GRAM SCIENTIFIC

GRAM SCIENTIFIC WITH 124-YEAR LINEAGE

ESG-Report 2023

Gram Scientific ApS · Aage Grams Vej 1 · 6500 Vojens

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From our CEO

With our 124-year lineage, Gram Scientific has always been committed to developing our company, surroundings and market with a trustworthy and long-term emphasis.
We are a testament to the fact that responsibility, growth, and profitability are not mutually exclusive.

Doing Things the right way
Despite our long history, we have always prioritised craftmanship, good working conditions, a responsible management culture and being mindful of our consumption of resources. In our collective mind, this has always been the right way of doing things.

Responsibility
At Gram Scientific, we aim to contribute responsibly, with the whole of society and surroundings in mind. With this ESG-Report, we want to share our efforts and initiatives while committing ourselves to continue acting properly and responsibly. Staying true to our DNA as a company.

First ESG-Report
2023 marks the year for our first ESG-Report, first of many to come. With this report we have started our green journaling journey, but sustainable effort is nothing new to us, and we look forward to expanding and deepening this as time goes on. Bettering our understanding, appreciation and efforts on this, to the benefit of our children and theirs.

> At Gram Scientific, we aim to contribute responsibly, with the whole of society and surroundings in mind. With this ESG-Report, we want to share our efforts and initiatives while committing ourselves to continue acting properly and responsibly.

Ole Brandorff-Lund
CEO – Gram Scientific ApS

Key ESG figures

CO_2e emissions 2023 / $kgCO_2e$

833,432

Scope 1+2

CO_2e emissions 2023 / $kgCO_2e$

14,576,674

Scope 1+2+3

$KgCO_2e$ pr. headcount

7,937,4

Scope 1+2

$KgCO_2$-e per cabinet produced

112,41

Scope 1+2

$KgCO_2e$ per headcount

138,825,5

Scope 1+2+3

$KgCO_2e$ per cabinet produced

1,966,10

Scope 1+2+3

Key figures

Heritage & DNA

Over our 124-year history, we have always worked according to values that we relate to as people, namely, responsibility, diligence, and honesty. These principles permeate our company culture and play a significant role in shaping how we approach our work – with honesty, reliability, and a practical mindset.

Our down-to-earth and conscientious culture extends to all our work, ensuring a mutual foundation of trust and long-standing partnerships. With growing public focus on the environmental impacts of refrigerant gases over the past decades, numerous guidelines and pieces of legislation have been implemented in this area.

Drawing on our inherent understanding of the subject and driven by our aspiration to be better, we have consistently invested in staying ahead of legislation and market trends. Point in case being that we introduced the environmentally friendly refrigerants R600a and R290, 20 years prior to legislation requiring it.
Refrigerants that are widely used to this day due to their minimal environmental impact.

timeline

2023. Energy renovation of the factory, including heat recovery and heat pumps. Total reduction in electricity consumption by 53%. 25% reduction in heating consumption. 82% of electricity consumption in 2023 came from sustainable energy sources. 56% of district heating consumption in 2023 came from sustainable energy sources

2021. Phase-out of HFC-134a as a refrigerant (within the EU/EEA area)

2019. Phase-out of HFC-404A as a refrigerant (within the EU/EEA area)

2016. 45% Reduction in product energy consumption

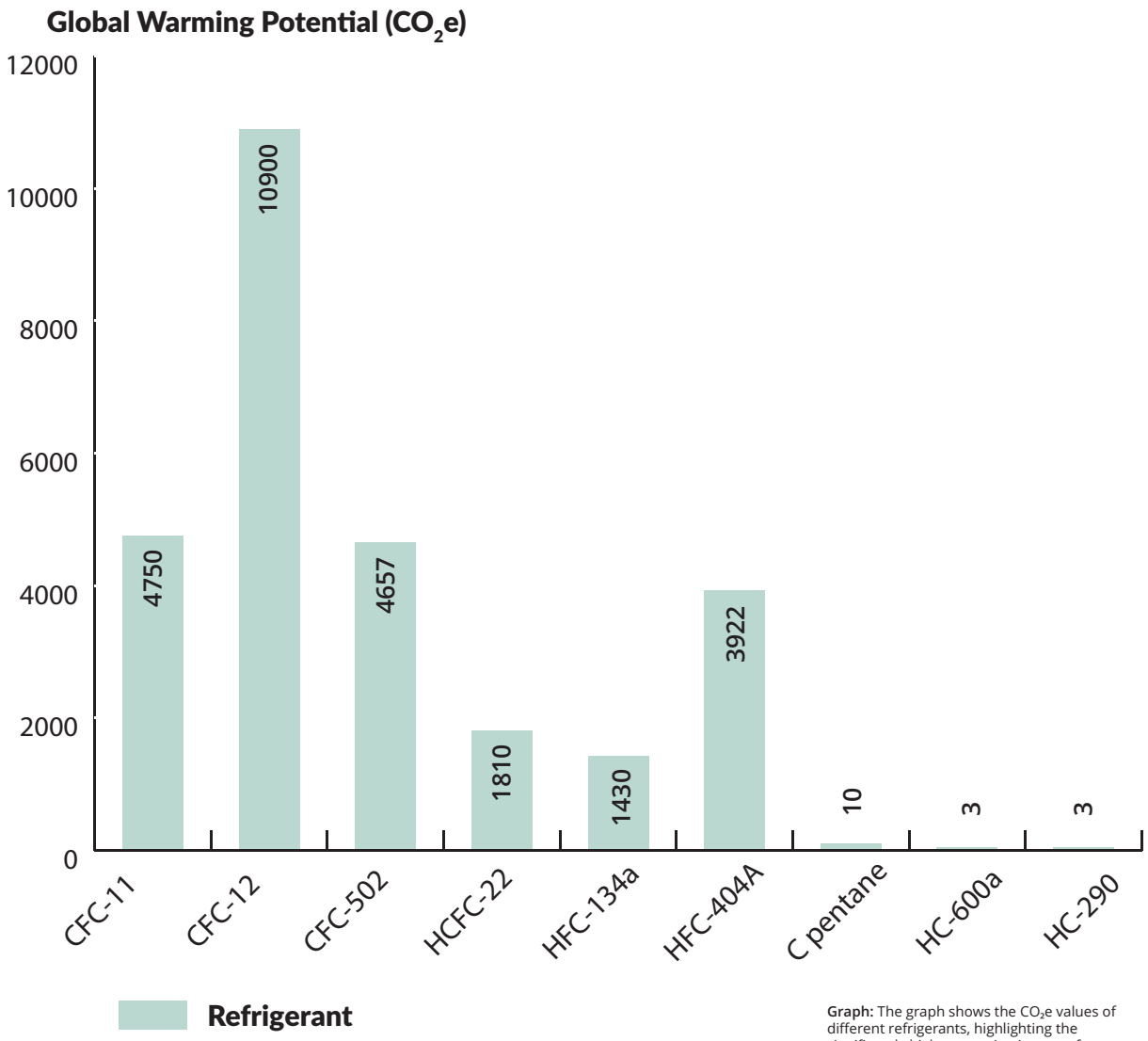
2002. Reduction in product energy consumption: 74% for refrigerators and 47% for freezers

