



Sustainability Report 2024



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Executive statement

Our very first sustainability report. A milestone at Vestfrost. This report is both a reflection of our progress and a declaration of intent. We are proud to take this step—not because we have reached a destination, but because we have truly begun the journey.

For us, sustainability is not a box to be ticked, nor a final objective to be reached. It is a path—one that challenges us, teaches us, and continually reshapes the way we think, act, and innovate. We do not claim to have all the answers. But what we do have is a deep sense of responsibility, an openness to learn, and a commitment to evolve. And we have started.

Technology and innovation have always been at the heart of who we are. It is what drives us to develop refrigerators and freezers to the healthcare, lifestyle, and food sectors — and now, it is what fuels our sustainability efforts. Whether we are experimenting with alternative materials, enhancing energy efficiency, or redesigning our processes and solutions, we approach sustainability with the same creativity, curiosity, and technical rigor that has defined our brand from the start. We believe innovation is not only a tool for progress—it is the engine of meaningful change.

But sustainability is more than just environmental impact. It is also about people. We recognize that our social responsibility begins with our own team. Across the company, we see how purpose energizes our employees. They are engaged, not just by what we build, but by why we build it. There is a profound sense of pride in contributing to solutions that go far beyond commercial success.

Nowhere is this more evident than in our work supporting global public health. Our freezers are used to store vaccines in some of the most remote areas on Earth — helping preserve life-saving medicine where it is needed most. That is not just engineering. That is impact.

As we share this report with you, we do so with humility and hope. We know there is much more to do. But we are moving forward—step by step—with conviction, creativity, and the strength of our collective purpose.

Lars Christensen
CEO

“ Sustainability is all about added value. That is why we keep pushing for progress for the benefit of our business, employees, and customers. ”



Highlights of the report



In numbers



-14.5%

total GHG emission reduction



-3.6%

total GHG emission per net revenue



-10%

reduction in energy consumption



-10%

less waste per million working hours

In actions



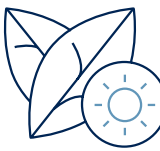
Net-zero cooler

project initiated



ESG strategy

developed



Phased out

HFC refrigerants with high global warming potential



Emission targets

set & related initiatives started

Input

- 3 production facilities in Denmark and Hungary
- Over 500 FTE, where 342 are in production
- 1,194 million working hours
- Over DKK 300 million spent on raw materials
- 3.8 million kWh electricity used
- Over 4,000 hours of employee training and education

VESTFROST
SOLUTIONS

Output

- 104,907 units sold
- Total net revenue over 560 million DKK
- 5.2 TRIR
- Total CO₂e emissions over 292,000 t

Outcome

- Contributing to securing medical advancements, public health, and food chains globally
- Community development and growth through global presence of industrial operations
- Securing a balanced, flexible, and safe workplace for employees
- Strengthening direct customers' business by providing high-quality solutions that they resell to their customers



General



General basis for sustainability statement

This sustainability report is prepared on a consolidated basis and covers operations, activities, and impacts related to A/S Vestfrost (hereafter Vestfrost) and its 100%-owned subsidiary, Vestfrost Zrt.

The report is written and structured in a way to gradually integrate disclosure requirements under the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS).

The report covers Vestfrost’s upstream and downstream value chains to the extent possible based on information and data availability and quality.

Vestfrost’s double materiality assessment that was carried out in 2024 showed that three ESRS topics, namely ESRS E3 (Water and marine resources), ESRS E4 (Biodiversity and ecosystems), and ESRS S3 (Affected communities) are not material. Vestfrost has therefore omitted these topics from this report. If, however, future materiality assessments and/or Vestfrost find ESRS E3, ESRS E4, and/or ESRS S3 to be material or increasingly relevant, then Vestfrost will disclose them in the respective sustainability statements.

About Vestfrost

Vestfrost is a global developer and manufacturer of innovative and efficient refrigerators and freezers for the professional market.

Founded in Esbjerg (Denmark) in 1963, Vestfrost today operates within three main segments:

With production facilities in Denmark and Hungary and an extensive partner network across four continents, Vestfrost has a global reach, providing high-quality cooling solutions all over the world.

Healthcare



Biomedical
Hospitals, laboratories, health clinics, pharmacies, universities



Cold chain
Storage solutions for especially tropical climates

Lifestyle



Wine
Professional and commercial use



Merchandising
Unique brand presentation of beverages

Food

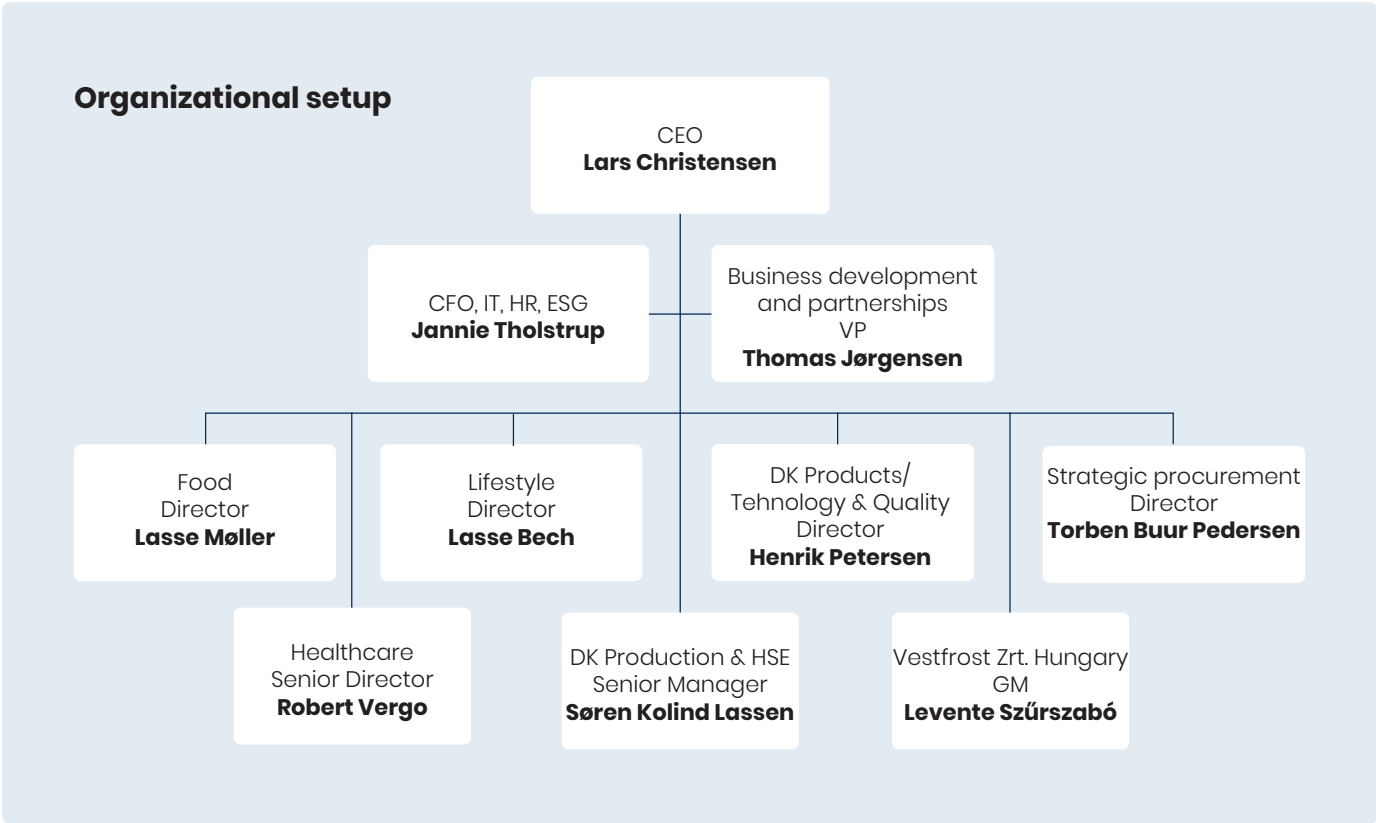


Food
Restaurants, bars, shops, service stations

Role of the administrative, management and supervisory bodies

We have established a governance structure with different management and supervisory bodies that represent various roles, functions, and geographies within Vestfrost’s operations.

The internal reporting lines within Vestfrost ensure that the relevant geographical locations and stakeholders in relation to ESG matters are well represented in decision-making across its entire value chain.



Executive Management

The center of the governance structure is Vestfrost’s Executive Management Team. This team consists of two members (one man, one woman), namely the CEO Lars Christensen and CFO Jannie Tholstrup. The management team represents the key functions within Vestfrost’s operations and brings altogether 30+ years of global leadership experience from the manufacturing, energy, retail, and food sectors, with product experience ranging from dairy through exhaust systems to offshore constructions.

The Executive Management Team collaborates very closely with the VP for Business Development and Partnerships, and the directors and senior management responsible

for the market segments, procurement, HSE, technology development, and operations.

The main roles and responsibilities of the executive management team with regards to ESG matters are:

- Setting strategic ESG direction and overseeing related decision-making,
- Evaluating material ESG risks, opportunities, and impacts and establishing a risk management framework,
- Delegating ESG initiatives to the Sustainability Team, and
- Monitoring progress toward targets.

Board of Directors

The Executive Management Team, led by the CEO, directly reports to Vestfrost’s Board of Directors. The Board consist of seven members (two women, five men), where:

- two represent Vestfrost’s owners,
- three are independent (not having material relationship with the company, nor being part of the everyday operations), and
- two are elected by the employees of Vestfrost.

This Board composition ensures a balanced oversight, impartiality, and representation of both leadership and employees, covering a range of expertise from strategic leadership to operational management.

The main roles and responsibilities of the Board of Directors with regard to ESG matters are:

- Evaluating material ESG risks, opportunities, and impacts,
- Monitoring the effectiveness of internal controls and processes related to ESG,
- Safeguarding stakeholders’ interests and increasing shareholder value,
- Approving and overseeing the implementation of the sustainability strategy, whilst ensuring alignment with corporate goals and long-term priorities.

Sustainability Team

We have established a cross-departmental Sustainability Team. The team consists of seven members (one woman, six men) that represent the key ESG areas: the CFO (leading the team – representing financial, IT, HR, and ESG areas), Business Operations (project owner), the CEO, Procurement, R&D and Quality, and two members from Hungary (General Manager and PMO & R&D Director).

The main roles and responsibilities of the Sustainability team with regard to ESG matters are:

- Identifying and overseeing the impacts, risks and opportunities,
- Planning, coordinating, and executing ESG initiatives and monitoring their progress,
- Coordinating with the communications team to ensure extensive ESG-related communication and information flow across the organization,

- Ongoing reporting to the Executive Management Team.

The Sustainability Team already holds a wide range of essential skills to drive the ESG initiatives. However, they are committed to ongoing training and skills development to ensure internal capacity building. When needed, the team also collaborates with external advisors to bring in additional expertise.

Trade Union Representatives

Our production employees in Denmark are covered by collective agreements. Hourly-waged employees are a member of 3F trade union, whereas craftsmen are a member of Dansk Metal trade union, and each have their own representatives at Vestfrost.

The main roles and responsibilities of the Trade Union Representatives are:

- Being the spokespeople of the employees and ensuring compliance with the collective agreements,
- Ensuring transparency and communication flow between employees and management,
- Raising awareness, issues, risks across the organizations that relate to ESG matters that affect employees.

White-collar employees in Denmark and employees (both white- and blue-collar ones) in Hungary are not covered by collective agreements. Here, the direct leaders and HR teams take these responsibilities, and employees are also encouraged to turn to the Work Environment Committee.

Works Council

In Denmark, we have a Works Council (or cooperation committee) that is tasked with further developing cooperation between management and employees for the benefit of all.

The Works Council consists of six members (three from the management side and three from the employee side) and meets approximately once every two months. The agenda for the meetings and minutes from the meetings are sent by e-mail and posted on the noticeboards and intranet.

Employee representatives are elected by employees for a two-year period.

Work Environment Committee

We operate a Work Environment Committee in Denmark, which includes eight members: a chair, two supervisors, three work environment representatives, and a PTA Manager. Members are elected by the employees for a two-year period. The Work Environment Committee meets every quarter.

The main roles and responsibilities of the Work Environment Committee with regards to ESG matters are:

- Participating in the daily occupational health and safety work, and helping colleagues to work safely,
- Conducting risk assessments and carrying out safety walks,
- Suggesting and implementing improvements and relevant legislation in relation to occupational health and safety.

Our facility in Hungary also has an occupational health and safety team, which represents the interests of our employees when it comes to health and safety issues.



Information provided to, and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

ESG Information flow

The Sustainability Team regularly informs and updates the Executive Management Team about progress, challenges, and opportunities. The Management Team then reports and presents relevant matters to the Board of Directors regularly through monthly reports and at the annual board meetings to support strategic decision-making.

Once a year, management performs a Management Review of the systems and place the presentation and minutes of the meeting on the internal channels.

Further to this, we have four committees (Growth/Strategy, Operational, Audit, and Owners Committee) that meet regularly with the Board of Directors and exchange information in relation to operations and ESG-related impacts, risks, and opportunities.

The Sustainability Team, via the communication team, also ensures information flow to the rest of the organization and external stakeholders

using internal channels (e.g., intranet, e-mails, meetings) and external channels (e.g., social media, website, annual reports). Employees are furthermore informed about general business updates, including sustainability matters, at town hall meetings that take place at least four times a year.

Seasonal work environment campaigns, first aid courses, monthly safety walks, and the annual employee engagement survey and follow-ups allow continuous and regular information flow with regards to ESG matters across the entire organization. This further anchors ESG into everyday operations.

Integrating ESG into the strategy

The Executive Management Team and the Board of Directors evaluate existing and arising ESG impacts, risks, and opportunities at the leadership and board meetings. They consider and integrate these matters into their short-term operational activities and long-term strategic directions, whilst balancing economic considerations and stakeholder interest.

List of IROs addressed during reporting period

In 2024, we focused on the IROs (Impacts, Risks, and Opportunities) identified within E1, E2, and E5 and continued to drive projects and initiatives that reduce energy and resource use and increase circularity of products.

Improving data quality and accessibility continued to be a key area in 2024, which underlines all identified IROs. As part of these initiatives, we also carried out employee and supplier training.

In addition to this, we also maintained focus on the health and safety and working conditions of our workforce.

Integration of sustainability-related performance in incentive schemes

Vestfrost does not have any incentive schemes linked to sustainability matters that are offered to members of the administrative, management or supervisory bodies.

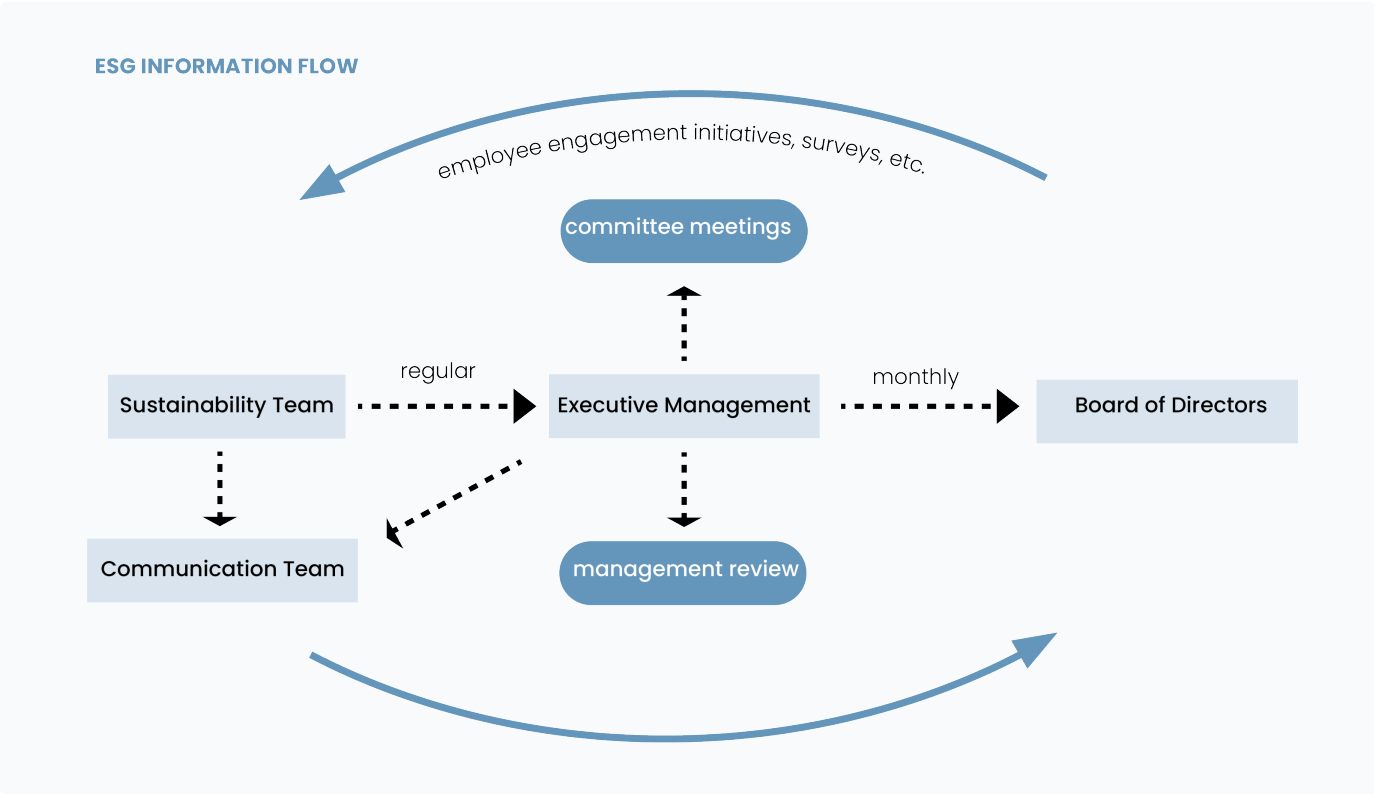
Due diligence

We utilize key due diligence practices at all levels across the organizations addressing key entities and stakeholders.

