningful steps to embed ESG into the core of our business. These achievements reflect not only our ambition but the dedication of our people across all levels of the organization.

*Disclaimer:
This report has not been third part audited and does not reflect the Schouw & Co ESG Reporting in its entirety. Several datapoints has been third party audited as a part of Schouw & Co.'s annual report which can be found here: [\[LINK\]](#)*



APPENDIX

MEASURE	UNIT	REPORTING		
		FY 2022	FY 2023	FY 2024
COMPANY DATA				
Revenue	DKK'000	2.536,3	2.971,6	3.031,1
Average number of employees	#	1.274	1.452	1.466
Sites covered by an ISO 9001 certificate (quality management systems)	%	95%	95%	93%
ENVIRONMENTAL DATA				
Scope 1	tCO2e	542	611	312
Scope 2 location based	tCO2e	1.539	2.515	2.784
Scope 2 market based	tCO2e	1.902	2.940	3.499
Scope 3	tCO2e	N/A	N/A	493.436
Product use (scope 3: use of sold products)	tCO2e	N/A	N/A	272.604
Waste	ton	2.907	4.209	4.042
Waste - recycle percentage	%	30%	42%	38%
Water	m3	N/A	N/A	10.508
Company cars NOx emissions (air pollution)	ton	N/A	N/A	0,1
Energy consumption from renewable sources (green certificates and own solar panels)	%	20%	18%	18%
Sites covered by an ISO 14001 certificate (environmental management systems)	%	75%	75%	85%
SOCIAL DATA				
Operational sites covered by ISO 45001 (occupational health and safety management systems)	%	36%	39%	39%
Lost time injury frequency rate (LTIFR)	rate	6,1	8,1	3,8
Days lost to work-related injuries	days	N/A	N/A	201
Employee satisfaction survey (eNPS)	rate	-1	0	-2
Employees who receive regular performance and career development reviews / appraisals	%	N/A	97%	92%
Employees who have a yearly salary negotiation	%	100%	100%	100%
Employees covered by health care benefits	%	90%	89%	90%
Number of employees covered by collective agreements	%	N/A	N/A	77%
Employee turnover rate	%	14%	15%	16%
All employees - female	%	24%	24%	24%
New hires - female	%	29%	26%	25%
Pay gap - gender	%	14%	15%	16%
Board of directors - female	%	0%	0%	0%
Level 1 Executive Management - female	%	0%	0%	0%
Level 2 Top Management - female	%	13%	27%	21%
Level 3 Other Management - female	%	17%	16%	25%
Suppliers who have formally certified their compliance with our Code of Conduct	%	60%	65%	55%
Functions-at-risk employees trained on anti-corruption and anti-competitive practices	%	50%	50%	78%
Number of child or forced labor incidents reported	#	0	0	0
Number of inspections per year to audit factories for child or forced labor	#	8	10	10
Number of confirmed incidents involving corruption or bribery	#	0	0	0
Whistleblower cases forwarded to the authorities	#	0	0	0
IT-related GDPR cases forwarded to the authorities	#	1	0	0
Unplanned IT down time	%	N/A	N/A	0.023%

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