2002. Cyclopentane replaced HFC-134a as a propellant agent for foam insulation. Introduction of environmentally friendly HC-600a and HC-290 as standard refrigerants in the product programme.

1996. Phase-out of HCFC-22 as a refrigerant

1994. Phase-out of CFC-502 as a refrigerant for larger freezers. Replacement refrigerants: HFC-404A

1993. Phase-out of Freon for foam insulation and refrigerant (CFC-11 and CFC-12). Replacement of propellant agent for foam insulation: HFC-134a (new high-pressure tools). Replacement refrigerants: HFC-134a and HCFC-22



Graph: The graph shows the CO_2e values of different refrigerants, highlighting the significantly higher warming impact of traditional refrigerants compared to natural alternatives like HC-600a and HC-290. CO_2e (carbon dioxide equivalents) is used to compare the greenhouse gas effects of different gases

Regulations on refrigerants

1979 **World Plan of action**
Adopted by UNEP council after scientists realise man-made refrigerants – CFC's – are harmful to the ozone layer.

Late 1980's **Transitional refrigerants**
HCFC with less ozone depleting substances are introduced, however still with influence on clima (GWP).

1987 (89) **Montreal Protocol**
Phase out CFC's and HCFC's – replace with HFC's (with 0 OD – ozone depletion).

1997 **Kyoto Protocol**
Aims to reduce global warming and greenhouse gases. Phase out HFC's with greener alternatives.

2015 **F-gas regulation in EU**
Phase out of all HFC refrigerants in the period 2015-2030.

+ World-wide phase out of all harmful refrigerants. Move to HC/ natural refrigerants.

CFC's (Chloroflourocarbons)
Ozone Depletion Potential
(OPD): 1
Global Warmning Potential
(GWP): 4000

HCFC's (Hydrochlorofluorocarbons)
Ozone Depletion Potential
(OPD): 0,05
Global Warmning Potential
(GWP): 1500

HFC's (Hydroflourocarbons)
Ozone Depletion Potential
(OPD): 0,00
Global Warmning Potential
(GWP): 600-2000

HC's (Hydrocarbons)
Ozone Depletion Potential
(OPD): 0,00
Global Warmning Potential
(GWP): 3

Refrigerants – developments over time

Overview: *This shows the changing legislation within refrigerants combined with the development within refrigerants and its impact on global warming.*