Due diligence practices include:

- Regular internal audits and follow-ups to implement improvements in e.g., workflow, activity plans, etc.
- Supplier audits and scorecards to evaluate strategic suppliers and ensure compliance with Vestfrost’s business conduct
- Business unit meetings to evaluate financial status, R&D projects, cost-out initiatives, safety, productivity, quality, sales intake and outlook, KPIs including recruitment
- Ongoing monitoring of key business and ESG KPIs (using e.g., dashboards, ERP system, communication channels), and addressing arising trends in a continuous manner

More detailed description of due diligent practices can be found under the relevant sections.



Due diligence

Core elements of due diligence	Sections in the sustainability statement	Stakeholders	Page
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	People and Environment	13
	ESRS 2 GOV-3	People and Environment	14
	ESRS 2 SBM-3	People and Environment	21
	ESRS 2 SBM-3-E1	Environment	31
	ESRS 2 SBM-3-E2	Environment	46
	ESRS 2 SBM-3-E5	Environment	51
	ESRS 2 SBM-3-S1	People	63
	ESRS 2 SBM-3-S2	People	75
	ESRS 2 SBM-3-S4	People	79
	ESRS 2 SBM-3-G1	People and Environment	89
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2	People and Environment	13
	ESRS 2 SBM-3	People and Environment	21
	ESRS 2 IRO-1	People and Environment	24
	E1-2	Environment	35
	E2-1	Environment	46
	E5-1	Environment	52
	S1-1	People	64
	S2-1	People	75
	S4-1	People	81
	G1-1	People and Environment	90
Identifying and assessing negative impacts	ESRS 2 IRO-1	People and Environment	24
	ESRS 2 SBM-3	People and Environment	21
	ESRS 2 SBM-3-E1	Environment	31
	ESRS 2 SBM-3-E2	Environment	46
	ESRS 2 SBM-3-E5	Environment	51
	ESRS 2 SBM-3-S1	People	63
	ESRS 2 SBM-3-S2	People	75
	ESRS 2 SBM-3-S4	People	79
	ESRS 2 SBM-3-G1	People and Environment	89
Taking actions to address those negative impacts	E1-1	Environment	33
	E1-3	Environment	36
	E2-2	Environment	47
	E5-2	Environment	52

Due diligence (cont.)

Taking actions to address those negative impacts (cont.)	S1-4	People	67
	S2-4	People	76
	S4-4	People	83
	G1-1	People and Environment	90
	G1-2	People and Environment	91
Tracking the effectiveness of these efforts and communicating	E1-4	Environment	37
	E2-3	Environment	47
	E5-3	Environment	53
	S1-5	People	68
	S2-5	People	77
	S4-5	People	83
	E1-5	Environment	39
	E1-6	Environment	41
	E1-9	Environment	42
	E5-2	Environment	52
	E5-4	Environment	55
	E5-5	Environment	55
	S1-10	People	71
	S1-11	People	71
	S1-14	People	72
	S1-15	People	72
	S1-17	People	72

[GOV-5]

Risk management and internal controls over sustainability reporting

We acknowledge the following risks in relation to our sustainability reporting:

- Relevant data or reported information are incomplete or incorrect,
- Data processing is incomplete or incorrect,
- Calculations or analyses are incorrect.

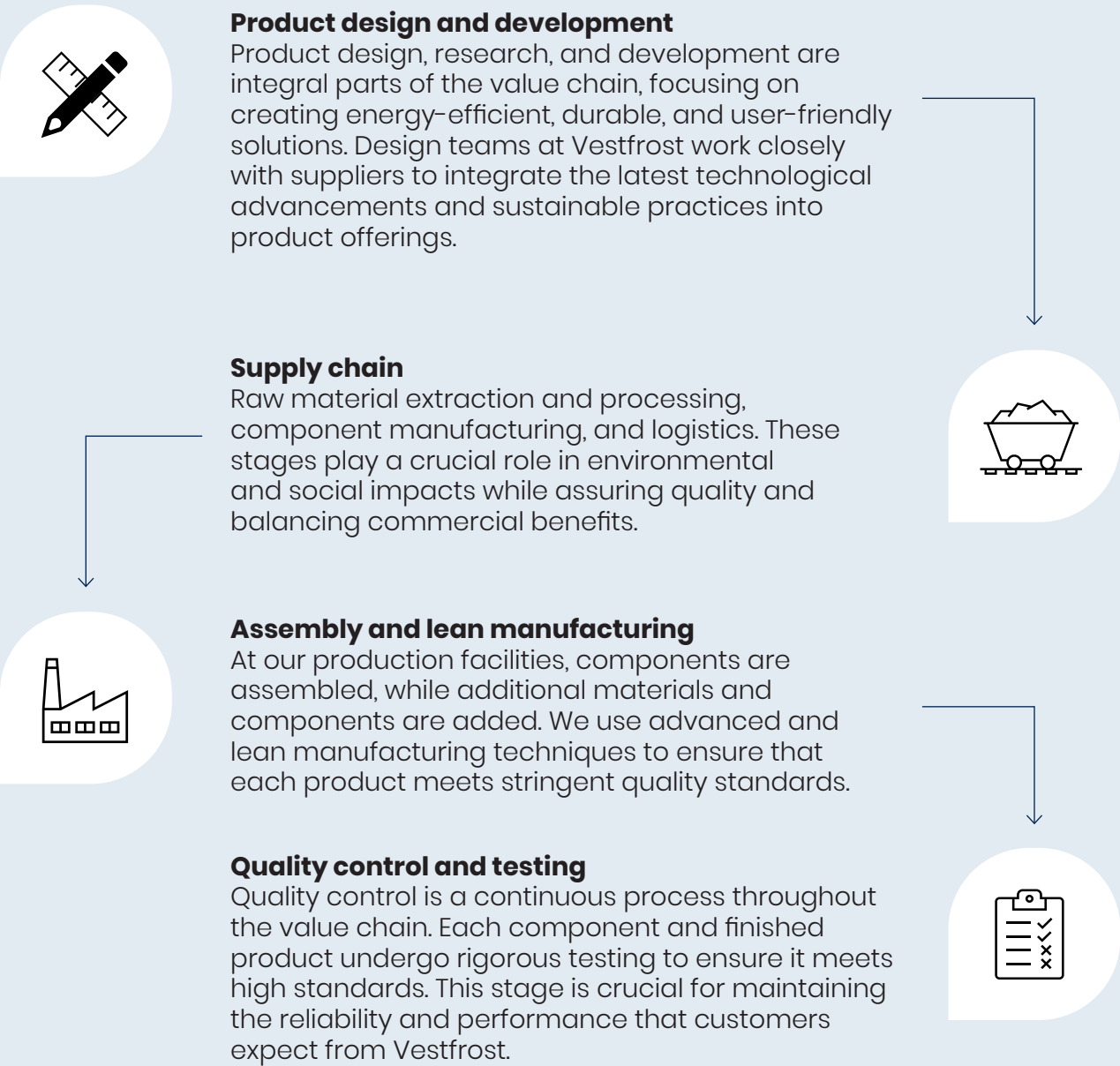
In the future reporting periods, we will therefore focus on improving data collection and processing. Strengthening governance structure and processes around ESG reporting can further mitigate the mentioned risks.

We are already investigating opportunities to automate data collection and/or implement sustainability reporting software to increase transparency and reduce risks for human errors.

Value chain

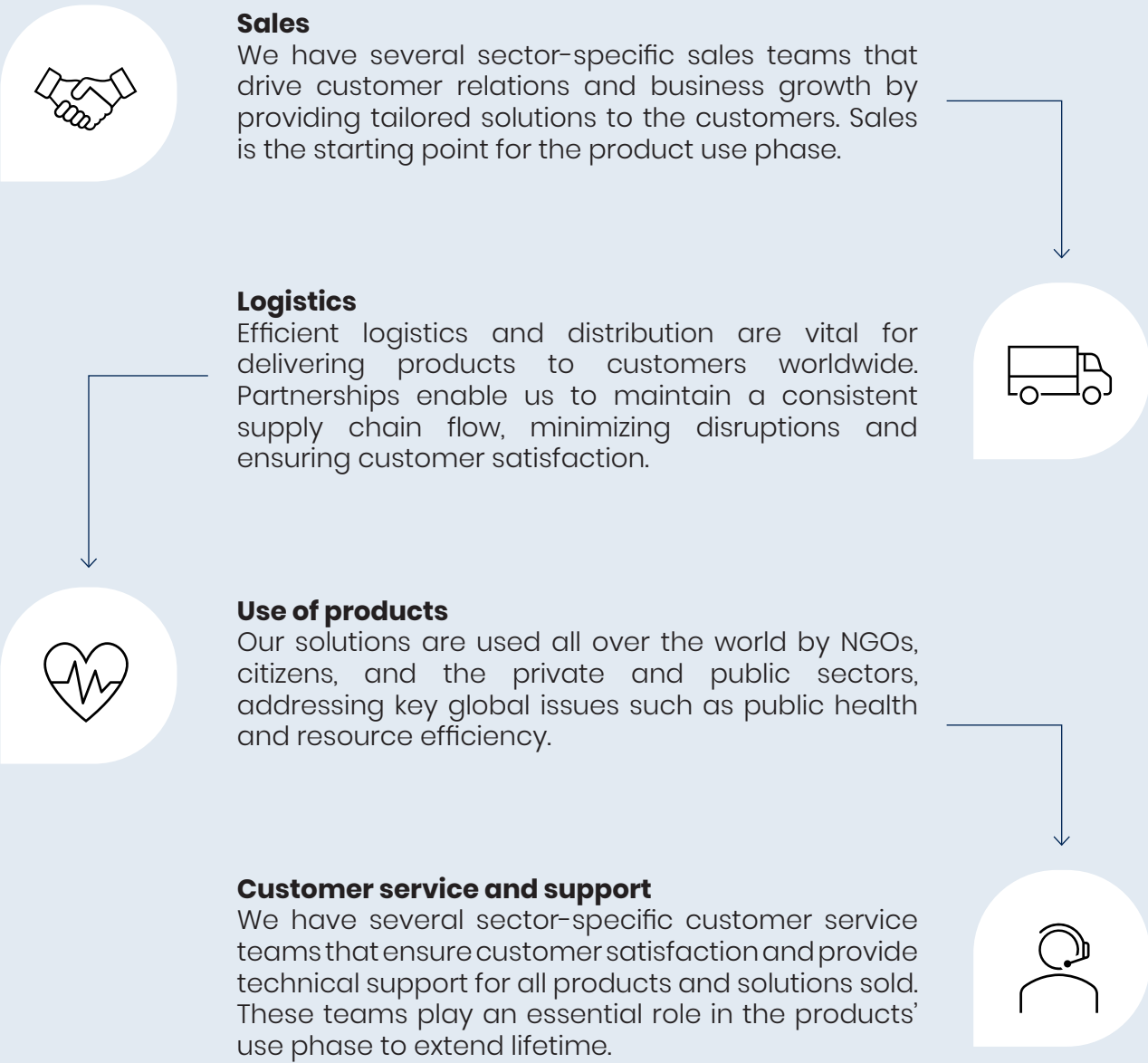
Vestfrost has established a business model that centers around customer value, research and development, and lean manufacturing. We operate a robust and diverse value chain, leveraging a global network of suppliers to ensure the highest quality and reliability of their products. Our upstream value chain spans multiple stages, each contributing significantly to the final product's value, sustainability, and performance.

Upstream



Our entire value chain is an integral part of our strategic planning, risk assessment, and decision making.

Downstream



Strategy

We at Vestfrost aim to be the solutions expert within the refrigeration and freezing sector and provide the highest value for money by offering the right solution with the lowest operating costs for our customers – and their customers as well. This vision provides the basis for our strategy, where sustainability plays a key role.

In 2024, based on the double materiality assessment, we outlined an ESG strategy with specific targets supporting Vestfrost’s overall strategy and vision.

With targets focusing on energy reduction, resource use, and circularity, we are working towards our vision of providing solutions with lower operating and lifetime costs. The other sustainability targets ensure responsible operations and long-term sustainable growth. This further supports our vision of providing the right solution to our customers, while keeping the entire value chain in mind.

As the ESG strategy was laid, in 2024 we also initiated a few projects and have increased focus on a range of ESG matters to integrate these into everyday operations. These included gap analysis, close collaboration with external experts, increased internal communication, and putting ESG matters as a recurring element of projects and meetings.

Through ongoing business controlling, monitoring, and stakeholder engagement, we ensure that our strategy and business model are resilient, and that the company has the capacity to address impacts, risks, and opportunities. We continue to evaluate initiatives, projects, and strategic decision-making focusing on the short-, medium-, and long-term horizons.



Sustainability targets

Baseline year 2023



Energy

- 100% reduction in Scope 1 and 2 in Denmark by 2030
- 50% reduction in Scope 1 and 2 in Hungary by 2030
- Net zero at all locations by 2050



Resources

- Increase circular material use rate in coolers and freezers to 25 % by 2030.



Circularity

- Produce a net zero cooler and expand the concept to additional models.



Social Responsibility

- Consistently fostering a workplace that prioritizes safety, inclusivity, and excellent working conditions, and delivering healthcare solutions on a global scale.



Governance

- Maintaining the highest standards of corporate governance, ensuring that all operations are conducted ethically, transparently, and in compliance with laws and regulations.

Interests and views of stakeholders

Our everyday operations and strategic decision-makings are centered around our key stakeholders. Engagement with these stakeholders occurs through –amongst others– surveys, audits, and collaborations. These engagements also give an opportunity to identify how stakeholders view our impacts and address them accordingly.

In addition to the stakeholders with business interests, we also actively engage with a range of other stakeholders, who might be the users of this sustainability report. For Vestfrost in Denmark, these include Danish Industry, Business Esbjerg, the Climate Partnership with the Esbjerg Municipality, whereas our production employees are represented by the 3F and Dansk Metal trade unions. Meetings, events, and ongoing collaboration with these organizations ensure that we understand the external impacts and risks on our own operations (e.g., financing, regulations), as well as the arising opportunities for the company.

Vestfrost in Hungary is a member of the Hungarian Standards Body, Hungarian Chamber of Commerce and Industry, and the Hungarian Logistics Association, which allows Vestfrost to understand current local affairs, stay informed about risks, and foresee opportunities for our company.

We furthermore carry out extensive marketing activities covering various channels (conferences, tradeshow, website, social media, etc.), where we engage with civil society and other stakeholders.

Key stakeholders	Engagement activities – highlights	Outcome
Owners	<ul style="list-style-type: none">• Board meetings (quarterly)• General meeting (annual)• Briefings and committee meetings (ad-hoc)	<ul style="list-style-type: none">• Ensure regular information flow and risk management in relation to strategy, targets, and performance
Own workforce	<ul style="list-style-type: none">• Leadership & corporate communication (continuous)• Performance and development reviews (annual)• Employee engagement surveys (annual)• Safety walks in production (monthly)• Whistleblowing platform (continuous)	<ul style="list-style-type: none">• Employee engagement scores and general inclusion of well-being to maintain/improve employee satisfaction• Improving health and safety through mitigating risks• Building an inclusive and strong company culture based on Vestfrost’s values• Gathering input from employees regarding actions to address IROs.
Customers	<ul style="list-style-type: none">• Regular customer surveys• Informal practices (customer meetings, events)• Recording customer complaints and service data from customers into a centralized management system	<ul style="list-style-type: none">• Gather feedback from customers and to assess and manage risks and impacts on them• Identify complaint trends and make service/product improvements.
Suppliers and partners	<ul style="list-style-type: none">• Regular monitoring and evaluation to create a scorecard, which is used to evaluate strategic suppliers with respect to quality, environment, work environment, and employees• Code of Conduct• Annual and bi-annual audits for the A suppliers and partners	<ul style="list-style-type: none">• Ensuring best practices across the supply chain and identifying impacts• Adherence to Vestfrost’s business conduct
Regulators, authorities, and affected communities	<ul style="list-style-type: none">• Collaboration and regular contact with local regulatory bodies and industry experts• Business networking events and conferences	<ul style="list-style-type: none">• Gain and raise awareness on impacts and risks, as well as arising technologies• Compliance with the regulations



[IRO-1]

Description of the process to identify and assess material impacts, risks and opportunities

In 2024, we conducted a Double Materiality Assessment (DMA) to identify internal and external impacts, risks, and opportunities (IRO) in relation to our operations, business, and stakeholders.

