

# ESG Report

Leader in efficient fan technologies



Sustainability & ESG reporting

# Table of content

|           |                                          |           |
|-----------|------------------------------------------|-----------|
| <b>01</b> | <b>Introduction</b>                      | <b>03</b> |
|           | About this report                        | 04        |
|           | Letter from the CEO                      | 06        |
|           | Our history                              | 08        |
|           | Products and solutions                   | 09        |
|           | Company and value chain context          | 10        |
|           | Strategic context and market environment | 11        |
|           | Regulatory timeline                      | 12        |
| <b>02</b> | <b>Our sustainability approach</b>       | <b>14</b> |
|           | Core sustainability                      | 15        |
|           | Highlights                               | 17        |
|           | Double materiality assessment            | 18        |
|           | Governance                               | 20        |
|           | Strategy and SDGs                        | 22        |
|           | SDG alignment                            | 23        |
| <b>03</b> | <b>Material ESG topics</b>               | <b>25</b> |
|           | E1 · Climate change                      | 26        |
|           | E5 · Resource use & circular economy     | 45        |
|           | S1 · Own workforce                       | 49        |
|           | S3 · Workers in the value chain          | 54        |
|           | G1 · Business conduct                    | 57        |
|           | E4 · Biodiversity & ecosystems           | 61        |

|           |                                         |           |
|-----------|-----------------------------------------|-----------|
| <b>04</b> | <b>Deep dives</b>                       | <b>63</b> |
|           | Research & development                  | 64        |
|           | Product management                      | 65        |
|           | Operations                              | 66        |
|           | Pollution & environmental management    | 67        |
|           | Supply chain                            | 69        |
|           | Data maturity development               | 70        |
| <b>05</b> | <b>Industry memberships</b>             | <b>71</b> |
|           | Membership of associations              | 72        |
|           | Appendix · external associations        | 73        |
| <b>06</b> | <b>ESG data &amp; methodology</b>       | <b>76</b> |
|           | ESG KPI overview                        | 77        |
|           | Accounting practice                     | 82        |
|           | CO <sub>2</sub> e emissions methodology | 83        |
|           | Carbon intensity metrics                | 84        |
|           | Definitions & methodology               | 85        |



# 01

## Introduction

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|    |                                          |
|----|------------------------------------------|
| 04 | About this report                        |
| 06 | Letter from the CEO                      |
| 08 | Our history                              |
| 09 | Products and solutions                   |
| 10 | Company and value chain context          |
| 11 | Strategic context and market environment |
| 12 | Regulatory timeline                      |



## ABOUT THIS REPORT

# Leader in efficient fan technologies

This report is not prepared in accordance with the mandatory requirements of the Corporate Sustainability Reporting Directive (CSRD). However, NOVENCO® Building & Industry has chosen to align selected elements of its sustainability reporting approach with relevant principles from the European Sustainability Reporting Standards (ESRS). This supports greater transparency, consistency and comparability of sustainability information. The use of ESRS principles serves as a guiding reference framework and should not be interpreted as full ESRS or CSRD compliance.

The ongoing Double Materiality Assessment (DMA) process will further support the prioritization of material sustainability topics. It will also strengthen NOVENCO's alignment with selected United Nations Sustainable Development Goals (SDGs), which serve as a strategic reference framework.

### Data sources and methodology

The report is based on a combination of internal and external data sources, including:

Internal operational data, such as energy consumption, emissions and resource use  
Product-level life cycle assessments (LCA)  
Supplier inputs, estimates and proxy data where primary data is unavailable



ABOUT THIS REPORT

# Data quality hierarchy

To support transparency and consistent interpretation, NOVENCO applies the following data quality hierarchy:

|         |                         |                                                                                                                   |
|---------|-------------------------|-------------------------------------------------------------------------------------------------------------------|
| Level 1 | Primary data            | Directly measured or supplier-reported data, including energy consumption, fuel use and activity data.            |
| Level 2 | Verified secondary data | Externally verified datasets from recognized sources.                                                             |
| Level 3 | Modelled or hybrid data | Based on a combination of primary inputs and recognized industry or engineering assumptions.                      |
| Level 4 | Proxy data              | Estimates based on sector averages, spend-based methods or geographic proxies where specific data is unavailable. |

Higher-quality data is prioritized whenever available. NOVENCO continues to increase the share of primary data across the value chain to improve reporting accuracy and transparency.