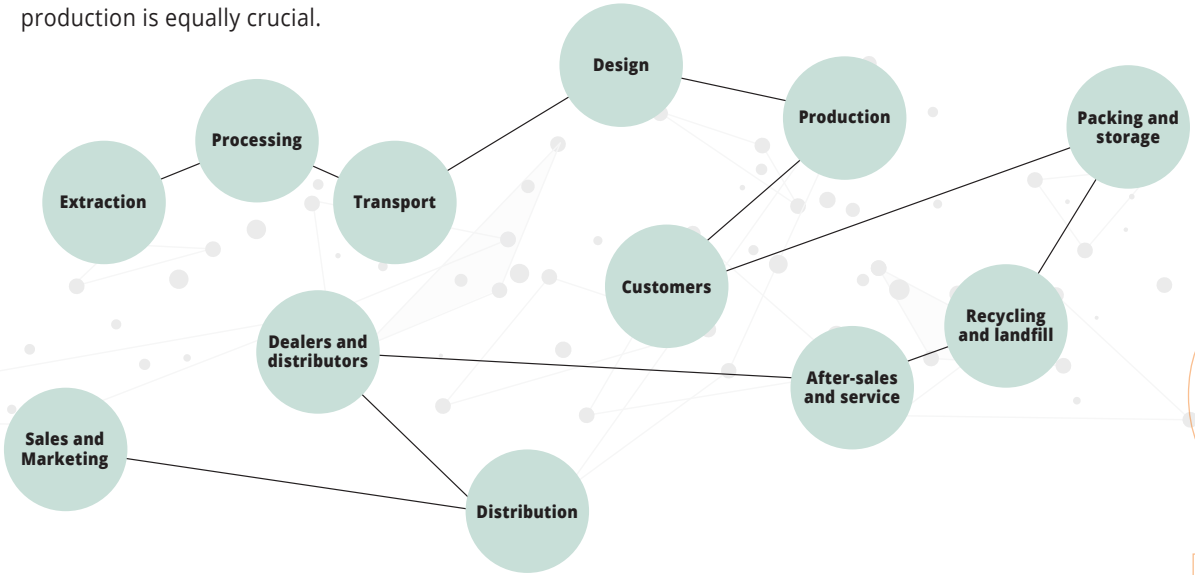
Value Chain

The value chain represents the series of activities carried out with the aim of maximising the value our products provide to both customers and society.

Every step of the value chain is important, as both negative and positive impacts arise throughout its entirety. In our value chain, the extraction and processing of raw materials for production account for the most significant environmental impacts. However, everything that happens after our products leave production is equally crucial.

We conintue to focus on circularity, recycling and repurposing all sold cabinets to the largest degree possible.

It is therefore vital to develop products that can be manufactured, distributed, consumed, reused, and disposed of with reduced resource consumption and lower emissions. Additionally, the use of distribution channels focused on sustainability throughout all stages, from production to the end user, is of paramount importance.



Frame of reference and ESG-terms

In recent years, there has been significant development and continuous tightening of Danish and international legislation and standards related to ESG-reporting.

This reflects a desire for greater transparency and comparability across companies regarding CO_2emissions calculations, ESG performance, and reporting formats.

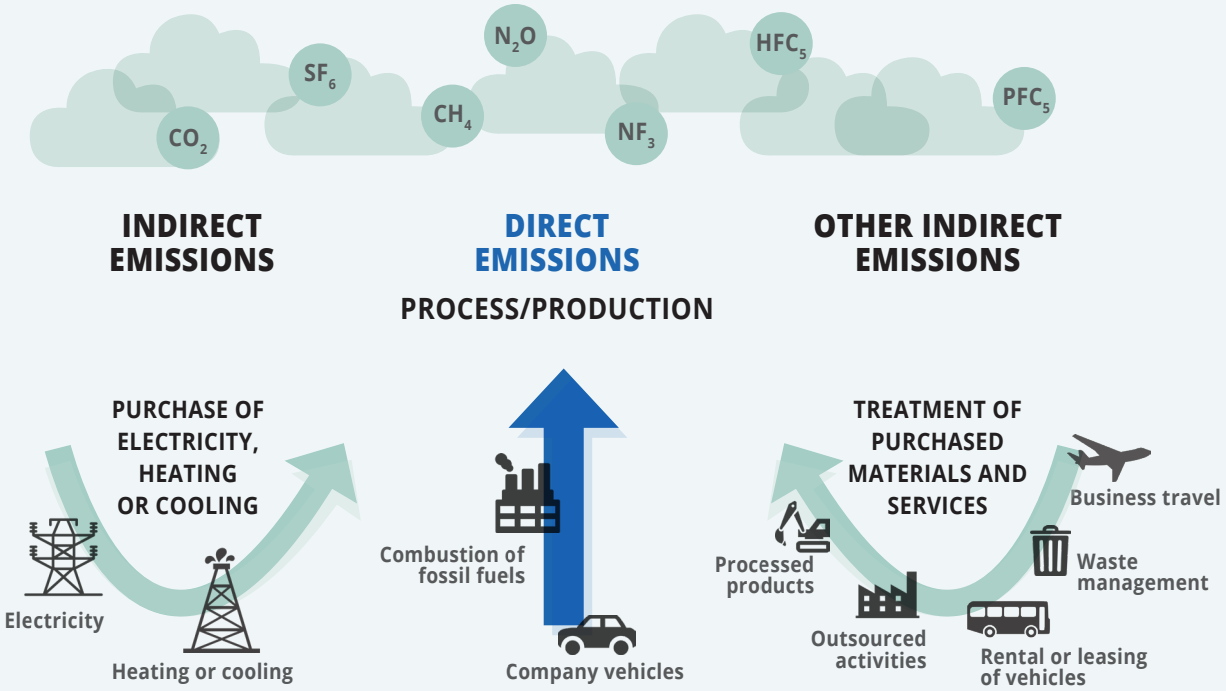
Given our company size, we are not yet subject to CSRD requirements. However, we have chosen to adopt the standardised framework below for our reporting and sustainability efforts.

Greenhouse Gas Protocol
The Greenhouse Gas Protocol (GHGP) is the most widely used standard for calculating CO_2e emissions. It is recommended by institutions such as the EU Commission. The purpose is to ensure that reporting is as uniform as possible across all industries.