The assessment followed the guidelines outlined by EFRAG and the CSRD, and included qualitative (interviews, questionnaires, meetings) and quantitative (database and market research) data collection from and in relation to key stakeholders and supply chain. We analyzed the IROs across short-term (<1 year), medium-term (1-5 years), and long-term (> 5 years) time horizons, and applied a 1-to-5 rating system for scoring.

Key steps in the double materiality assessment

STEP 1

Understand context

- Identify and engage with stakeholders
- Collect data
- Map the market
- Understand the business and value chain

STEP 1

STEP 2

STEP 2

Identify potentially relevant sustainability matters

- Outline potential areas (mentioned in the ESRS and outside the ESRS) that might be relevant for the company
- Validate these potential areas with stakeholders

STEP 3

Conduct assessment

- Assess risks, impacts, and opportunities for each area considering severity (scale, scope, and irremediability), likelihood, and effects
- Identify materiality based on thresholds

STEP 3

STEP 4

STEP 4

Integrate results

- Integrate results into strategy and business processes

Highlights of stakeholder engagement during the double materiality assessment

Stakeholders	Engagement type/channel	Main area
Customers and suppliers	<ul style="list-style-type: none">WebpageMedia	Value chain, ethical business processes, climate change, pollution, labor conditions, health and safety, product safety
Employees	<ul style="list-style-type: none">Results from previous surveys, employee satisfaction surveys, etc.	Labor conditions, health, and safety
CEO	<ul style="list-style-type: none">InterviewsInformal conversationsWork shops	All areas
CFO	<ul style="list-style-type: none">InterviewsInformal conversationsWork shops	All areas
R&D employees	<ul style="list-style-type: none">InterviewISO material	Climate change, pollution, substances of concern
Experts	<ul style="list-style-type: none">Informal conversations	Climate change, pollution, labor

[IRO-2]


Disclosure requirements in ESRS covered by Vestfrost’s sustainability statement

The assessment identified ten areas to be material. These areas are therefore included in the report and described alongside the topical ESRS E1 Climate change, E2 Pollution, E5 Resource Management, S1 Own workforce, S2 Workers in the supply chain, S4 Consumers and End-users, G1 Business conduct in this sustainability statement. Other, non-material topics – as also mentioned in the [BP] General basis for sustainability statement – have been omitted from the report.

Material topics – Vestfrost – 2024


Environment

- E1 – Climate change
- E2 – Pollution
- E5 – Resource management




Social

- S1 – Own workforce: health and safety
- S1 – Own workforce: working conditions
- S2 – Value chain workers
- S4 – Consumers and end-users



Governance (Business Conduct)

- G1 – Business ethics
- G1 – Anti-corruption and bribery
- G1 – Data and cybersecurity





Environment

[E1]

Climate change

[ESRS 2 IRO-1]

Climate-related material impacts and risks

Materiality in relation to climate change stems directly from the nature of the product. Refrigerators and freezers help reduce food waste (positive impact), but their manufacturing requires high energy use and raw materials with high CO₂ footprint and global warming potential (negative impact). These impacts, however, also provide opportunities for our company.

The identified risks are found to be universal in this global and dynamic market.



Material, climate change-related IROs	Type of IRO	Location in the value chain			Time horizons		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Reducing food waste: Refrigerators and freezers play a crucial role in reducing food waste (which accounts for 8-10% of annual GHG emissions*), extending the shelf life of food, preserving nutritional value, and supporting food distribution network.	Actual positive impact			✓	✓	✓	✓
Reducing energy use during the use phase: Improving energy efficiency of refrigerators and freezers through advances in new technologies, such as solar-powered appliances and more efficient cooling systems.	Actual positive impact		✓	✓	✓	✓	✓
Climate change mitigation: The extraction and processing of raw materials and the use of refrigerants used during the production of refrigerators and freezers are energy-intensive and contribute to substantial CO ₂ emissions.	Actual negative impact	✓	✓		✓	✓	✓
Energy use: Energy use during production (electricity, heat, and natural gas) and use phase contribute to significant carbon footprint.	Actual negative impact		✓	✓	✓	✓	✓
Customer demands related to carbon footprint: Customers could increasingly choose products with a lower carbon footprint, increasing market competition.	Risk			✓		✓	✓
Regulatory and reputational risks: Implementation of new regulations and carbon pricing mechanisms bring uncertainty and increasing raw material costs. Negative perception of the company's environmental impact can result in reputational damage. Both risks can affect the Vestfrost's profitability.	Risk	✓		✓			✓
Supply chain disruptions: Advanced technologies and components, as well as climate-related events may disrupt the supply chains leading to production delays and increased costs.	Risk	✓	✓				✓
Development of Net-Zero Coolers: Developing new products with net zero carbon emissions.	Opportunity	✓	✓	✓	✓	✓	✓
Expansion into new markets: Reducing food waste and maintaining food quality can appeal to both private and commercial customers, with the addition of environmental and social responsibility. All this could open new market opportunities and investment.	Opportunity			✓			✓

*<https://unfccc.int/news/food-loss-and-waste-account-for-8-10-of-annual-global-greenhouse-gas-emissions-cost-usd-1-trillion>.

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

We are addressing material impacts through adapting our strategy and implementing initiatives that reduce energy use during the manufacturing and product use phase and replace high-impact raw materials. Projects like developing net zero coolers are important in this aspect, but also in mitigating climate-related risks (customer demands) and capturing opportunities (market expansion).

We have not analyzed either of the current or anticipated financial effects of the material IROs.

IMPACTS	How Vestfrost's strategy and/or business model address the impacts	
Reducing food waste	In our strategy, we commit to existing product portfolio with new product developments to bring additional value to customers.	
Reducing energy use during use phase	We have established emission targets, projects, and governance structures to reduce the products' energy use during lifetime. We continue to evaluate, test, and implement energy efficiency technologies into existing and new product lines.	
Climate change mitigation	The sustainability strategy and targets, corporate strategy, transition plan, as well as the climate and environmental policies address how we work with climate change and strive to minimize our impact on the environment.	
Energy use	We see reducing energy use during production and over the products' lifetime as a business opportunity and a responsible business practice, and as such, are committed to continuously monitor, evaluate, and lower energy use. The existing governance structure (e.g., Sustainability Team, Operational Committee, Work Environment Committee) ensure that everyday business and projects address the energy use matter – both in own operations and the products' use phase.	

RISKS	Type of risk	How Vestfrost's strategy and/or business model mitigate the risks
Customer demands related to carbon footprint	Physical	Ongoing projects, such as net-zero coolers, coolers with solar-panels, and energy-efficient coolers, ensure that Vestfrost stays at the frontline of technological development and reduces its product portfolio's carbon footprint.
Regulatory and reputational risks	Transition	Collaboration with experts on regulatory development in the local and global market, risk assessment, and a strong control over internal processes and communication to ensure that Vestfrost lives up to its commitments.
Supply chain disruptions	Physical	The established governance structure and business processes allow continuous risk assessment, vigilance, and agility in the global market.

OPPORTUNITIES	How Vestfrost's strategy and/or business model captures the arising opportunities
Development of Net-Zero Coolers	We marked this opportunity as a strategic priority. This means that we are committed to assigning the necessary resources in the short-, medium-, and long-term to develop the new net-zero product portfolio and once developed, prioritizing these in the global sales funnel. We are looking into pricing models that would support the sales of net-zero coolers over the higher-impact product models.
Expansion into new markets	We established the required governance structure (such as the Growth/Strategy Committee) and information flow to ensure ongoing evaluation of new business opportunities, building the foundation for market expansion, and building partnerships in relevant new markets.



Transition plan for climate change mitigation

We have committed to contributing to the global and European sustainability targets and efforts relating to reducing GHG emissions, limiting global warming to 1.5°C and achieving climate neutrality.

- To achieve this, we have established clear and measurable climate targets, including:
- Scope 1 and 2: 100% reduction in Denmark (carbon neutrality) and 50% reduction in Hungary by 2030
 - Scope 3: 100% reduction by 2050 (net zero)

All targets consider 2023 as the baseline year (see further description of this under section [E1-4]).

As Vestfrost is not excluded from the EU Paris-aligned Benchmarks, we have outlined a transition (action) plan that aligns with these sustainability efforts and targets. The transition plan is benchmarked against economy-wide scenarios.

The transition plan was approved by the management team in early 2025 and is expected to be approved by the Board of Directors in Q2 2025, while ensuring flexibility in the plan for further adaptation or adjustments.

We understand that implementation of this plan is key and have committed to assigning necessary resources and initiating/carrying out projects within this framework.

Integration with business strategy

- Our transition plan and related sustainability efforts are embedded in the company's overall business strategy and financial planning. This is achieved through:
- Governance Structures: Sustainability oversight by the Board of Directors and integration across all organizational levels.
 - Expert Collaboration: Partnering with industry experts to refine strategies and align with global best practices.
 - Employee Engagement: Building a culture of sustainability within our workforce, ensuring alignment with company-wide objectives, and extensive communication and training around sustainability matters.

Investments and financial alignment

The implementation of the climate change transition plan is supported by resource allocation (both human and financial) for the different decarbonization initiatives.

Annual and long-term budgeting and planning ensure that sufficient resources are allocated to reach the sustainability goals and to continuously work with sustainability matters.



Decarbonization levers

We identified a variety of decarbonization levers to reduce our GHG emissions and transition to sustainable economy. These decarbonization levers include:



- Renewable energy transition**
to reduce GHG emissions related to Scope 2
- Using available renewable energy sources during production at all Vestfrost's manufacturing facilities
 - Exploring the possibility of investing in renewable energy sources



- Product innovation**
to reduce GHG emissions related to Scope 3
- Designing products for energy efficiency and low emissions during its use phase



- Circular economy**
to reduce GHG emissions related to Scope 3 and to transition to circular economy
- Incorporating sustainable materials and processes that minimize carbon footprint (such as use of biodegradable plastics, recycled plastics, and recycled metals)
 - Implementing a circular economy approach, where products are designed for easy recycling and reuse
 - Establishing take-back schemes or refurbishment services to reduce the need for new raw materials



- Investment in research**
to support transition to circular economy
- Resource allocation to identify and use materials that have a lower environmental impact



- Improved operational efficiency**
to reduce GHG emissions related to Scope 3
- Reducing waste generation in the manufacturing process
 - Improving quality to reduce scrap rate, maintain a high Right-First-Time rate, while ensuring high product yield



- Sustainable procurement and supply chain management**
to reduce GHG emissions related to Scope 3
- Ensuring all suppliers and logistics partners adhere to strict sustainability (including environmental) criteria
 - Sourcing more raw materials locally where possible to reduce transport distances (and related emissions)



[E1-2]

Policies related to climate change mitigation and adaptation

Climate Change Policy

We at Vestfrost have outlined a Climate Change Policy that addresses impacts, risks, and opportunities in relation to climate change mitigation and adaptation.

The core of the policy is to:

- Transition and promote renewable energy sources across the entire value chain
- Let energy efficiency and circularity guide manufacturing and product design for the benefit of the business and customers
- Assess raw materials and components that have a lower climate impact but at minimum maintain product quality and function
- Strengthen stakeholder collaboration across the value chain for better preparedness and increased responsibility
- Establish a robust governance framework and practices, including risk assessment and management processes
- Act responsibly, raise issues, and focus on remediation

The Policy aims to cover the whole value chain, while we expect more immediate results in our

own manufacturing, material sourcing, and product design processes. We apply a wide range of decarbonization levers and actions to meet the policy requirements and achieve the sustainability targets. These are described in section [E1-1].

Environmental Policy

Complementing the Climate Change Policy, we also have an Environmental Policy, which describes the foundation the company's commitment to continuously improving environmental conditions, reducing impacts, and preventing pollution – all of which shall happen in balance with strengthening the company's competitiveness. The Policy highlights that environmental and energy considerations shall be included in the management's basis for decisions, ensuring that no major decisions are made without these conditions are evaluated.

In addition to that, as outlined in the Environmental Policy, we – when relevant – will develop and continuously improve our ISO 14001 management system that is the primary platform to manage sustainability.

[E1-3]

Actions and resources in relation to climate change policies

Our teams at Vestfrost have addressed emissions through the following actions and decarbonization levers in 2024:

Net-zero cooler development project

In 2024, Vestfrost initiated an ambitious journey to develop a net-zero cooler, setting a new standard in sustainable innovation within its industry. This initiative is part of our broader commitment to environmental responsibility and climate action.

Our primary objective is to create a product that achieves net zero carbon emissions throughout its entire lifecycle. For this to succeed, we use a variety of decarbonization levers:

- Product innovation and investment in research to improve energy efficiency and ensure low emissions during use phase and to incorporate sustainable materials (e.g., biodegradable plastics and recycled materials) in the design and production stages that minimize carbon footprint
- Sustainable procurement and supply chain management to ensure all suppliers and logistics partners adhere to strict sustainability criteria
- Circular economic approach in product design to ensure easy disassembly for recycling and reuse
- Improved operational efficiency to minimize waste during production
- Renewable energy transition to lower the carbon emission from the production process

As the project is still under development, there has not yet been any related GHG emission reductions.

We spent a large part of our R&D annual budget (which constitutes 4% of our revenue) on the net-zero project in 2024, and we continue to progress the project in 2025.

Energy consumption in production

In 2024, we closed one of our facilities in Esbjerg, Denmark, with poor energy efficiency production lines. Production from this facility was moved to our Hungarian location, which has a lower energy consumption per product rate, therefore lower carbon footprint compared to the closed down facility.

Closing down the facility in Esbjerg and moving the relevant production Hungary resulted in almost 70 tonnes of CO₂e avoidance in 2024.

We spent over DKK 10 million on the closure and re-allocation of production in 2024. There are no further actions in relation to this project in the future.

Data quality and accessibility

Improving data quality and accessibility was a key focus area for Vestfrost in 2024. Actions here included mapping data sources, identifying responsible data owners, reviewing data quality, increasing cross-departmental collaboration and communication, and establishing platform solutions for data sharing.

We spent over 400 hours on this in 2024. While no direct GHG emission reductions were expected in relation to this process, it has led to identifying missing and incorrect data, as well as insights into our true environmental impact, which can and will be used to further reduce GHG emissions.

We will continue to improve data quality and accessibility in 2025.

Employee and supplier education

Very closely related to the beforementioned data quality and accessibility, we spent significant resources on employee and supplier education in relation to climate and other ESG matters. We therefore actively used the *sustainable procurement and supply chain management* decarbonization lever.

Actions in this regard covered a variety of meetings, workshops, and presentations focusing on – amongst others – the principles of ESG, the company's needs for compliance,

requirements from suppliers, and how suppliers can calculate the emission factors of components.

We spent approximately 10 hours on such training.

Similarly to data quality, this process was not expected to lead to direct GHG emission reductions, but improved understanding of ESG matters and relevant data that are essential in reducing GHG emissions.

We will continue to provide education to employees and suppliers in 2025.

[E1-4]

Targets related to climate change mitigation and adaptation

As part of our ongoing commitment to sustainability and climate change mitigation, we set ambitious targets across all emission scopes.

In 2022, we committed to the Science Based Targets initiative (SBTi), where our near-term and net zero targets were approved based on the baseline year of 2021.

Since submitting our targets to SBTi, we have made significant improvements to our GHG inventory with additional and more precise data and adjusted our calculation methodology. Under the SBTi's requirements, these events have triggered a recalculation of our base-year emissions and re-submission of our updated emissions and targets.