**Reporting scope**  
The report covers NOVENCO's own operations and material parts of the value chain identified through the DMA process.

## LETTER FROM THE CEO

## A commitment to energy efficiency and measurable climate action

As CEO of NOVENCO Building & Industry, I am pleased to present our first combined ESG report. It reflects our commitment to energy efficiency, responsible growth and measurable climate action across our entire value chain. Energy efficiency has been at the core of NOVENCO's engineering philosophy since 1947. Every solution is designed to reduce energy consumption while maintaining the highest standards of performance, reliability and safety. This focus defines how NOVENCO creates value for customers and supports global decarbonization efforts.

NOVENCO develops ventilation systems that minimize lifecycle energy use.

This includes optimizing aerodynamic performance, improving system efficiency and reducing operating costs. In many applications, even small efficiency improvements deliver significant long-term reductions in energy use and CO<sub>2</sub> emissions.

NOVENCO Building & Industry is committed to the Science Based Targets initiative (SBTi). This ensures that the company's climate strategy aligns with climate science and the goals of the Paris Agreement. The framework supports measurable and transparent emissions reductions across operations and the entire value chain. NOVENCO has defined ambitious and timebound climate targets. These targets provide a clear direction for the company's decarbonization journey and strengthen accountability across operations, innovation and collaboration.



Lars Knaack  
Chief Executive Officer

NOVENCO's engineering heritage is built on precision, innovation and reliability. Today, these principles also guide the company's sustainability efforts.

NOVENCO continues to invest in energy-efficient technologies and ventilation solutions that support safer, more efficient and lower emission buildings and infrastructure worldwide.

Close collaboration with customers and partners is essential. Together, NOVENCO delivers ventilation solutions that improve system performance and reduce energy demand, even in the most demanding environments. Partnerships remain critical to achieving meaningful reductions in global energy use and emissions.

For NOVENCO, energy efficiency is not a separate initiative. It is fully integrated into the way solutions are designed, manufactured and delivered. It also remains a key driver in supporting a more sustainable built environment.

NOVENCO remains committed to continuous improvement, transparency and measurable progress.

“

**The ambition is clear: to lead the industry in energy-efficient ventilation solutions while actively contributing to global climate goals through science-based action.**

”



## OUR HISTORY

# Decades of ventilation engineering

---

**1947** FOUNDED IN  
NÆSTVED, DENMARK

Founded in 1947 in Næstved, Denmark, NOVENCO Building & Industry has built decades of expertise in the design and development of ventilation systems. What began with ventilation products has evolved into advanced, high-performance fan technologies driven by continuous innovation.

Over the years, NOVENCO has combined deep engineering expertise with strong in-house manufacturing capabilities. This enables the company to deliver reliable, durable and energy-efficient ventilation solutions across global markets.

The company's long-standing experience supports the development of next-generation technologies designed to meet evolving environmental demands and industry requirements. Today, NOVENCO continues to advance ventilation performance through innovation, precision engineering and a strong focus on energy efficiency.