The GHGP puts CO_2eemissions from the seven greenhouse gases into three scopes, categorising them as direct and indirect emissions. Direct emissions originate from sources that are owned or controlled by the company. Indirect emissions stem from sources not owned by the company but are a consequence of its activities. →

Scope 1,2 & 3

Under the GHGP, CO_2eemissions are segmented into three categories called "scopes." Scope 3 emissions can either be "upstream," meaning before the company's position in the value chain (e.g., purchased goods and services), or "downstream," meaning after the company's position in the value chain (e.g., customer use of services or products).



SCOPE 2	SCOPE 1	SCOPE 3
Mandatory	**Mandatory**	**Voluntary**
Scope 2 includes all emissions from companies that supply energy to the organisation. This includes greenhouse gases generated during the production of electricity, district heating, and district cooling consumed by the organisation.	Scope 1 covers all direct sources of CO_2eemissions from the organisation. Examples include transport vehicles owned or leased by the organisation. This also includes all emissions originating from activities within the organisation's own premises.	Indirect CO_2eemissions not covered under Scope 2 are included in Scope 3. This could, for example, include emissions from suppliers or related to the transportation of products.

UN 17 Goals
The UN 2030 Agenda for Sustainable Development defines 17 discrete Sustainable Development Goals (SDGs) and 169 targets aimed at supporting businesses in contributing to broader societal objectives. The goals are connected and aim to combat poverty and hunger, reduce inequalities, ensure quality education and better health for all, promote decent jobs, and drive more sustainable economic growth.

The SDGs apply to all UN member states, the private sector playing a vital role. Companies are encouraged to consider global sustainable development by acting responsibly towards people, the climate, nature, and society.

Businesses can engage with the SDGs through their core operations by identifying the goals where they have the greatest negative impact and those where they can contribute positively. The SDGs serve as a tool to identify new business opportunities that address some of the world's biggest challenges while also supporting a strong bottom line.

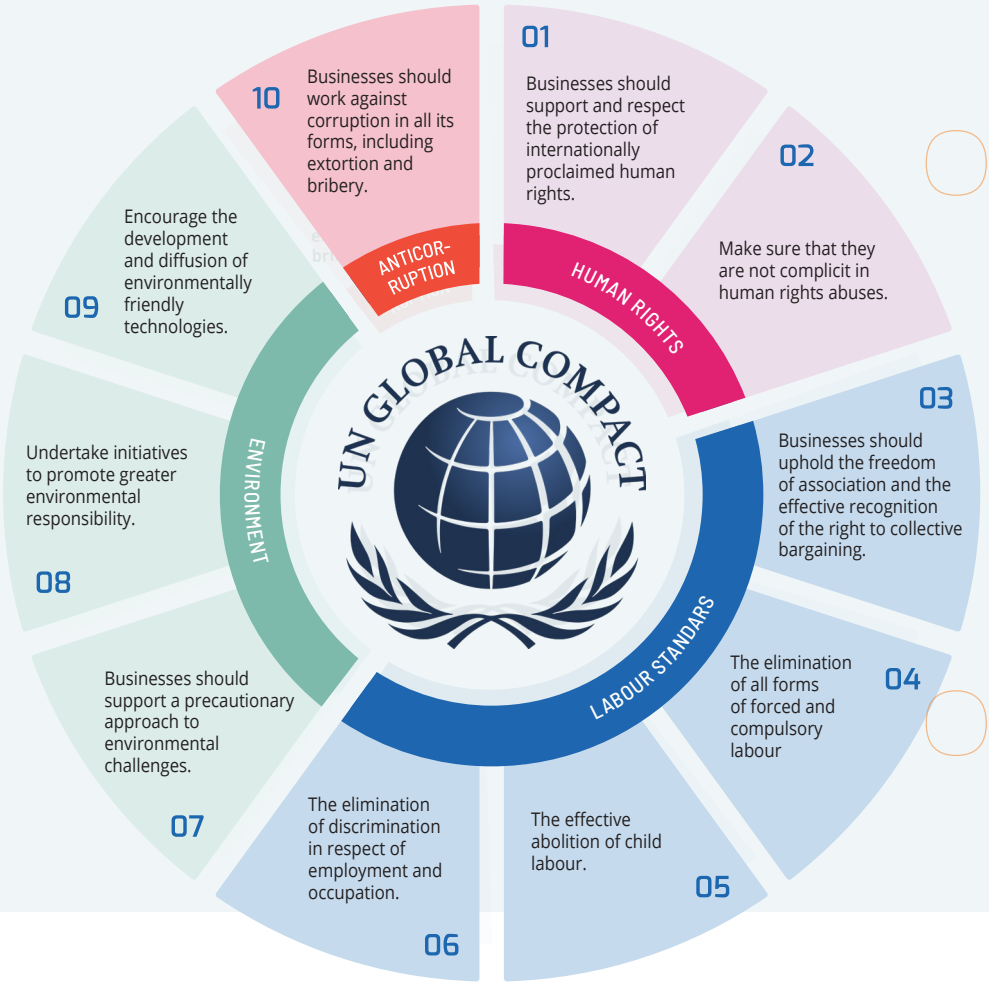
SUSTAINABLE DEVELOPMENT GOALS

ACCESS MORE DATA AND INFORMATION ON THE INDICATORS AT HTTPS://UNSTATS.UN.ORG/SDGS/REPORT/2020/

UN 17 Goals

UN Global Compact 10 principles
The Sustainable Development Goals (SDGs) cannot stand alone and should be based on the 10 principles of the UN Global Compact, which form the foundation for responsible business operations. The UN Global Compact is the world's largest sustainability initiative for companies, encouraging voluntary commitments to set goals and report progress within the areas of environment, human rights, labour rights, and anti-corruption.