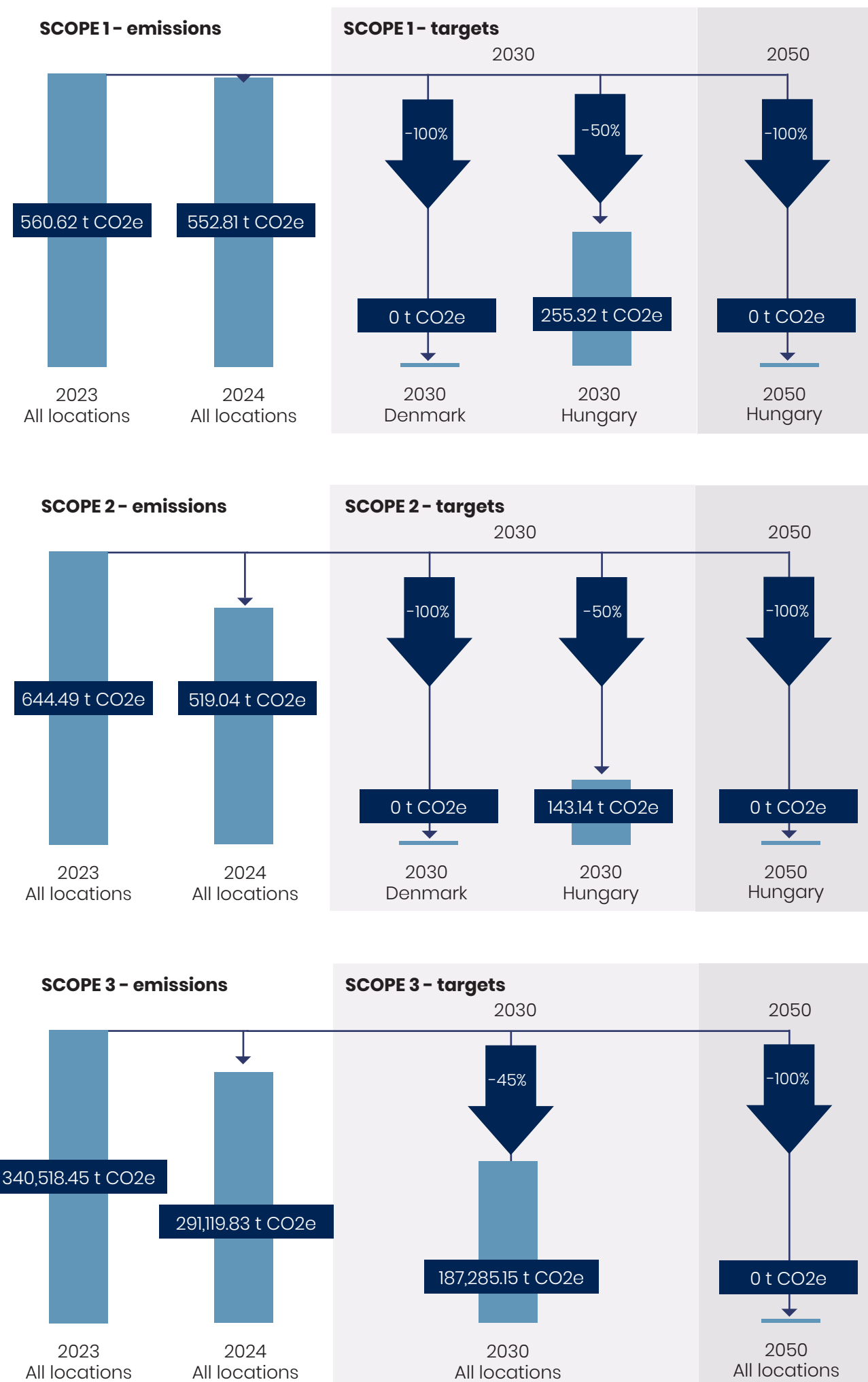
At the time of reporting, we are gathering all necessary information to re-submit our emissions and re-calculate our targets for SBTi. While this process is ongoing, we have decided to use 2023 as a base year and compare our 2024 emissions to the ones in 2023. We are confident that our GHG inventory from 2023 and onwards are complete and accurate to the highest extent possible and include relevant Scope 3 categories.

While we have used the available target setting tools from SBTi that indicate that our existing targets are still aligned with the 1.5°C degree scenario and net zero targets, we cannot consider these targets as validated by SBTi.

We expect to conclude the SBTi validation process before Q3 in 2025 and will disclose the result in our 2025 sustainability report.

We therefore report our existing targets (not validated by SBTi) with the baseline year of 2023.

These targets are aimed at being reached by using a variety of decarbonization levers as outlined in our transition plan.



Energy consumption & mix

In 2024, our energy consumption was 8,210.77 MWh, which is a decrease around 10% compared to 2023. Most of the decrease came from our Danish facilities, while there was a slight increase in energy consumption in Hungary. This was due to the additional production output in Hungary.

The shares of renewable, fossil, and nuclear energy have remained stable in 2024 due to our dependence on using the collective energy network in Denmark and Hungary.

Our energy intensity (MWh/net revenue in million DKK) in 2024 was 14.56, compared to 14.28 in 2023, which represents an increase of around 2%. The energy intensity increase was due to the higher decrease in net revenue relative to the decrease in energy consumption.

We continue to focus on improving energy efficiency and reducing our energy consumption in 2025 and onwards.



Energy consumption and mix	2024	2023
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	5.43	6.76
Fuel consumption from natural gas (MWh)	2,449.95	2,485.08
Fuel consumption from other fossil sources (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	3,350.32	3,907.30
Total fossil energy consumption (MWh)	5,805.71	6,399.14
Share of fossil sources in total energy consumption (%)	71%	70%
Consumption from nuclear sources (MWh)	270.96	264.37
Share of consumption from nuclear sources in total energy consumption (%)	3%	3%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	2,134.11	2,416.89
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	0	0
The consumption of self-generated non-fuel renewable energy (MWh)	0	0
Total renewable energy consumption (MWh)	2,134.34	2,416.89
Share of renewable sources in total energy consumption (%)	26%	27%
Total energy consumption (MWh)	8,210.77	9,080.39

Gross Scopes 1, 2, 3 and Total GHG emissions

In 2024, our total GHG emissions (Scope 1, 2, and 3) amounted to 292,191.67 tonnes CO₂e based on the location-based method, showing a 14.5% decrease in overall emissions compared to 2023. Our GHG intensity per net revenue also decreased by 3.6% compared to 2023.

This decrease is mainly driven by our Scope 3 emissions. Category 11 – Use of sold products represents 75% of our total Scope 3 emissions, as our products have a lifetime of minimum 10 years and require electricity throughout their entire lifetime. In 2024, we sold less, and

therefore emissions in this category were reduced by almost 12%. Even though the reduced sales (and also production) output resulted in reduced amounts of goods being purchased, transport emissions increased, which could be due to increased transport distances and related costs.

Our Scope 1 and 2 emissions across our locations decreased due to our continued focus on improving operational (energy) efficiencies.

GHG intensity per net revenue	2024	2023 (base year)	Change compared to baseline (%)
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/million DKK)	518.02	537.30	-3.6%
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/million DKK)	520.24	539.31	-3.5%

The net revenue used to calculate GHG intensity for both 2023 and 2024 can be found in the relevant yearly financial statements.

	2024	2023 (base year)	% Change compared to 2023
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO ₂ eq)	552.81	560.62	-1.4%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	519.04	644.49	-19.5%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	1,767.46	1,924.39	-8.2%
Significant scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	291,119.83	340,518.45	-14.5%
Category 1: Purchased goods and services (tCO ₂ eq)	69,548.35	90,412.73	-23.1%
Category 4: Upstream transportation and distribution (tCO ₂ eq)	1,100.24	876.33	+25.6%
Category 5: Waste generated in operations (tCO ₂ eq)	(1,180.74)**	(1,136.32)**	+3%
**Outside of Scope 3, and therefore not included in the total gross GHG emissions.			
Category 9: Downstream transportation (tCO ₂ eq)	2,144.02	1,971.49	+8.8%
Category 11: Use of sold products (tCO ₂ eq)	218,327.22	247,257.91	-11.7%
Total GHG emissions (location-based) (tCO ₂ eq)	292,191.67	341,723.57	-14.5%
Total GHG emissions (market-based) (tCO ₂ eq)	293,440.09	343,003.46	-14.4%

GHG removals and GHG mitigation projects financed through carbon credits

Vestfrost does not carry out any GHG removals and storage projects, and neither does it finance GHG mitigation projects through carbon credits.

Internal carbon pricing

Vestfrost does not apply internal carbon pricing schemes at the time of reporting and currently has no plans to introduce such schemes in the near future.

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

Vestfrost has not yet made an evaluation of the anticipated financial effects related to material physical and transition risks, or the climate-related opportunities. We at the time of reporting do not find such evaluations necessary. If, however, the strategic projects related to climate-related IROs do not progress as expected, we will evaluate whether to make such evaluations that could be used as levers for progress. We are furthermore open to assessing financial effects when needed and/or requested.

[E2]

Pollution

[ESRS 2 IRO-1]

Pollution-related material impacts, risks, and opportunities

To ensure that our products have optimal performance, durability, and are compliant with industry standards, we are using a variety of chemicals in our production. Some of these chemicals are categorized as substances of concern or have a global warming potential. To mitigate impacts, we carry out thorough risk management, adapt to regulations, train our employees, and continuously assess new/other materials that can replace the abovementioned raw materials in production.

Furthermore, as our packaging is made of polystyrene that can lead to the generation of microplastics, we have started to investigate other packaging materials to eliminate potential microplastics pollution.



Material, pollution-related IROs	Type of IRO	Location in the value chain			Time horizons		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Pollution of air: We use polyurethane (PUR) foam in our refrigerators and freezers. The production and use of PUR emits volatile organic compounds (VOCs) that have detrimental impact on human health. PUR also emits VOCs in the use phase, but exposure to such emissions is relatively low, as the foams are encapsulated inside the refrigerators and freezers. Refrigerants (e.g., Chlorofluorocarbons and Hydrofluorocarbons) used in the production of coolers and freezers have a risk of release into the environment through leakage, maintenance and repair	Actual negative impact		✓	✓	✓	✓	✓
Microplastics: We use polystyrene packaging that breaks down in the long term and can form secondary microplastics polluting the environment.	Actual negative impact			✓			✓
Substances of concern: We use different chemicals in production (adhesives, paint, curing agents, lubricants, gardeners, foam), where some are hazardous and carcinogenic. Diisocyanates used in PUR foam pose the biggest risk.	Actual negative impact		✓		✓	✓	✓



[SBM-3]

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

We are committed to addressing pollution-related impacts and work towards minimizing them. Ongoing projects, targets, and strategic decisions lay the foundation for this.

Pollution-related impacts	How Vestfrost’s strategy and/or business model address the impacts
Pollution of air	Health and safety of the employees is a central element of Vestfrost’s strategy. As such, minimizing risks and impacts in relation to air pollution is an ongoing priority. We are furthermore investigating replacement of materials that contribute to pollution as well as different business models that could potentially support this – both within operations and from a customer-perspective.
Microplastics	Driven by Vestfrost’s Net-Zero Cooler Project, we are screening packaging materials to eliminate the risk of microplastics pollution. A new packaging solution is also key in reaching our sustainability targets.
Substances of concern	Continuous focus on health and safety, as well as environmental considerations, ensure robust chemical management and investigation of potential replacement of substances of concern.

[E2-1]

Policies related to pollution

Health and Safety Policy

We are committed to ensuring a safe workplace for all our employees. This also includes minimizing the risk of accidents and hazardous working conditions for the employees. Amongst others, personal protective equipment, training, education, regular risk assessments, and internal audits play an essential role in impact mitigation, and pollution prevention and control.

In case of pollution-related emergencies, employees follow well-defined procedures that they are trained in and that they can find descriptions of at the production facilities and management systems.

Environmental Policy

Vestfrost is committed to preventing pollution from its operations and ensuring that environmental considerations are included in the management’s basis for decisions so that no essential decisions are made before these conditions are evaluated. As also outlined in the company’s Environmental Policy, we aim to replace xenobiotics substances with environmental neutral substances, where it is technically and financially sound.

At the time of reporting, no formal policy specifying pollutants and substances has been outlined. This is, however, an area that we will initiate in 2025.

[E2-2]

Actions and resources related to pollution

In 2024, we carried out a variety of actions to avoid and reduce pollution to address pollution impacts.

Phasing out high global warming potential HFC refrigerants

In 2024, we phased out two high global warming potential HFC refrigerants, R134A and R404A, from production. This was a strategic priority for us, which benefits both the environment and the employees.

Ventilation in production (ongoing)

We continuously monitor and ensure effective operation of the ventilation systems installed at the manufacturing facilities, where PUR, diisocyanates, foaming agents, and refrigerants are used. Ventilation minimizes the employees’ and environment’s exposure to VOCs and SOC.

Production leads at the relevant lines and the QHSE department – including through internal audits and safety walks– are responsible for the everyday checks and maintenance of the ventilation system.

Training (ongoing)

Our employees handling chemical substances go through extensive training before starting to work with such substances.

In 2024, our production employees carried out over 480 hours of training. We will continue these training courses in 2025.

Chemical management (ongoing)

Maintaining and ensuring up-to-date safety instructions and procedures to handle chemical substances in production. There was no significant operational or material change in 2024 that would have triggered a chemical review and risk assessment.

The next chemical risk assessment is being planned at the time of reporting.

Evaluation of packaging materials (ongoing)

In 2024, we investigated possibilities to reduce and/or eventually fully replace our polystyrene packaging that can lead to microplastics pollution. This process, led by the Procurement and Logistics teams, was not finalized and will continue into 2025.

[E2-3]

Targets related to pollution

Vestfrost had an internal target to phase out all very high global warming potential HFC refrigerants from production by 2024. We reached this target in 2024.

At the time of reporting, there are no further targets related to pollution. In 2025, we, however, will review the possibilities for outlining potential targets related to pollution.

[E2-4]

Pollution of air, water, and soil

Pollutants

Pollutant toluene appears in one chemical compound, in which it constitutes less than 3% of the compound itself. This pollutant is therefore negligible even considering the number of products produced.

Vestfrost does not use any other pollutants that are listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC.

Microplastics

In 2024, we used around 21 tonnes of polystyrene packaging to ship our products

globally. Wear and tear of these can lead to the generation of microplastics. There is, however, no exact data or estimation how much microplastics would be generated in this process.

[E2-5]

Substances of concern/very high concern

We use a digital platform (Kemiarkiv or Chemical Archive) from Würth Denmark to help manage and access chemical safety information. The platform highlights a variety of substances of concern (SOC) that we use in our production.

We have no exact data on pollution-related protection and remediation costs. We, however, believe that the fact that there have not been any sicknesses and accidents related to chemical substances reflects the success of our ongoing focus on training and risk assessment.

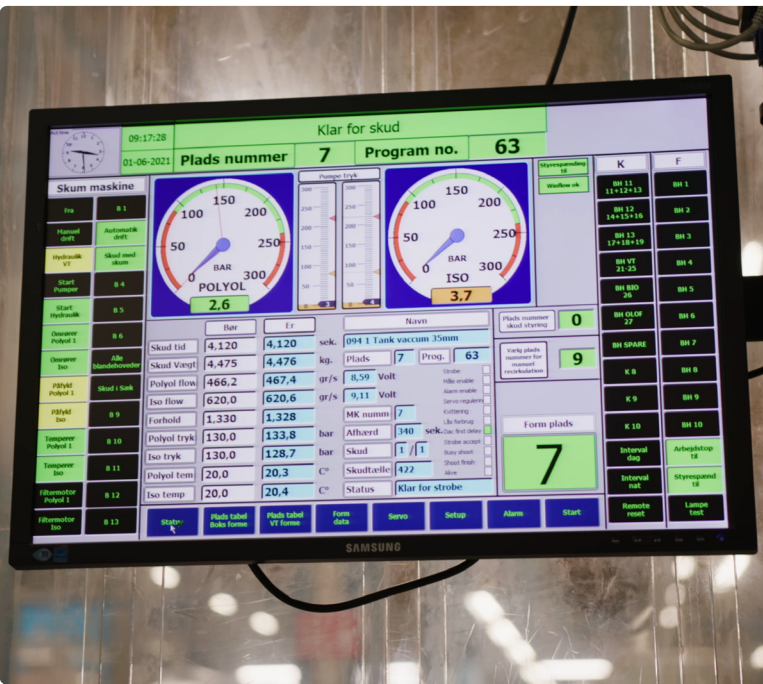
As all our products include SOC to some extent, our entire 2024 revenue could be considered to be generated through products that include SOC.

We do not use substances of very high concern in our production and products.

[E2-6]

Anticipated financial effects from pollution-related IRO

Vestfrost has not yet made an evaluation of the anticipated financial effects related to pollution-related material IROs. At the time of reporting, we do not find such evaluations necessary. If, however, relevant projects do not progress as expected, we will evaluate whether to make such evaluations that could be used as levers for progress. We are furthermore open to assessing financial effects when needed and/or requested.



Substances of concern identified in the Vestfrost digital platform Kemiarkiv and the amounts used in production in 2024.

Tradename	Uses	Amounts used in production in 2024
Iso PMDI 92140	Foam	187,845 kg
Kleiberit 709.1	Adhesive	1,155 kg
Technomelt pur 310	Hotmelt adhesive	440 kg
XPU 18018 BM	Curing agent	153.2 l

[E5]

Resource use and the circular economy

[ESRS 2 IRO-1]

Resource use and circular economy-related material impacts and risks

Our double materiality assessment described resource use and circular economy-related impacts, risks, and opportunities, which highlighted the need for closing material loops and potential for responsible business growth. During the identification of resource management IRO, we did not conduct consultations with affected communities but will investigate such opportunities in the future.

Several business units at Vestfrost are associated with resource use and circular economy IROs:

- **Project Management Office, R&D, Technology**, where product design, material selection, testing, and engineering takes place
- **Procurement**, who is responsible for mapping and identifying suppliers providing alternative raw materials and

components, as well as auditing key suppliers to ensure a sustainable value chain

- **Production** teams, who need to establish new production processes and appropriate training to handle new materials and product designs, as well as managing production waste
- **Quality and Health and Safety** teams driving quality assurance of new materials and product designs, and a safe working environment due to changes in production processes and used materials
- **Business Development** with responsibility to identify new business opportunities and risks that may arise from resource use and circularity
- **Sales and Marketing**, who drives communication about circularity and resource management, highlighting the benefits for the customers



Material, resource and circular economy-related IROs	Type of IRO	Location in the value chain			Time horizons		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Resource use: The use of metals, insulation materials, refrigerants, electrical components, plastics, and rubber can affect resource scarcity. In addition to that, primary and secondary waste related to the production process has an impact on the environment's resources.	<div></div> Actual negative impact	<div></div>					<div></div>
Circularity: The ongoing Net-Zero Cooler project puts circularity in the center through innovative design, material selection, and energy efficiency, advancing circular economy.	<div></div> Actual positive impact		<div></div>	<div></div>		<div></div>	<div></div>
Carbon tax regulations: More than 50 weight% of our products contain metals (including steel and aluminum) that are exposed to the Carbon Border Adjustment Mechanism (CBAM) policy from 2026. CBAM will likely increase steel and aluminum prices.	<div></div> Risk	<div></div>				<div></div>	<div></div>
Circularity – Take back program: Establishing take-back and recycling programs, and potential licensing models to increase refurbishment, reuse, and recycling of components provide growth and new market opportunities.	<div></div> Opportunity		<div></div>	<div></div>			<div></div>



[SBM-3]

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

We used the double materiality assessment results as a basis for strategic discussions and decision-making, and implemented targets, projects, and processes to address each material topic.

Resource use and circular economy-related IROs	How Vestfrost’s strategy and/or business model address the impacts
Resource use	The sustainability target of increasing circular material use rate in refrigerators and freezers to 25% by 2030 is one of the driving forces of Vestfrost’s strategy. This also requires increasing the number of suppliers committed to providing recycled materials.
Circularity	Vestfrost’s Net-Zero Cooler project is part of the company’s sustainability goal of developing a net-zero product and expanding the concept to additional models. As part of increasing circularity within operations, Vestfrost also committed to reduce waste by 30% by 2030 and conduct life cycle assessments for all core products by 2027.
Carbon tax regulations	Vestfrost’s governance structure, internal operational processes, as well as collaboration with external partners ensure efficient and timely information flow regarding upcoming regulations and support to implement carbon taxes whilst evaluating existing business models.
Circularity – Take back program	As part of the life cycle assessment, Vestfrost will investigate take-back programs or leasing opportunities and carry out related business case analyses to de-risk future investments and maximize customer value.

[E5-1]

Policies related to resource use and circular economy

Our Environmental and Climate Change Policies provide the foundation for driving operations and decision-making in consideration of the environment and resource use.

In the Environmental Policy, we commit to find potential for internal and external recycling of residual and waste products from production. The Climate Change Policy also focuses on recycling, circular economic principles, sustainable sourcing, and transitioning away from the use of virgin materials.

[E5-2]

Actions and resources in relation to resource use and circular economy

Resource management and circularity were the primary drivers of sustainability-related activities in 2024. Activities included assessing material use, investigating recycled/reused material use over virgin materials, integrating circularity in product design, and evaluating take-back schemes.

Net-zero cooler project (ongoing)

In 2024, we initiated a Net-Zero Cooler Project for one of our long-time customers. The project focuses on developing a refrigerator that has a net-zero emission throughout the product’s lifetime. To achieve this, our product development team started a new design keeping material choice, recyclability, disassembly, and energy use in mind. Ongoing carbon footprint evaluation of the design iterations ensured that the project remained on track with a focus on environmental impact.

- The actions taken as part of the project cover:
- higher levels of resource efficiency (to minimize raw material use in the refrigerator and packaging),
 - higher rates of use of secondary raw materials (investigating recycled raw

- materials and low-impact packaging materials),
- application of circular design and waste prevention (focusing on disassembly and material choice to maximize recyclability and reduce downstream waste),
- application of circular business model (specifically end-of-life actions considering global reach).

We spent 4% of our revenue on R&D projects in 2024, which also included the Net-Zero project,

The project will continue into 2025 and onwards with further research, design iterations, and tests.

Evaluation of take-back schemes (ongoing)

We started evaluating how potential take-back schemes could be implemented and what business models could contribute to their success. Evaluations included internal meetings, market research and outlook, and well as external support from consultants.

We spent around 30 hours in 2024 investigating take-back schemes and we will continue to address the matter similarly in 2025.

Data gathering, and improving quality and accessibility (ongoing)

In 2024, we focused on gathering data on raw materials, purchased items, and products. This was also especially important in relation to the upcoming Carbon Border Adjustment Mechanism (CBAM), where we will also need to declare the carbon emissions embedded in our imports.

We increased communication and collaboration across the relevant departments, took advantage of external consultants, and carried out various training courses for suppliers to advance data gathering – partly in preparation for the CBAM.

Vestfrost will continue these activities in 2025 and onwards.

Targets related to resource use and circular economy

We track the effectiveness of our actions through targets and related key performance indicators (KPIs). All these targets are voluntary, while they are aligned with the European Union’s 2030 and 2050 climate ambitions.

Targets	Target’s relation to resources	Target relation to waste hierarchy				
		Prevent	Preparing for re-use	Recycle	Recover	Dispose
Increasing circular material use rate in refrigerators and freezers to 25% by 2030	Resource inflow (increase circular material use rate; minimize primary raw material; sustainable sourcing)		✓	✓		
Developing a net-zero product and expanding the concept to additional models	Resource inflow (circular product design; increase circular material use rate; minimize primary raw materials), Resource outflow (recirculation of materials; waste preparation for proper treatment)	✓	✓	✓		✓
Reduce waste by 30% by 2030	Resource inflow (increase circular material use rate; minimize primary raw materials), Resource outflow (recirculation of materials; waste preparation for proper treatment)	✓	✓	✓		✓
Conduct life cycle assessments for all core products by 2027	Data approach for resource management and circular economy, which addresses all aspects of resource inflow, resource outflow, and waste	n/a	n/a	n/a	n/a	n/a



Resource inflows

Our primary resource inflows consist of plastic components (e.g., PUR, ABS, PVC, PC, PS, PP), electronics (compressors, power supply, cables, etc.), metal components (steel coils, copper pipes, brass couplings, wire shelves, etc.) and glass. In addition to this, we use foams, gases, rubber, wood, paper, and various packaging materials in the production processes.

Currently, all plastic components used in production are virgin fossil-based and there are no biological or bio-based materials used in the products. However, as part of our targets to increase circular material use rate and develop net-zero coolers, we are actively exploring material alternatives for substitution of virgin components.

Our priority in 2024 with regards to resource inflow was to investigate which of the virgin materials could be replaced with materials of recycled origin. Our findings have shown that High Impact Polystyrene (HIPS), Expanded Polystyrene (EPS), Acrylonitrile Butadiene Styrene (ABS), glass, aluminum, and steel of recycled origins could replace up to 20% of virgin materials in one of our coolers. We will continue these investigations in 2025 and onwards.

	2024
Overall total weight of products, technical and biological materials used in production	Over 40 tonnes (see caption for clarification)
Percentage of sustainably sourced biological materials used in production	0%
Absolute weight (and percentage) of secondary reused or recycled components, secondary intermediary products and secondary materials used during manufacturing	0 tonnes (0%)

Data related to resource inflow is estimated, as in 2024 we did not have access to comprehensive weight-related data, only financial data for the used resources. Weight is therefore calculated with the assumption of 1 kg of raw material costs minimum US\$1.

Resource outflows

Products and materials

Contribution to circular economy

With the onset of the net-zero cooler project, we started our journey contributing to the circular economy transition through product design.

In addition to this, in 2024, we also examined our material flows and processes to identify opportunities to recirculate materials after first use. This examination will continue into 2025.

Durability

In 2024, we sold 104,907 refrigerator and freezer units globally. The average expected lifetime of the refrigerators and freezers is 10 years, which is aligned with the industrial average.

Recyclability

Our appliances are primarily composed of materials such as metals (steel, aluminum), plastics, and insulating foams, many of which are recyclable through established waste management processes. Other key components, such as compressors, can be dismantled and recycled at the end of the product's life. However, at the final product level, we are currently unable to identify the precise recyclability rate. In addition to this, most of our products reach their end of lives outside of Denmark, which further complicates a standard recyclability rating.

Through our ongoing LCAs, we are gaining deeper understanding of the recyclability potential of our appliances. We are also aware of the global challenges in waste management and are therefore actively considering these in the new product designs.

Repairability

While there is no repairability rating system used, all products are designed as per industry standards for repair. We will investigate such systems in future, especially considering the net-zero cooler project.



Waste

Our total amount of waste in 2024 has decreased by 3.8% compared to 2023, which was primarily driven by the reduced production output. The activities that we started in 2024 (e.g., increasing data gathering, employee education, process optimization, net-zero cooler project), however, provide the basis for future waste reduction regardless of production output.

While almost all our hazardous waste (e.g., paint, de-greasing oil, boiler residue) is being incinerated, we strive to recycle as much of our waste as possible. Over 64% of our non-hazardous waste is recycled. This includes, amongst others, steel, metal, wood, glass, plastics, and insulation materials.

Waste streams and material composition of waste

The waste streams and waste compositions consist of:

- Steel and metals (456 tonnes in 2024) from damaged components, production scrap, and discarded equipment,
- Glass (134 tonnes in 2024) from manufacturing processes,
- Wood (116 tonnes in 2024) from packaging, storage, and shipping processes,
- Insulation materials and hazardous materials (101 and 73 tonnes, respectively, tonnes in 2024) from manufacturing processes,
- General waste (48 tonnes in 2024) with non-recyclable materials originating from operations.

Other waste streams (such as copper, aluminum, plastic, organic, etc., that are non-hazardous) were all below ten tonnes in 2024.

↓ **-10%**
less waste per million working hours in 2024

	Unit	2024			2023		
		Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Total waste generated	T	73	865	938	38.8	936.5	975.3
Diverted from disposal							
Preparation for reuse	T	0.6	0	0.6	1	0	1
Recycling	T	0.1	815.9	816	0.04	859.8	859.9
Other recovery operations (biogas)	T	0	1.3	1.3	0	26.8	26.8
Total waste diverted from disposal	T	0.7	817.2	817.9	1.04	886.7	887.7
Percentage of waste diverted from disposal	%	1%	94.5%	87.2%	3%	94.7%	91%
Directed to disposal							
Incineration	T	72.2	47.8	120	37.7	49.9	87.6
Landfill	T	0	0	0	0	0	0
Other disposal operations	T	0	0	0	0	0	0
Total directed to disposal	T	72.2	47.8	120	37.7	49.9	87.6

[E5-6]

Anticipated financial effects from resource use and circular economy-related risks and opportunities

We have not yet made an evaluation of the anticipated financial effects related to resource use and circular economy-related risks and opportunities. This also includes what the impacts and risks are to do business as usual and transitioning to circular economy, or what financial opportunities are with circular economy.

At the time of reporting, we at Vestfrost do not find such evaluations necessary. If, however, relevant projects do not progress as expected, we will evaluate whether to make such evaluations that could be used as levers for progress. We are furthermore open to assessing financial effects when needed and/or requested.





Social



[s1]

Own workforce

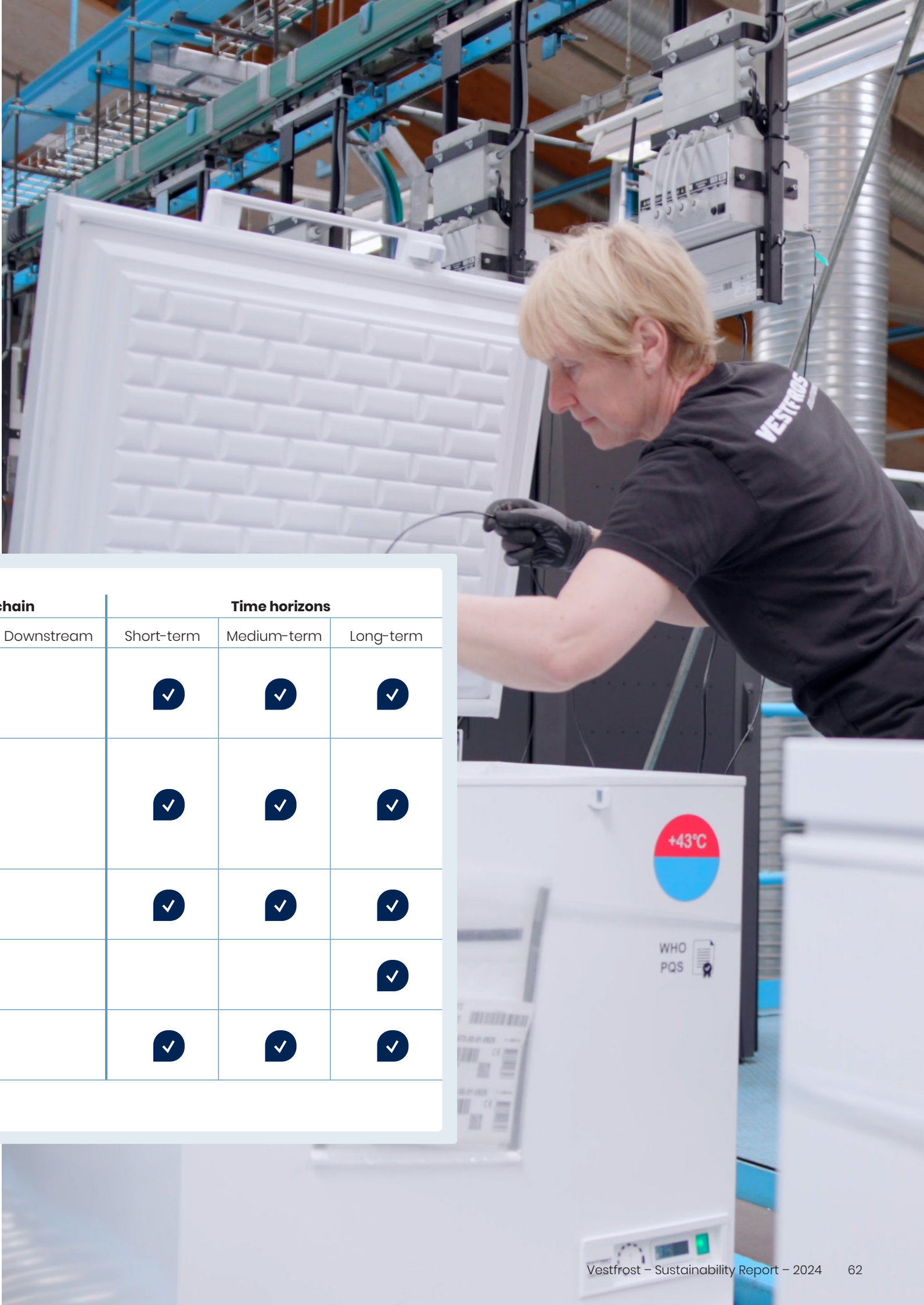
[ESRS 2 IRO-1]

Own workforce-related material impacts and risks

As part of our double materiality assessment, we have reviewed our existing policies, guidelines, initiatives, the results of various internal assessments (e.g., employee engagement surveys), conducted interviews with key stakeholders (leaders, internal committees, etc.), and used external expert assessments to identify impacts, risks, and opportunities in relation to our own workforce.

The double materiality assessment outlined the following material impacts, risks, and opportunities within our own workforce.

No other social matters, such as forced labor, child labor, or discrimination, have been identified as a risk across our operations.