The initiative aims to provide a shared ethical and practical framework for all companies, based on international conventions and agreements.
Each principle is anchored in international declarations and conventions.
The UN Global Compact promotes ethical and responsible business practices throughout the supply chain. For us, the 10 principles translate into the following commitments within human rights, the environment, labour rights, and anti-corruption.



GREENHOUSE GAS PROTOCOL

VERDENSMÅL
for bæredygtig udvikling

Vision and Strategic goals for 2030

We have developed our sustainability strategy, which comprises of an overarching strategic statement and a underlying strategic focus areas. We have set important 2030 targets for sustainability and our CO_2 emissions that are critical to our ambitions.

Our Vision

"Shaping today's refrigeration for a healthier tomorrow – one fridge at a time"

STRATEGIC TARGETS 2030

As a company our aim is to have a significant positive impact on society, health and the environment as a whole by developing and expanding sales of higher quality products with a lower carbon footprint, thereby replacing old and less sustainable equipment. Secondly by continuously pushing the green agenda we aim to impact the industry as a whole towards a more sustainable future

Ensure healthy lives and promote well-being for all at all ages

Good health & well-being (S)

Improve the general health and food safety by replacing lower quality refrigerated storage solutions with better quality and more sustainable refrigeration solutions.

Ensure product reliability and longevity.

- make 10-year warranty available on all products
- make service agreements available in top 5 markets
- make products available in segments and markets with lower purchase power
- develop products with 20% lower trading prices

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Decent work & economic growth (S+G)

Grow our business by replacing less sustainable products in the market with more sustainable products in terms of more sustainable manufacturing, lower product energy comsumption and fully recyclable products after end of life.

- 40 MEUR higher sales and 150 new customers

Grow our business and profitability to ensure decent livelihood for our employees and the local community.

- create 50 new jobs in the local community

Embrace diversity and ensure equality in our work force.

- 50/50 gender balance

Ensure sustainable consumption and production patterns

Responsible consumption & production (E+S+G)

Reduce Co_2 footprint per products by 50%.

- decrease Co_2 emissions by 100% in Scope 1 and 2
- decrease Co_2 emissions by 30% in Scope 3
- improve our products to be 100% recyclable
- extend product lifetime to 15 years

OUR MISSION

To deliver the most reliable and high quality professional refrigeration solutions for safe and secure temperature sensitive storage, to allow our customers to focus on improving the quality of life for mankind

3 GOOD HEALTH AND WELL-BEING

ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Goals related to UN Goal 3
– GOOD HEALTH AND WELL-BEING

Our products are widely used for temperature-critical storage in the bio science segments, including applications such as medicine, vaccines, and laboratory storage solutions. These applications require high quality, reliability, and temperature stability – deviations can impact human health.

In our second market segment, our products are typically used for professional food storage, which also requires high quality and reliability to ensure food safety.

Availability of high-quality products in low purchasing power regions or segments
By 2030, our goal is to enter in regions or segments with lower purchasing power. In these markets, customers often opt for cheaper products with inadequate specifications, legislative compliance, quality, lifespans, and support.

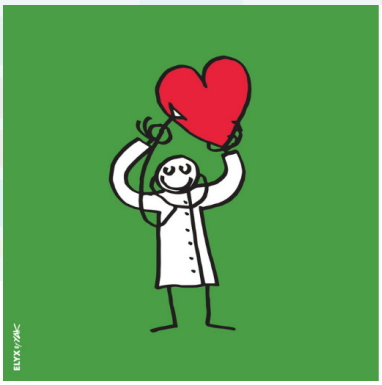
Recognizing that low-quality products pose a threat to "Good Health and Well-being", we aim to address lower purchasing power by developing and offering new products with 20% lower trading prices.

Product Quality and Longevity
Reliability is a key parameter for our products in both market segments. To ensure the dependability of our solutions and extend their lifespan, we have set the following goals:

- 10-year warranty availability on all products:
  A commitment to facilitate product longevity and reliability and keep the unit in operation for as long as possible, thereby not needing to be replaced.

- Service agreements in top 5 markets:
  Ensuring consistent maintenance and support for our customers.

These initiatives will positively impact the sustainability of our products. Through strategic development and prevention, we aim to promote better health and well-being for more people, aligning with our long-term goals.



8 DECENT WORK AND ECONOMIC GROWTH

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

Goals related to UN Goal 8
– DECENT WORK AND ECONOMIC GROWTH

Economic growth and sustainability have become central themes in modern business management, emphasising the efficient and responsible use of resources. This approach not only ensures long-term success but also minimises negative impacts on the environment and society.
At its core, economic growth and sustainable production go hand in hand.

Economic growth enriches society and forms the foundation for a well-developed welfare system. For us as a company, economic growth is essential, but it must not come at the expense of the environment or sustainability. It is equally important that increased prosperity benefits ordinary people. One of our strategic goals is to positively impact our local community by creating more local jobs.

Our economic growth will be driven by increasing sales and enhancing productivity through development and technological innovation. In addition, we take societal responsibility seriously by promoting diversity and social responsibility within our workforce.
We are a company where everyone is welcome.

Strategic Goals for Economic Growth
Our strategic focus includes continued economic growth to maintain local production and create additional jobs. Specifically, we aim to create 50 new jobs in the coming years.