Material, own workforce-related IROs	Type of IRO	Location in the value chain			Time horizons		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Secure employment and work-life balance: Our ongoing initiatives, established policies, and engagement activities provide the foundation for secure employment, flexible working hours, and work-life balance.	Actual positive impact		✓		✓	✓	✓
Collective bargaining and union engagement: Employees in Denmark are covered by collective agreements or can join a trade union to further ensure fair treatment and robust social dialogue. Due to the legal framework, however, employees in Hungary have neither trade union representation, nor collective bargaining agreements.	Actual positive and negative impact		✓		✓	✓	✓
Physical injuries and accidents: Production environments with heavy machinery, sharp tools, and hazardous materials generally pose a risk for work-related injuries.	Potential negative impact		✓		✓	✓	✓
Ergonomic risks: Physical demands of operating heavy machinery, prolonged standing, and repetitive motions during everyday work can lead to musculoskeletal disorders.	Potential negative impact		✓				✓
Attracting talent: Providing good working conditions is key in retaining existing talent and in attracting new ones while boosting employee morale and productivity.	Opportunity		✓		✓	✓	✓

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

We used the double materiality assessment results as a basis for strategic discussions and decision-making, and implemented targets, projects, and processes to address each material topic.

Own workforce-related IROs	How Vestfrost’s strategy and/or business model address the IROs
Secure employment and work-life balance	As outlined in our ESG strategy, we are committed to continuously fostering a workplace that prioritizes safety, inclusivity, and excellent working conditions.
Collective bargaining and union engagement	Our utmost priority is to remain compliant with existing labor laws and regulations. Our Code of Conduct furthermore outlines that all stakeholders and shareholders are obliged to respect the legal right of employees to freedom of association and collective bargaining.
Attracting talent	We understand that working conditions are key decision factors when retaining and attracting talent. That is why our HR works very closely with the leaders and health and safety teams to foster a healthy and supportive workplace. In addition, we are also integrating these matters into our communication and marketing activities and use them as an employer branding opportunity.
Physical injuries and accidents	Our established health and safety policies, internal audits, extensive employee training, and available health insurance plans provide the foundation for our health and safety work, which we continuously build upon. While ISO 45001 certified in Denmark, we follow a similar approach in Hungary, which also ensures we meet our main customers’ requirements when they audit our Hungarian facility.
Ergonomic risks	Continuous focus on work conditions, opportunities for raising issues, internal reviews, health insurance, and health appointment opportunities for our employees are considered as key elements in reducing ergonomic risks.

Policies related to own workforce

Our commitment to fostering a workplace that prioritizes safety, inclusivity, and excellent working conditions are reflected in our implemented policies, which address all material IROs.

Health and Safety Policy

Our Health and Safety Policy provides our framework for reducing the risk of accidents and hazardous working conditions for our employees.

Our policy covers, amongst others, the following areas:

- striving to be at the forefront of legal requirements (this also includes non-acceptance towards e.g., forced or child labor),
- continuously engaging with stakeholders on our work environment policies,
- informing, training, and educating our employees to act in accordance with our work management system and ensuring a conscious attitude regarding work environment and safety,
- establishing relevant systems and procedures to manage and monitor our work environment (including

- management systems, committees, risk assessments, etc.),
- consulting and including our employees through elected representatives, safety committee meetings, work environment assessment (APV), near-miss accident reports, and onboarding meetings where workers can give with input related to health and safety, and
- fostering an inclusive workplace and culture where no kind of discrimination is accepted.

We are ISO 45001 certified in Denmark. While not yet certified in ISO 45001 in Hungary, we follow a similar approach, which also ensures we meet our main customers’ requirements when they audit our Hungarian facility. At all locations, regular internal and customer audits are conducted to ensure high standards of occupational health and safety.

We ensure that all new employees undergo training in workplace safety before commencing their roles. This training is specifically tailored to address the health and safety risks associated with their specific job functions or activities, ensuring that each employee is well prepared from day one.

In addition to this, our annual engagement survey ensures that any potential health and safety matters (including potential discrimination) are detected and followed up on.



Employee Handbooks

Employee handbooks in Denmark and Hungary include a wide range of general guidelines related to working conditions (including required safety gears) and work culture. All employees are introduced to the handbooks and are required to follow the guidelines described.

Code of Conduct

Our Code of Conduct is based on the 10 principles of the UN Global Compact Initiative within the areas of Human Rights, Labor, Environment, and Anti-corruption. We adhere to the principles outlined in our Code of Conduct and expect the same from our employees, partners, suppliers (also include their sub-suppliers), and shareholders.

We updated our Code of Conduct during 2024 and included it in awareness campaigns for all employees.

Whistleblower Policy

Our Whistleblower Policy describes the purpose and reporting requirements, and provides guidance to efficiently report any potential misconduct, mistreatment, or incidents on our whistleblower platform. In 2024, all our employees received training and information about the policy.

[S1-2]

Processes for engaging with own workforce and workers’ representatives about impacts

At Vestfrost, we strive to create an environment and foster a work culture where every employee is encouraged and can feel safe to speak up, share their perspectives, and raise concerns and issues that relate to work environment, employment, health and safety, and ethical business practices.

All leaders with personnel responsibilities are expected to communicate accordingly and promote such a work environment. Management meetings, internal workshops, and different internal channels ensure that all leaders are aligned in these practices.

We engage employees using a variety of different channels and processes. Regular department meetings, town hall meetings (that happen a minimum of four times a year), annual employee engagement surveys, and annual employee development interviews (between the leader and individual employees) are all crucial in engaging our own workforce about operations and impacts. In addition to these, our Work Council and

Work Environment Committees play a crucial role in engaging with own workforce.

Our HR team has the operational responsibility for ensuring that employee engagement happens and that the results are followed up on. We assess the effectiveness of our engagement through the employee engagement surveys, and other informal processes (such as knowledge sharing, internal communication, etc.).

[S1-3]

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

We consider all potential negative impacts on our workforce very seriously and encourage our employees to report concerns directly to their managers, HR, or work environment representatives.

We have furthermore established a Whistleblower platform, where all stakeholders can anonymously report any potential misconduct, unethical behavior, or concerns.

In 2024, one incident was reported through this platform, but after a detailed review, the case was closed without finding any breaches of legal obligations or the company’s policies.

Safety representatives and the Work Environment Committee are responsible for, amongst others, suggesting improvements in occupational health and safety at work, whereas internal auditors are responsible for conducting audits of the management systems according to the audit plan. All these processes and channels aim to remediate negative impacts on our workforce.



[S1-4]

Taking action on material impacts on own workforce

Throughout 2024, we have continued or set in motion various initiatives and activities to address IROs on our own workforce.

Adhering to existing policies (continuous)

Our existing policies provide a strong foundation to address material IROs, but we need to make sure that all employees adhere to the policies.

In 2024, we continued close collaboration across the various departments and ensured that our HR department is equipped with up-to-date legislation and the relevant skills to maintain, amongst others, secure employment, satisfactory work-life balance, and efficient talent attraction.

In times of reduced production demand, we restructured working hours in production rather than dismissing employees. We continued our commitment to our maternity policy, which provides pregnant employees with the assurance that their health and the health of their unborn child are prioritized.

We furthermore continued to offer flexible working hours and additional leave for personal health appointments, as well as offering “stress days” for salaried employees in Denmark.

Developing new procedures and education opportunities

In 2024, we focused on developing procedures for onboarding and offboarding as well as a competency matrix for all employees in the group. The competency matrix has clear and explicit reference to the development plans individual, as well as the overall corporate strategy, where innovation and technology are prioritized.

These new procedures aim to support the presence and acquisition of the necessary knowledge in all employee groups and continuous further education. We also

allocated funds for education to continuously develop employee competences.

Summer camp for employees’ children

In Hungary, we offer a two-week long summer camp for our employees’ children. The program includes a variety of fun and engaging activities for the children, ensuring they have a memorable summer.

As schools in Hungary are closed for 10 weeks during summer break without any childcare options, these two weeks are extremely valuable for our Hungarian employees and can contribute to a balanced work-life and increased work satisfaction.

In 2024, over 50 children signed up, highlighting the program’s great value and popularity among the staff.

Work environment campaigns

In 2024, we conducted work environment campaigns on the use of safety equipment, behavior, and psychological work environment. As part of this, we also addressed issues related to noise and distractions that were previously identified in the APV, as well as training within the Code of Conduct and Whistleblower Policy.

Employee engagement survey

We conducted an employee engagement survey in both Denmark and Hungary and had a goal of an improvement of at least 2%-point in the group compared to previous year. Despite a number of initiatives, we have a slight reduction in engagement scores in 2024, which we take note of and continue to step up our initiatives to reach an improvement of at least 2% in 2025.

Tracking and assessing the effectiveness of actions

We continued to ensure that all our initiatives are tracked and monitored regularly. The responsible departments gather data on key performance indicators relating to the workplace environment and own workforce and report these to the Executive Management Team.



[S1-5]

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

We have a range of internal key performance indicators with outlined targets that are relevant for our own workforce. These targets provide the framework for continuous monitoring and assessment of our efforts, and are regularly reviewed at committee, executive management, and board meetings.

Target	Status in 2024	Comparing targets with 2024 status
0 breaches of anti-corruption and bribery at all times	0 (we did not record any breaches of anti-corruption and bribery)	✓
0 severe injuries and fatalities at all times	0 (we did not record any severe injuries and fatalities)	✓
<9 Total Recordable Incident Rate (per 200,000 working hours) during a year	5.2	✓
≥2% increase in employee engagement score compared to previous year	Employee engagement score decreased by ≥1%	—

[S1-6 & S1-9 & S1-12]

Characteristics of our workforce

Our employees span across our headquarters in Denmark (Esbjerg) and our facility in Hungary (Csongrád).

At the end of 2024, the total number of employees was 690, representing an increase of over 14% compared to 2023. The increase was primarily due to expanding our competencies in Hungary.

In Denmark, the number of employees decreased slightly compared to 2023, which was mainly driven by the consolidation of the global footprint from three factories to two factories (i.e., closing one of our factories in Denmark). This reduction in Denmark was balanced by investing in the future organization with new strategic positions wwand expansion in the sales organization within the three business units (Healthcare, Lifestyle, and Food), which made the decrease slightly lower than originally expected.

Diversity across our workforce remained stable and balanced, with 38% female employees, and a good representation of all age groups across our locations.

114 employees left the company in 2024, which resulted in a turnover rate of 19% compared to a 29% turnover rate in 2023.

No significant seasonal or temporary workforce fluctuations occurred during the reporting period.

Gender	2024 (headcount)	2023 (headcount)
Female	262	227
Male	428	375
Other	0	0
Not reported	0	0
Total	690	602
Employees with disability (%) <i>Data only available from Hungary.</i>	1.6%	2%

Country	2024			2023		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Denmark	179	0	179	209	2	211
Hungary	437	2	439	359	2	361

Country	Age distribution of own workforce in 2024 (number of full-time employees)		
	Under 30 years old	30-50 years old	Over 50 years
Denmark	21	51	107
Hungary	122	214	101

	Female		Male		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Number of employees	262	227	428	375	0	0	690	602
Number of permanent employees	237	215	381	353	0	0	618	568
Number of temporary employees	27	12	47	22	0	0	74	34
Number of non-guaranteed hours employees	0	0	0	0	0	0	0	0

[S1-7]

Characteristics of non-employees in our own workforce

Our own workforce includes 20 non-employee workers, where the 4 self-employed ones cover areas of strategic procurement and regional sales, and are based in Poland, and South Africa and Latin America, respectively. They have been contracted due to their specialized expertise and local knowledge. We furthermore employ non-employee workers in security, cleaning, and production line positions.

We are also happy to be part of an extra care program, which is developed to bring people with physiological and/or psychological challenges to the job market. The tasks are tailored according to their specific needs, ensuring empowerment and stability. In 2024, we employed two workers in such positions.

We do not rely on temporary non-employee labor.

	2024	2023
Total number of non-employee workers in own workforce	20	17
Total number of non-employee workers in own workforce – self-employed workers	4	1
Total number of non-employee workers in own workforce – workers provided by undertakings primarily engaged in employment activities	16	16



[S1-8]

Collective bargaining coverage and social dialogue

100% of our production employees and 0% of our white-collar employees in Denmark are covered by collective bargaining agreements. There are no collective agreements in place in Hungary, which means that 0% of our Hungarian employees are covered by collective agreements.

Collective agreements do not directly determine or influence the working conditions and terms of employment of white-collar and non-employees but are considered as a guiding principle during their employment.

A formalized social dialogue is only established through the Trade Union representatives as part of the collective bargaining agreements.

[S1-10]

Adequate wages

At Vestfrost, we ensure that all employees receive an adequate wage, which is at minimum in line with relevant benchmarks

and applicable laws and requirements.

In Denmark, wages exceed the requirements outlined by the collective agreements.

For those employees in Denmark who are not covered by collective agreements, we ensure that their wages are aligned with market standards. All salaried employees are entitled to a pension according to the Industrial Salaried Employees' Agreement, whether they are covered by this agreement or not. Hourly employees can also be enrolled in the industrial pension scheme.

All our employees in Hungary receive wages that exceed the national minimum wage outlined by the Hungarian laws.

[S1-11]

Social protection

We ensure that all our employees receive social protection against loss of income due to major life events. The social protection is offered through public programs and/or company-offered benefits. In addition to the benefits that are aligned with national legislation or the collective agreements, we offer – to various extent – additional pension schemes, parental leave, and sick leave.

[S1-13]

Training and skills development metrics

We recognize the importance of continuous training and skills development not only in improving employee satisfaction, engagement, and productivity, but also in ensuring long-term market competitiveness.

All our employees in Denmark and over 80% of employees in Hungary have participated in performance and career development reviews in 2024, which provides a direct opportunity to identify potential training needs.

We offered over 4,000 hours of training to our employees in 2024.

[S1-14]

Health and safety metrics

Health and safety have always been and will remain a top priority at Vestfrost.

In 2024, the total number of recordable work-related injuries was 31 (compared to 33 in 2023), while the total number of hours worked remained relatively stable at 1,194,000 hours in 2024, resulting in a decrease in Total Recordable Injuries Rates (TRIR). The majority of the injuries were recorded at our Hungarian facility, which we take seriously, and are committed to put even more efforts into our

health and safety procedures and training there.

The recorded incidents' severity remained low with no fatal accidents and a lower amount of lost time injuries. This has led to our Lost Time Incident Rate (LTIR) decreasing to 1.3 (compared to 2 in 2023).

We continue to aim to further reduce work-related injuries through our training programs, safety campaigns, proactive risk management, and continuous monitoring practices.

[S1-15]

Work-life balance metrics

At Vestfrost, all our employees are entitled to take family-related leave through existing national social policies and/or collective bargaining agreements.

[S1-17]

Incidents, complaints and severe human rights impacts

In 2024, there were no incidents and/or complaints, or severe human rights violations (such as forced labor, human trafficking, or child labor) detected

	2024	2023
Total recordable Injuries per 200,000 working hours	5.2	6.0
Total recordable Injuries per 1 million working hours	26.0	29.8
Total Recordable Injuries (number)	31	33
Of which Lost Time Injuries	8	11
Of which fatal injuries	0	0
Percentage of own workers who are covered by health and safety management system	100% in Denmark, 0% in Hungary, 0% of non-employees	100% in Denmark, 0% in Hungary, 0% of non-employees

No data available on the number of cases of work-related ill health or the number of days lost due to work-related injuries and fatalities.

[s2]

Workers in the value chain

[ESRS 2 IRO-1]

Material impacts and risks related to workers in the value chain

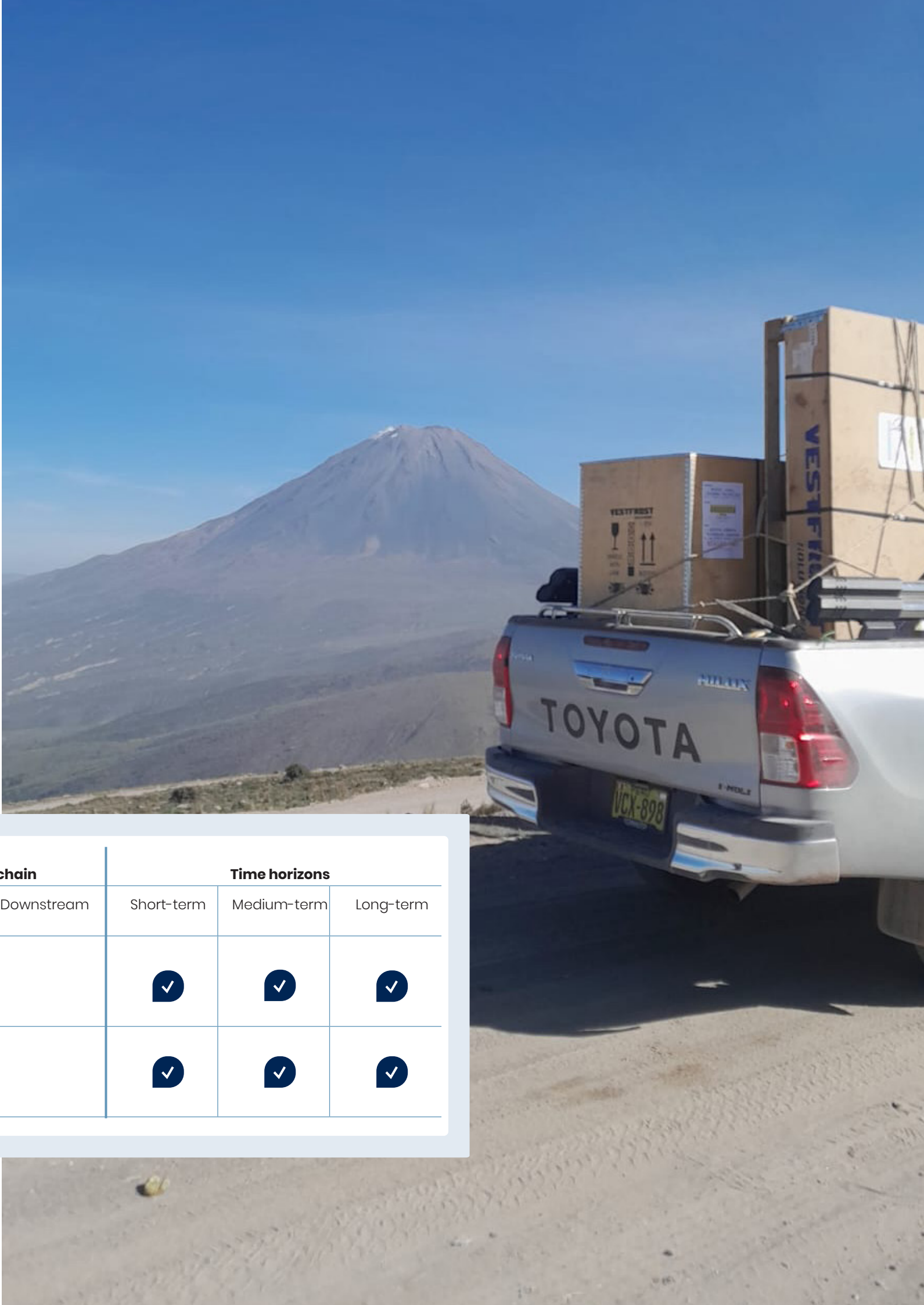
Our double materiality assessment identified potential positive and negative impacts related to working conditions, occupational health and safety, and labor rights across Vestfrost’s upstream value chain. These risks are particularly relevant in countries with limited enforcement of labor legislation or weak union representation. Although we have not yet conducted structured stakeholder engagement with affected workers in the value chain, we maintain dialogue with key suppliers and recognize the need for deeper engagement mechanisms in the future.

The impacts identified include hazardous working environments, unfair wages or excessive working hours, and lack of grievance channels. The potential impact on our business includes supply chain disruptions, reputational damage, and non-compliance with upcoming regulatory requirements.

In 2024, no confirmed breaches of these commitments were identified. However, we recognize that the absence of formal supplier audits and worker-level feedback systems increases the risk of undetected violations.

Relevant business functions involved in the IROs related to value chain workers include:

- **Procurement**, which handles supplier selection and maintains dialogue on social and environmental standards
- **Executive Management**, which oversees risk exposure and alignment with business ethics and regulatory trend



Material, value chain workers-related IROs	Type of IRO	Location in the value chain			Time horizons		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Working conditions and human rights: Including risk of unfair wages, excessive working hours, lack of freedom of association, health and safety risks, and risk of forced labor in value chain.	<div></div> Potential negative impact	<div></div>			<div></div>	<div></div>	<div></div>
Suppliers not meeting standards for human rights and working conditions: This may negatively impact Vestfrost through potential supply chain disruptions or reputational harm.	<div></div> Risk	<div></div>			<div></div>	<div></div>	<div></div>

[S2-SBM3]

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

The double materiality assessment primarily had our direct suppliers and partners, and their first-level suppliers and partners in scope, while general considerations were taken in relation to systematic context (e.g., general risks in commodity supply chain).

The identified impacts lie both in our upstream and downstream value chains, and the outcomes have initiated internal discussions on how to improve supply chain governance, particularly in regions with elevated labor rights risks. While current processes rely on our Supplier Code of Conduct and supplier relationships, we acknowledge the need to strengthen systems to align with our sustainability goals and anticipate future due diligence requirements.

Strategically, Vestfrost is exploring how enhanced transparency and engagement can reduce risk and support responsible growth. This includes investments in structured supplier assessments, development of ESG-screening tools, and integration of social criteria into sourcing decisions.

[S2-1]

Policies related to value chain workers

Our publicly available Code of Conduct outlines expectations for ethical business practices, covering key areas such as human rights, labor conditions, health and safety, environmental management, and anti-corruption. The Code of Conduct is grounded in the 10 principles of the UN Global Compact and applies to all employees, suppliers, and other business partners, including sub-suppliers.

All suppliers are required to sign our Supplier Code of Conduct at the beginning of the partnership. It includes specific commitments related to wages and working hours, prohibition of forced and child labor, non-discrimination, and the right to freedom of association and collective bargaining. Additionally, it sets expectations for the implementation of ISO 45001 (occupational health and safety) and ISO 14001 (environmental management) or equivalent systems.

Supplier compliance is monitored by the Quality department and supplemented with structured tools such as pre-audit assessments and risk scoring. While the screening process is still being formalized, ongoing efforts are focused on strengthening ESG-related evaluations, particularly for labor rights and workplace safety.

[S2-3]

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

Although we do not have a dedicated grievance mechanism for workers in our supply chain, our general whistleblower platform is accessible via our website. This can be used by suppliers and other external parties to report concerns confidentially. We recognize the need to expand grievance accessibility for value chain workers as part of our ESG roadmap.

[S2-2]

Processes for engaging with value chain workers about impacts

We currently engage with value chain workers indirectly through informal supplier assessments, quality assurance processes, and dialogue with supplier representatives for critical suppliers. However, we do not conduct regular worker-level audits or interviews.

Suppliers are visited selectively based on their risk profile and criticality to the business. We are currently investigating possibilities for digital screening and different evaluation processes that could be implemented to strengthen oversight.

We acknowledge that current engagement does not include direct worker perspectives, and we aim to develop improved methods for supplier dialogue and follow-up on social issues in future reporting periods.

[S2-4]

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

All suppliers must comply with our Code of Conduct, which outlines minimum standards for labor rights, health and safety, and responsible business conduct. In 2024, no labor-related violations were identified that required corrective action. While we do not currently conduct formal audits, our supplier screening and segmentation approach helps reduce risk—especially among critical suppliers. We are working to formalize procedures for identifying, monitoring, and responding to labor-related risks, including clearer escalation protocols and follow-up procedures.



[s2-5]

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

At the time of reporting, we have not yet established formal targets specific to working conditions, labor rights, or health and safety in the value chain. However, we are currently revising our supplier segmentation and screening processes, which could provide a foundation for more targeted monitoring and goal setting in the future. We aim to establish measurable goals and tracking mechanisms related to social performance in our supply chain, aligned with our broader ESG strategy and in collaboration with procurement, quality, and sustainability teams.

Key areas of focus include:

- Formalizing supplier segmentation based on ESG risk,
- Expanding the use of our pre-audit tool to include clearer labor-related criteria,
- Developing a standardized ESG checklist for supplier screening,
- Increasing transparency and tracking of supplier compliance with our Code of Conduct.

Future targets will be integrated into our broader ESG roadmap and coordinated across Procurement, Quality, and Sustainability functions.



[S4]

Consumers and end-users

[ESRS 2 IRO-1]

Consumers and end-users-related material impacts and risks

Our double materiality assessment identified the following impacts and opportunities affecting consumers and end-users of our products.

Material, consumers and end-users-related IROs	Type of IRO	Location in the value chain			Time horizons		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Healthcare solutions for communities: We provide various solutions within the cold chain and biomedical sectors that can improve healthcare outcomes for end-users and consumers.	<div></div> Potential positive impact			<div></div>	<div></div>	<div></div>	<div></div>
Market expansion and brand value: By focusing on healthcare solutions, we can position ourselves as a leader in the global health sector. Projects in developing countries and their social implications can further strengthen investor relations.	<div></div> Opportunity			<div></div>			<div></div>

[S4-SBM3]

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

Understanding the positive impact on our consumers and end-users are one of the driving forces behind our mission. Similarly, these impacts also provide a business opportunity for Vestfrost, which we anchor in and are connected to our strategy and business model. All consumers and end-users to the extent possible are included in the scope of our disclosure under ESRS 2.

Our high-quality refrigerators and freezers are tailored to healthcare professionals worldwide. These solutions are essential for storing medications, vaccines, and biological samples under precise and controlled conditions, ensuring their effectiveness and safety. By supporting laboratories, hospitals,

and pharmacies, we help healthcare providers deliver better care and improve patient outcomes by reducing the risks for disease transmission, saving lives, and supporting public health efforts on a global scale. Our innovative technologies (such as solar-powered coolers) contribute to ensuring uninterrupted cold storage even where electricity is unreliable in remote areas.

The reliability of our solutions can furthermore contribute to lowered operational costs for healthcare services and by easing the disease burden and enhancing community resilience, we can also foster socio-economic development.



Consumers and end-users-related IROs	How Vestfrost's strategy and/or business model address the IROs
Healthcare solutions for communities	Both our corporate and ESG strategy describes our commitment in delivering healthcare solutions on a global scale to support healthcare initiatives, research, and public health. In accordance with this, we continuously ensure that these business areas have the required capabilities and resources to successfully drive this portfolio.
Market expansion and brand value	We continuously evaluate business opportunities on a global scale and seek out partnerships for the benefit of consumers and end-users.



[s4-1]

Policies related to consumers and end-users

Our Code of Conduct serves as the policy that relates to consumers and end-users of our products.

Founded on the ten principles of the UN Global Compact Initiative, covering Human Rights, Labor, the Environment, and Anti-Corruption, we are committed to upholding these principles and expect the same level of commitment from our partners, suppliers and their sub-suppliers, as well as our shareholders.

Our Whistleblower platform furthermore provides an opportunity for all to report potential misconduct experienced in relation to our activities and across our value chain.

[s4-2]

Processes for engaging with consumers and end-users about impacts

We are engaged in numerous global projects aimed at strengthening healthcare infrastructure. We work in close partnership with international health organizations, NGOs, and governments at both local and global levels. Through these collaborations, we engage with consumers and end-users to understand how our solutions affect their lives.

The perspectives of consumers and/or end-users are considered through understanding their needs and providing a suitable solution accordingly. These can include considerations with regards to e.g., operational environment and purpose, which we can either address in the product design phase or if available, provide a suitable solution from our existing portfolio.

We ongoingly evaluate how we engage with consumers and end-users, and if needed, we will introduce additional processes to further strengthen our engagement.

[s4-3]

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Our Whistleblower platform provides the primary channel for consumers and end-users to raise concerns anonymously, protected by our Whistleblower Policy. In 2024, no such concerns were reported through this channel. It is also possible for them to raise

concerns directly to the NGOs and other partners we collaborate with.

We currently do not assess whether consumers and/or end-users are aware of and/or trust the Whistleblower platform and other reporting processes.

We, however, believe in always providing the best solutions in an ethical and responsible way, and therefore we strongly support and encourage our business relations to provide similar channels where consumers and end-users can report incidents or issues.



[s4-4]

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

In 2024, we carried out a variety of projects that achieved positive impacts for consumers and/or end-users. Our coolers and freezers were delivered to, amongst many others, Madagascar, Peru, Argentina, Jordan, and Bangladesh, providing essential vaccine storage to support public health.

In addition, our previous projects have increasingly shown benefits and value to the end-users years later. For example, one of our solar-powered vaccine fridges was installed in a rural village in South Sudan a few years ago, which has since significantly improved access to immunization. Before the fridge, vaccines had to be transported daily from another village, often under difficult conditions. Now, vaccines are stored locally, enabling consistent access for children and mothers from surrounding villages. This improvement has led to higher vaccination rates, reduced travel burdens for families, and better acceptance of new vaccines like the

four-dose malaria vaccine. The fridge has brought reliable, preventive healthcare closer to home, transforming the community's well-being.

We continue to provide our healthcare solutions and collaborate with NGOs, governments, and other partners in further advancing and protecting public health. We track the effectiveness of these initiatives through e.g., KPIs related to business contracts and orders, feedback from partners, and monitoring media channels.

Our business development, quality, and communication teams gather such information, and are responsible for reporting it to the Executive Management Team as part of the general reporting procedures. The Executive Management team has the overall responsibility to advance impacts and opportunities through decision-making and strategic initiatives.

[s4-5]

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

At the time of reporting, we do not have any time-bound or outcome-oriented targets related to consumers and end-users. As our IROs related to this segment are positive, we do not perceive setting related targets as a priority. While we maintain focus on driving and maintaining our positive contribution, we also continue to monitor our activities as part of our general operational practices. This also means we will investigate whether setting targets is necessary to boost our activities.





BUSINESS CONDUCT



[G1]

Business conduct

[ESRS 2 IRO-1]

Description of the processes to identify and assess material impacts, risks and opportunities

Our double materiality assessment identified actual positive and negative impacts, in addition to risks and opportunities related to our business conduct practices and general operations.

The identified risks are particularly relevant in countries with higher corruption risks, which can result in legal consequences and reputational damage. In 2024, no confirmed corruption and bribery cases were identified. However, we recognize that the absence of extensive audits in our value chain could increase the risk of undetected violations.

Positive impacts and opportunities in relation to our business conduct have been identified as our positive corporate culture and responsible management practices.

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



Material, business conduct-related IROs	Type of IRO	Location in the value chain			Time horizons		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Corporate culture and management: Anchored in our guiding principles of integrity, teamwork, and results, we prioritize employee well-being and collaboration, and promote a culture of openness and accountability, where we encourage employees to voice concerns without fear.	<div></div> Actual positive impact	<div></div>	<div></div>				<div></div>
Protection of whistleblowers: We comply with legal requirements and employ an additional external filter before reported issues reach management to avoid bias.	<div></div> Actual positive impact	<div></div>	<div></div>		<div></div>		
Corruption and bribery: Several countries within our value chain, including our own facility in Hungary, are ranked low in the Corruption Perceptions Index, suggesting a higher risk of corruption and bribery.	<div></div> Actual negative impact / Risk			<div></div>			<div></div>
Reputational damage related to unethical behavior: Unethical conduct or involvement in controversial activities can tarnish a company's reputation, resulting in customer loss, reduced revenue, and brand devaluation. This is a risk that is relevant to all companies that operate on a global scale.	<div></div> Risk	<div></div>	<div></div>	<div></div>			<div></div>
Brand image and talent attraction: Cultivating a brand image associated with integrity and ethics, we can ensure long-term financial stability and growth through attracting e.g., customers, employees, and investors that prioritize ethical business practices.	<div></div> Opportunity	<div></div>	<div></div>	<div></div>			<div></div>

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

We strive to ensure that our business model and practices, as well as our corporate and ESG strategies provide the framework and efficiently address material impacts, risks, and opportunities to the extent possible.

Business conduct-related IROs	How Vestfrost’s strategy and/or business model address the IROs
Corporate culture and management	<p>We are committed to exercising social responsibility and the highest standards of corporate governance towards all our shareholders and across our entire operations. These commitments are embedded in our corporate and ESG strategies.</p> <p>In accordance with this, we continuously work to strengthen our corporate culture by encouraging employee engagement, fostering a healthy and safe workplace, maintaining clear ethical guidelines, and reinforcing our values through leadership practices, employee development opportunities, and communication and engagement initiatives.</p>
Protection of whistleblowers	<p>We will maintain our existing whistleblower policy and practices and continue to monitor compliance with these to ensure full protection of whistleblowers.</p>
Corruption and bribery	<p>We ensure that our anti-corruption policy, which is compliant with national and international legal frameworks, is maintained, understood, and practiced in our value chain. Corruption and bribery have no place in Vestfrost’s operations and value chain.</p>
Reputational damage related to unethical behavior	<p>While our current processes rely on our Code of Conduct and supplier relationships, we acknowledge the need to further strengthen internal processes and establish systems that can mitigate risks of unethical behavior. We are currently investigating how different screening tools, such as audits or questionnaires, could contribute to this.</p>
Brand image and talent attraction	<p>We believe that all our employees and workers in the value chain have the responsibility to live up to our values and responsible business practices, and therefore directly contribute to maintaining a positive brand image. We furthermore ensure that the teams directly involved in due diligence and risk assessment practices, as well as supplier and customer contacts, have the competencies and resources to monitor and manage IROs, and are empowered to pass on feedback to the Executive Management and other relevant teams (e.g., HR). In addition, our HR and communication teams can further strengthen our brand through marketing and recruitment activities.</p>

Business conduct policies and corporate culture

The following channels and policies provide the framework for our business conduct practices and corporate culture:

Code of Conduct and whistleblower platform

We are dedicated to cultivating a workplace culture built on integrity, responsibility, and mutual respect. These are actively communicated through the relevant channels, as well as through the leadership team, who is responsible for providing an open and safe environment, where employees can voice their concerns and opinions.