We take pride in the diversity of our workplace.
By 2030, we aim to achieve a 50/50 gender balance within our workforce.

Through these initiatives, we are committed to fostering sustainable economic growth that benefits both our company and the broader community.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

Goals related to UN Goal 12
– RESPONSIBLE CONSUMPTION AND PRODUCTION

Two of our key 2030 goals include CO_2reductions spanning Scope 1, Scope 2, and Scope 3. To achieve this, we have started several strategic initiatives. Moving forward, we will outline progress in the future annual ESG-reports.

We have started with CO_2reduction efforts. Our first focus has been Scope 2 emissions reduction through energy-saving measures in our manufacturing facility in Vojens, Denmark.

100% CO_2 Reduction in Scope 1 and Scope 2
We are currently probing the possibility of energy self-sufficiency in green energy. By investing in renewable energy and optimising energy consumption – such as implementing heat pumps, solar panels, production energy efficiencies, fleet upgrades, and biofuels – we aim to achieve a 100% reduction in Scope 1 and Scope 2 emissions by the end of 2030.

30% CO_2Reduction in Scope 3 and Product Lifespan
- Develop new products with an expected lifespan of up to 15 years.
- Innovating production processes and using alternative raw materials.
- Minimising supply chain length to reduce overall emissions derived from transportation.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

To ensure sustainable consumption and production patterns

SUSTAINABLE DEVELOPMENT GOALS

ESG-Report

ESG stands for **Environment, Social, and Governance**. ESG serves as a tool for businesses to provide a more nuanced picture of their operations to investors, customers, and partners.

Our First ESG-Report
This is our first ESG-Report, with 2023 serving as our baseline year. The purpose of this report is to present a balanced overview of our impacts on the environment and society at the local, national, and international levels.

The climate accounting section includes an overview of the greenhouse gas emissions we generated during the year, calculated in CO_2e in accordance with the **GHGP**.

Energy & climate account

Reaching the 2030 goals for CO_2 emissions rely greatly on our ability to capture and assess data. This has been clear since we endeavored this mission. This is the only way to define meaningfull actions that benefit the next generations.

A Scope 1, 2 and 3 energy and climate account was developed in 2023. This serves as a future baseline for initiatves.

With a 2023 point-of-origin, we initiated efforts to reduce energy consumption, particularly through electricity optimisation. When looking in the future, we will broaden our focus to adress CO_2 reductions in Scope 3, target both up and down-stream supply chains.

Tackling emissions reduction in raw material supplies and prioritising product life cycle and circularity.

2023 data shows that emissions from Scope 1 and Scope 2 constitute ca. 4.3% of our total CO_2 footprint, with Scope 3 accounting for 95.7%. Giving a clear indication that a holistic approach to our supply chain is vital to achieve a emission reduction.

Our Climate Accounts - Baseline 2023

	Unit	$KgCO_2e$ 2023	Percentage share
Energy consumption (scope 1-2):			
Diesel cars	Litres	77,964	0.5%
Petrol cars	Litres	301	0.0%
Propane gas for industrial processes (packaging)	Ton	1,432	0.0%
Acetylene for industrial processes (soldering)	Ton	1,305	0.0%
Electricity*	kWh	595,061	4.1%
Heating**	kWh	157,369	1.1%
Total		**833,432**	**5.7%**
Energy consumption (scope 3):			
Diesel cars	Litres	24,052	0.2%
Petrol cars	Litres	105	0.0%
Mileage allowance	Km	3,748	0.0%
Electricity	kWh	98,978	0.7%
Heating	kWh	14,372	0.1%
Total		**141,255**	**1.0%**
Purchase from suppliers (scope 3):			
OPEX (operational expenses):			
Total Category 1 expenses	DKK	**13,335,963**	**91.5%**
CAPEX (capital expenditures):			
Total Category 2 expenses	DKK	**266,025**	**1.8%**
Total		**13,601,988**	**93.3%**
Total scope 3		**13,743,242**	**94.3%**
Total baseline CO_2-emission		**14,576,674**	**100.0%**

*Applied KlimaKompasset 2023v6 11042024 and Environmental Declaration
**Location-based is equal to market-based

Prerequsites – applied accounting praxis
The ESG-report and the baseline are based on 2023 figures, they are not verified by a third party, certain datasets are incomplete due to incomplete data collection systems.
To provide a comparable basis for individual emissions, all calculations are expressed in CO_2 equivalents (CO_2e). Carbon dioxide equivalents (CO_2e) are a measure of the effect of different greenhouse gases (GHGs) on the climate. By converting different emissions to the equivalent amount of carbon dioxide (CO_2), their impacts can be compared

We have used calulation methods outlined by the GHGP for scientific accuracy and comparability. This being the recommended method by the Danish government's climate partnerships, the Danish Business Authority, among others. The CO_2 equivalents are calculated using the principles of the GHGp and the latest publicly available database from "Klimakompasset" on CO_2e.

Scope 1: Direct greenhouse gas emission

Scope 1 includes emissions that come directly from our operations. We do not have direct emissions from production, but we do have emissions from the combustion of diesel in company-owned and leased vans and company cars. In 2023, we emitted 78 tons of CO_2 under Scope 1, the vast majority of which came from company cars.