We enforce a strict no-tolerance approach to bribery and corruption, as also outlined in our Code of Conduct. A comprehensive

anti-corruption policy spans our entire organization, covering staff, leadership, and external partners. Violations of this policy can result in disciplinary measures, including termination, and may carry legal implications. Oversight of compliance and ethical risks rests with the leadership team.

Training

Training employees in our business conduct and whistleblower platform occur at least once a year as part of an organized training (e.g., workshops) or other business settings (e.g., additional agenda point at town hall or board meetings).

Employee engagement surveys and other engagement activities

We evaluate our corporate culture through employee surveys, performance and career development reviews, informal feedback opportunities, and regular committee, management, and board meetings.





Executive Management is responsible for setting the direction and committing to the corporate values, which then the relevant leaders can bring to and establish in their teams.

Certifications

We align our business practices with globally recognized governance and compliance frameworks. We operate under ISO 9001 and ISO 14001 certifications, underscoring our focus on quality assurance and environmental stewardship. In Denmark, we are furthermore ISO 45001 certified, strengthening our occupational health and safety commitment. While not yet certified in ISO 45001 in Hungary, we follow a similar approach, which also ensures we meet audit requirements that our main customers perform in our Hungarian facility.

[G1-2]

Management of relationships with suppliers

Our procurement teams have the overall responsibility of establishing respected and well-functioning relationships with our suppliers that go both ways.

We believe in transparent and collaborative environments, where our suppliers play a

fundamental role in our success, and similarly, our business has a positive influence on our suppliers' operations.

As part of supplier management, we carry out screening (e.g., supplier questionnaires) and audits to mitigate risks and align on expectations. Open communication is also key, which we put a lot of focus on.

Complaints to suppliers are raised at Quality meetings, and we use scorecards to evaluate strategic suppliers. The scorecard includes evaluation of quality (ISO 9001), environment (ISO 14001), and occupational health and safety (ISO 45001) measures at the supplier. Suppliers that do not achieve sufficient scores cannot become a strategic supplier to Vestfrost. This underlines our commitment to a supply chain with similar values to Vestfrost. All our efforts are driven by our corporate values, also reflected in our Code of Conduct, which provides the basis for our relationships with suppliers.

We always strive to meet the payment terms of our suppliers and have optimized our financial accounting processes that reduce risks for late payment.

[G1-3]

Prevention and detection of corruption and bribery

We detect potential corruption and bribery through providing a whistleblower platform, staying vigilant, training our employees, and following general trends in the countries we operate in.

We have an additional focus on the roles where employees are potentially more exposed to corruption and bribery risks, such as executive management, board of directors, sales, procurement, and quality. Employees in these roles receive further awareness of being able to recognize these risks and address them as per our corporate values.

We communicate our anti-corruption and bribery policy through our internal (e.g., intranet) and external (e.g., website) channels, town hall and board meetings, and various training opportunities (e.g., onboarding).

[G1-4]

Incidents of corruption or bribery

In 2024, we did not record or experience any incidents of corruption or bribery, neither were there any legal actions, convictions, or fines related to violations of anti-corruption or anti-bribery laws.

We also did not find such misconduct in our workforce that would have triggered disciplinary actions or termination.

[G1-5]

Political influence and lobbying activities

Vestfrost did not carry out any activities or had any commitments that would be categorized as exerting political influence or lobbying activities in 2024.

No members of our Executive Management Team or the Board of Directors held a position in public administration or at a political organization two years preceding

their appointments at the relevant bodies at Vestfrost.

[G1-6]

Payment practices

Responsible business practice to us also means that we live up to the payment terms that our suppliers set and what is legally required. In 2024, we paid our invoices in average 45 days. Late payments occurred on average of 3-4 cases per month due to late receipt of the invoices. As soon as these cases were noticed, we urgently addressed the payments to minimize further delays.

Our standard payment terms vary between 0 to 90 days and cover all our suppliers regardless of their size. 100% of our payments in 2024 were aligned with these terms, which shows that we strive to establish long-term, respectful, and collaborative partnerships with our suppliers.

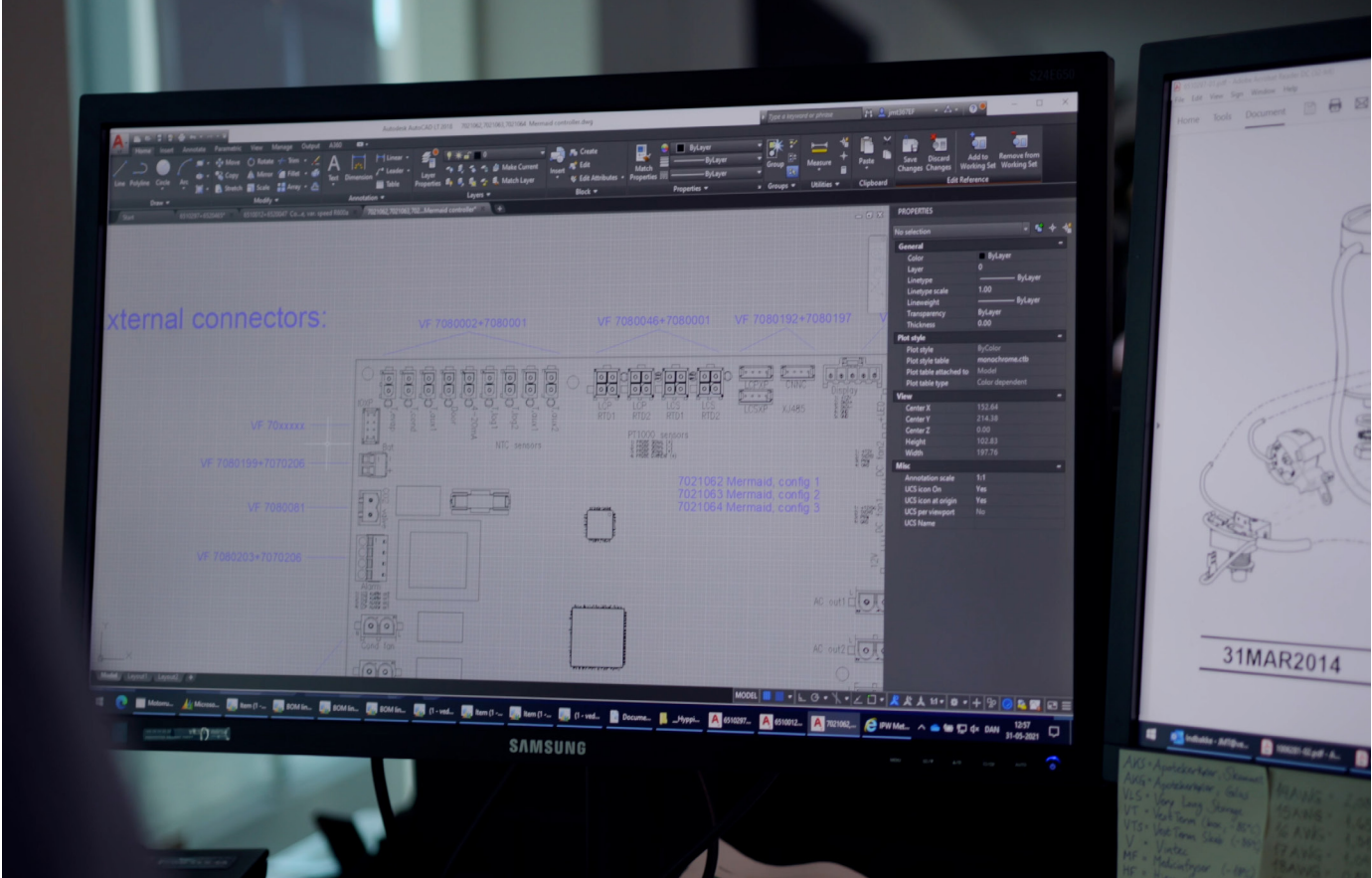
There were no legal proceedings for late payments in 2024.

[G1-Targets]

Targets within areas of business conduct

In 2024, we outlined our first target related to business conduct, namely that 100% of our employees (both existing and new hires) should be trained in our Code of Conduct.

We will implement initiatives in 2025 to achieve this target and will also explore potential additional future targets related to business conduct.



[G1]

Entity-specific disclosure: Data and cybersecurity

[SBM3]

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

The double materiality assessment outlined a material risk with regards to data and cybersecurity.

Policies

Our IT Security Policy aims to ensure that all employees have a basic understanding of IT security, how to handle IT hardware and data, and how to deal with cyber threats.

This policy covers:

- Safe use of IT equipment (e.g., locking screens when not in use, never using USBs, awareness at public places, etc.),
- Security of mobile phones (two-factor authentication and ensuring deleting all data in case of lost devices),
- Software requirements and their safe use (e.g., how to spot phishing or spoofing mails, malicious codes, or suspicious links; and safe use of AI tools),
- Data protection and access control (e.g., GDPR, saving and using data, and access authorization),
- Password requirements.

The overall responsibility for the IT Security lies with the CFO and is supported by the Group IT Manager and the IT teams located in Denmark and Hungary. All users/employees are responsible for complying with this policy and always inform IT Support in case of breaches.

Employees are responsible for staying updated through our management system, IPW. Group IT also carries out awareness campaigns four times a year.


Actions and targets

Safeguarding critical systems, preserving data integrity, and maintaining the confidence of our customers and partners in relation to data handling remain top priorities for us.

Over the past few years, we have significantly increased our investment in cybersecurity capabilities to support these goals and are committed to continuing investing further into these areas.

These investments will cover:

- Developing competencies within our Group IT to ensure up-to-date knowledge and skills to address threats and understand available measures and IT tools,
- Continuous investment in advanced security technologies to reinforce our digital infrastructure,
- Harmonizing security practices across our operations to ensure consistency and resilience,
- Routine evaluations within Group IT, as well as phishing tests within our organization to ensure our security standards are upheld, security measures are practiced, and that the current framework is robust against potential threats.

IRO	Type of IRO	Description	Time horizon	How Vestfrost's strategy and/or business model address the IROs
Data breaches and cybersecurity	 Risk	Data breach can lead to immediate and substantial financial losses, including costs related to containment, investigation, and remediation. Cyberattacks can disrupt operations, causing downtime and lost productivity.	Short, medium, & long-term	<p>We are committed to exercising social responsibility and the highest standards of corporate governance towards all our shareholders and across our entire operations. These commitments are embedded in our corporate and ESG strategies.</p> <p>In accordance with this, we continuously work to strengthen our corporate culture by encouraging employee engagement, fostering a healthy and safe workplace, maintaining clear ethical guidelines, and reinforcing our values through leadership practices, employee development opportunities, and communication and engagement initiatives.</p>

ACCOUNTING POLICIES



Reporting period

Our reporting covers the period January 1 - December 31, 2024.

Reporting scope

The report includes all entities under the operational control of A/S VESTFROST (hereafter referred to as Vestfrost).

Reporting framework

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

ENVIRONMENTAL DATA:

Energy

The report includes Vestfrost’s total energy consumption measured in physical units and quantities. The data covers energy consumption under all operational units, such as production facilities and offices.

Energy sources from the shared electricity grid were calculated based on:

- Din Forsyning’s Environmental Declarations for district heating for years 2023 and 2024 (used for Danish facilities)
- Statistics Denmark’s 2023 report on Denmark’s energy sources for the year
- The Danish Energy Agency’s 2024 energy statistics
- the International Energy Agency’s 2023 data for Hungary (used also for the 2024 energy mix in Hungary)

The energy intensity is calculated by dividing the total Energy Consumption (in MWh) by net revenue (in million DKK).

GHG Emissions

Carbon emissions are calculated using carbon dioxide equivalents (CO₂e) to encompass all greenhouse gases, following the ESRS and GHG Protocol guidelines.

The emission factors are selected for the years 2023-2024 and are sourced from a variety of authorities and recognized institutions (e.g., Danish Energy Agency, Din Forsyning, Hungarian Regulated Activities Supervisory Authority, EMBER) and centralized databases (e.g., EXIOBASE v3.3.16b2).

In line with the GHG Protocol Corporate Standard, we use operational control approach in our climate accounting. This includes all sites in Denmark and Hungary that are under the operational control A/S VESTFROST.

GHG emissions were calculated in a consolidated Excel template to ensure consistency. The GHG intensity is calculated by dividing the total GHG emissions (tonnes

CO₂e) by net revenue (in million DKK).

Scope 1

Scope 1 emissions include direct GHG emissions related to burning natural gas at the production facilities in Denmark and Hungary (in Hungary it is also used as a heating source) and diesel consumption in company-owned or controlled vehicles in Denmark. Data is collected from invoices issued by energy providers.

Scope 2

Scope 2 emissions include electricity consumption (both in Denmark and Hungary) and district heating (in Denmark). Data is collected from invoices issued by energy providers.

Emissions are calculated using the location-based method in accordance with the GHG Protocol. Market-based figures for both 2023 and 2024 are reported using Energinet’s 2023 general electricity declaration (Denmark), whereas for Hungary, a generic 2022 European electricity mix was used (sourced from OneClick LCA).

Scope 3

Scope 3 emissions cover the most relevant categories as outlined by our Double Materiality Assessment in 2024.

- Category 1 – Purchased goods: Emissions are calculated using monetary approach and the average data method as defined by the GHG Protocol. To the best of our knowledge, the inventory covers 100% of all purchased products. All data was sourced from our internal ERP system. We plan on gathering weight data to improve data quality for our Scope 3 calculations.
- Category 4 and 9 – Upstream and downstream transportation: Emissions related to upstream and downstream transportation were calculated based on monetary values, and cover marine, rail, air freight, and road transport of goods. Data was sourced from our internal ERP system.
- Category 5 – Waste generated in operations: Activity data (including weight, waste type, and related disposal routes) was sourced from local waste service providers (invoices). We use waste-type-specific method, following GHG Protocol, to calculate emissions related to waste generation.
- Category 11 – Use of sold products: Emissions related to the use of sold products were calculated by multiplying the total number of sold products under a reporting year (data sourced from internal ERP system) with the expected lifetime of products (10 years) and the emission factor related to the average global electricity mix.

Resource inflow

Resource inflow metrics are based on monetary data

sourced from our internal ERP system. For substances of concern, weight-related data was sourced from the Chemical Archive Database from Würth Denmark. We aim to gather weight data on the main resource inflows in the future to improve data quality.

Resource outflow

Durability of our products is disclosed based on the expected lifetime as outlined in our product design process and international standards. At the time of reporting, no repairability and recyclability metrics were gathered and/or available.

Waste

The activity data related to waste is sourced from invoices from the local waste management companies in each respective country. The report includes all operational waste generated across the group, ensuring completeness.

Waste is classified as either hazardous or non-hazardous based on disposal methods and the country-based waste classification systems.

The percentage of non-recycled waste is calculated by comparing the total amount of non-recycled waste with the total waste amount.

SOCIAL DATA:

Own workforce

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

Headcount and Full-Time Equivalents (FTEs)

Headcount employees (or full-time employees) are defined as the total number of employees with permanent contracts meeting the criteria of the own workforce, typically employed for a standard number of hours per week, which is often around 37-40 hours.

The number of employees is defined as the total number of permanent, temporary, and non-guaranteed hours of employees.

All employee data is sourced from our HR Management System.

Employee turnover

Employee turnover is defined as the aggregate number of employees who left Vestfrost voluntarily or due to retirement, dismissal, or death during the reporting period. This is aligned with the ESRS AR 59.

The numerator for the turnover rate includes all such

departures over the reporting period.

For the denominator, we apply the average number of employees during the year, calculated as: (Headcount at the beginning of the year + headcount at the end of the year) / 2

Incidents and complaints of severe human rights violations

Severe human rights incidents and complaints are recorded as any complaints filed through any reporting channel to Vestfrost’s management.

Health and Safety

100% of the workforce in Denmark is covered by the company’s health and safety management system, which is ISO 45001 certified. In Hungary, none of the workforce is covered by such management system.

Work injuries are registered in our QHSE management system (IPW) and in other internal standardized forms.

The Total Recordable Incident Rate (TRIR) is calculated as:

- (Number of recordable incidents × 200,000) / Total working hours in one year
- and
- (Number of recordable incidents × 1,000,000) / Total working hours in one year

The Lost Time Incident Rate (LTIR) is calculated as:

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

The number of working hours used in this calculation is based on the actual working hours per year, covering employees with permanent or temporary contracts directly employed by Vestfrost, as well as full-time, part-time, and non-guaranteed hours workers. Hours related to non-employees are not included, and neither are e.g., holidays and sick days in the number of working hours calculations.

Workers in the value chain

Workers in the value chain refer to individuals employed in upstream or downstream activities related to Vestfrost operations.

BUSINESS CONDUCT DATA:

Incidents of corruption or bribery

Incidents of corruption or bribery are defined as any breaches of Vestfrost’s internal policies on anti-corruption and anti-bribery. This report details the procedures for identifying, reporting, and documenting such incidents.



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