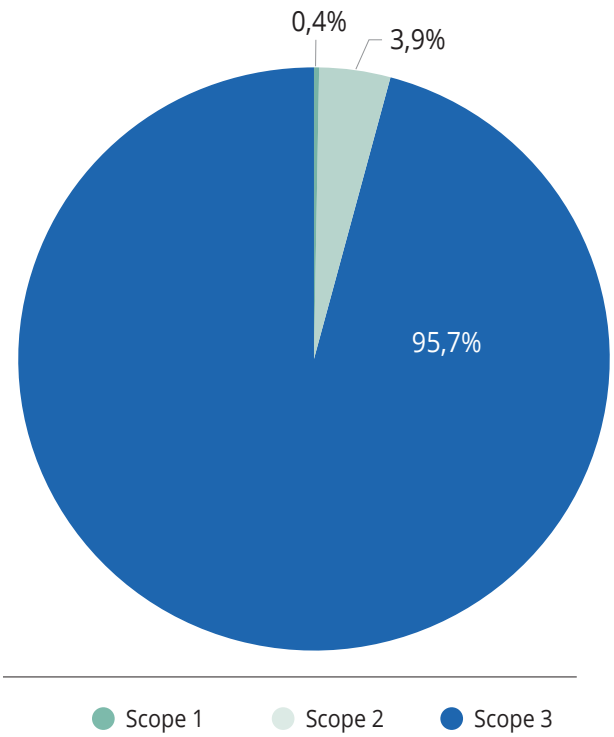
Diesel consumption data is based on the quantities stated on the given invoices, with the assumption that diesel is combusted in the calendar year it is invoiced. In cases where diesel was purchased abroad, a conversion factor has been applied to translate the cost into consumption.

Scope 2: Indirect emissions from electricity and heating

In 2023, we focused heavily on reducing electricity consumption in production. During the year, we emitted 752 tons of CO_2 under Scope 2, the majority of which originated from electricity use. Electricity consumption data is based on invoices, while district heating data is derived from annual statements provided by the landlord. Emission data for district heating is obtained from the specific district heating supplier via the Environmental Declaration (Miljødeklarationen).

The emissions are calculated using the location-based method. This method means that electricity figures are calculated based on the electricity mix in the grid, without accounting for green certificates from renewable energy source purchases.

Gram Scientific 2023, distribution of $kgCO_2e$ emission i scope 1-3



Scope 3: indirect emissions - not owned (significant contributors)

The following selected emissions have been included:

Category 1 - Purchase of goods and services:
These metrics are based on the costs of the goods and services purchases. The category also includes costs for transportation and distribution, as well as upstream leased assets.

Category 2 - Investments:
This is based on supplier invoices. Profit from the sale of assets is not included in the calculation of the 2023 baseline.

Category 6 - Business travel:
This is based on invoices from MasterCard, using the highest CO_2 equivalent for air travel due to the lack of an efficient data collection system.
Additionally, we have calculated emissions from kilometres driven in private vehicles during working hours, such as for customer and supplier visits.
Data is based on kilometre reimbursement paid via our payroll system.

Environment

Refrigeration products play a vital role in our society and the living standards of most people.
These products are primarily made from materials like steel and aluminium, which are resource-intensive and often sourced from carbon-heavy industries.
This includes steel production involving mining operations and emissions from fossil-based processes. Mining frequently occurs in underprivileged areas, negatively impacting critical ecosystems.

We continuously work on developing products that reduce CO_2emissions across our value chain while exploring the replacement or phasing out of certain raw materials. These efforts are made with careful consideration of operational reliability, quality, lifespan, and circularity.

While we aim to minimise our environmental impact, we recognise that it is impossible to eliminate CO_2eemissions entirely. Our strategy includes investing in compensatory measures, which we will further develop and work toward achieving by 2030.

As part of this transition, we will enhance our data collection processes to better understand and address indirect CO_2e emissions throughout our value chain.

Our strategic goals for CO_2 reduction include achieving carbon neutrality in Scope 1 and Scope 2 by 2030, as well as reducing Scope 3 emissions by 30%. Circular economy principles are a cornerstone of our future efforts, and we are committed to contributing by designing products that can be broken down into their basic elements, reducing environmental impact, and promoting sustainable consumption and production.

By extending the lifespan of our products to 15 years, we aim to reduce the consumption of these types of products and decrease the demand for new equipment, thereby lowering the associated environmental footprint.

Social

We are committed to furthering the health and well-being of our employees. For several years, we have offered private health insurance, providing swift access to care and council. As a significant employer in our region – situated near what is often referred to as the outskirts of Denmark – we prioritise maintaining our local presence.

Relocating production abroad is not an option, as our employees are a vital part of our DNA, ensuring the high quality of our products. Through economic growth, we aim to create more local jobs while focusing on retaining our current workforce and enhancing their daily satisfaction and motivation, both through workplace initiatives and social events.

We are a workplace that accommodates people throughout all stages of their careers. Many of our employees have been with us for many years, and if life takes an unexpected turn, we find new roles that match their abilities. For instance, we have former employees working under special terms, such as flexible job arrangements or senior schemes.

Additionally, our mentoring program supports employees facing challenges in their personal or professional lives, as well as trainees. We believe that taking responsibility and fostering inclusivity positively impacts our work environment and creates a culture where everyone feels valued.

Training and Internal Opportunities

Enhancing employee skills and providing opportunities for further education are key priorities. We actively promote internal recruitment for open positions and ensure that employees receive the necessary training for new roles. However, formal education is not always a prerequisite to working with us. Many of our talented employees began as unskilled workers and have developed their competencies through training and upskilling.

Age Diversity

In 2023, 65 of our employees were aged **50 or older, representing 61.9%** of our total workforce.

Diversity and Gender Equality

Diversity in areas such as gender, ethnicity, and age is an integral part of our workforce, contributing to a dynamic and versatile organization. By 2030, we aim to have a 50/50 gender distribution our total workforce. As of the end of 2023, 43% of our workforce are women, while men make up 57%.

At the first management level (board and executive leadership), there are currently no female leaders. However, at the second management level – those with personnel responsibilities reporting directly to the executive leadership – women comprise 33.3%, while men make up 66.7%. In production roles, the gender distribution is equal, with 50% women and 50% men.

Seniority

Employee seniority as of 31/12-23:

<1 year	=	**13%**
1–5 years	=	**30%**
6–10 years	=	**24%**
11–15 years	=	**5%**
16–20 years	=	**8%**
>20 years	=	**20%**

Governance

Our reputation as a responsible and ethical company is a cornerstone of our history and values. Customers, partners, and employees must always be able to trust us and rely on our integrity. Therefore, we maintain a zero-tolerance policy against bribery and corruption, both within our organisation and throughout our value chain.

We assess the risk of bribery and corruption within our value chain as relatively low. However, to address any potential concerns, we implemented a whistleblower system in 2023 to bring such issues to light.

The whistleblower system allows employees to easily, securely, and anonymously report suspicions of illegal activities or serious misconduct within our organisation without fear of repercussion. Since the implementation of the system, no reports have been filed.

Prior to introducing the whistleblower system, we conducted an anonymous employee satisfaction survey. Employees were given the opportunity to report suspicions or instances of corruption, bribery, illegal activities, bullying, or discrimination, among other concerns.

Supply chain governance

Supply chain management will have key focus in 2024/2025. As part of this effort, we will update our supplier contracts and Code of Conduct with an increased focus on sustainability and compliance.

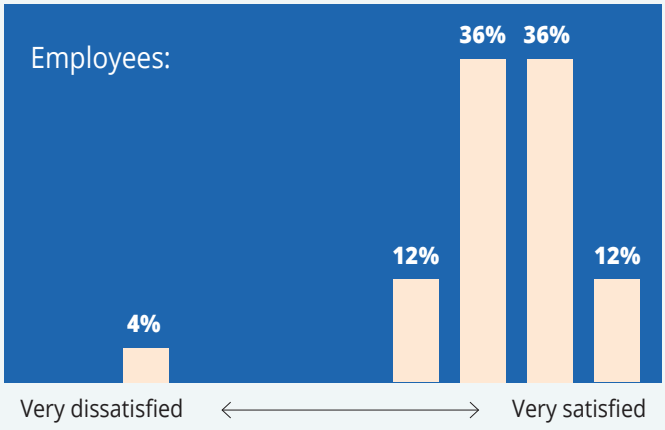
This includes stricter requirements and encouragement for proactive engagement with ESG initiatives, covering areas such as international legislation, human rights, labour conditions, environmental impact, and anti-corruption measures.

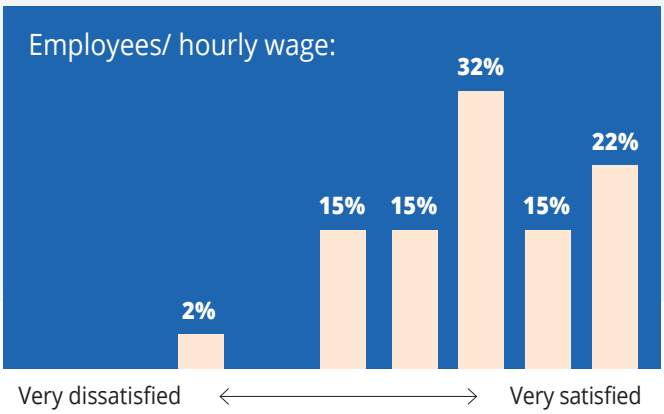
Standard compliance

Standard and directive compliance is a large proponent in our work. Adherence to standards and directives demonstrates that we are committed to operating transparently in adherence with known metrics and references. This harks back to our sense of responsibility and openness.

We comply with ISO 9001 and ISO 14001 and have internal and external audits at least once a year.

Overall satisfaction, all things considered





The next step

Guided by our history and values, we have taken our first steps to formalise and measure our environmental, social, and governance efforts, creating a strong foundation for the years to come. While Scope 1 and 2 are significantly smaller in carbon emissions than Scope 3, we are committed to facilitate any gains on the road to lowering emissions derived from our Scope 3.

We are dedicated to ESG, to sustainability and taking responsibility, evident in our strategic goals for 2030. From achieving carbon neutrality in Scope 1 and 2 emissions, reducing Scope 3 emissions by 30%, and expanding the lifespan of our products, to fostering a diverse and inclusive workforce and strengthening our supplier relationships, we are taking meaningful actions that align with our sense of responsibility.

The hurdles and challenges outlined in this report does not only reflect hinderances, but as opportunities to improve and strive to do better.

As we move forward, our focus will remain on the large gains for the respective strategic ESG goals and to;

> Shaping today's refrigeration for a healthier tomorrow – **one fridge at a time**.

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