## PRODUCTS AND SOLUTIONS

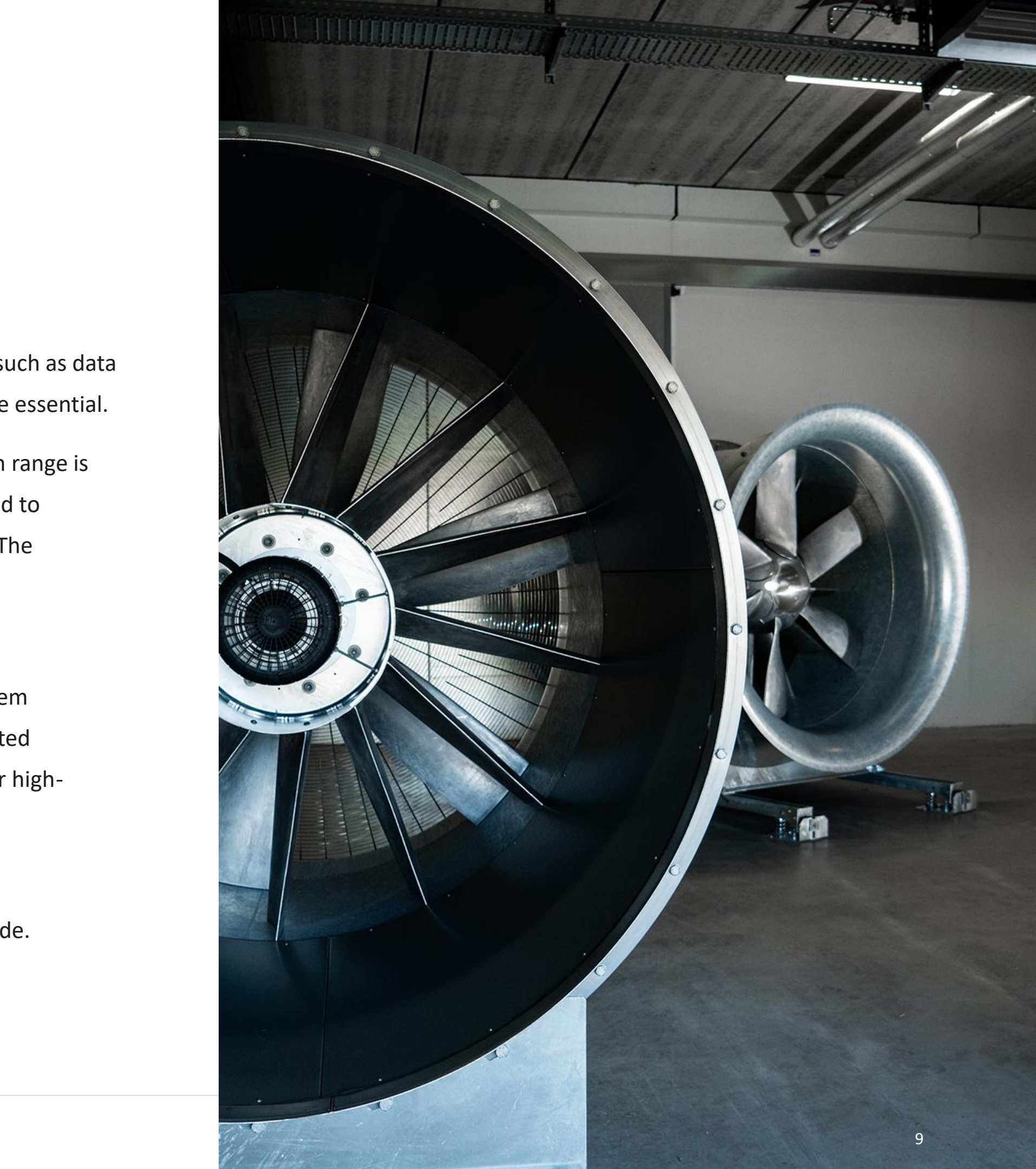
# Engineered for high-demand environments

NOVENCO Building & Industry develops ventilation solutions for high-demand environments such as data centres, tunnels and industrial facilities, where energy efficiency and operational reliability are essential.

Energy efficiency is a core design parameter across the product portfolio. The **ZerAx**® axial fan range is engineered for high aerodynamic performance, helping reduce energy consumption compared to conventional technologies. This lowers downstream emissions during the operational phase. The **NovAx** axial fan range is optimized for variable load conditions, ensuring efficient and reliable operation in complex and fluctuating environments.

All products are developed with a lifecycle perspective, focusing on energy performance, system reliability and long operational lifetime. This approach reduces lifecycle costs and energy-related emissions while supporting increasing customer expectations and regulatory requirements for high-efficiency ventilation solutions.

Through continuous innovation and engineering expertise, NOVENCO delivers ventilation technologies that support safer, more sustainable and energy-efficient infrastructure worldwide.



## COMPANY AND VALUE CHAIN CONTEXT

## Ventilation as critical infrastructure

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NOVENCO Building & Industry engineers airflow solutions that ensure safe, efficient and reliable air management. In these applications, ventilation is not a peripheral system. It is a critical infrastructure component that directly influences energy consumption, operational safety and indoor environmental conditions.

From a value chain perspective, NOVENCO operates at the intersection of material supply chains, industrial manufacturing and long-term building operation.

**Upstream** activities include sourcing raw materials and components such as steel, motors and electronic parts. These contribute to embedded environmental impacts, including carbon emissions and resource consumption.

**Production** takes place at NOVENCO's facility in Næstved, Denmark, where certified management systems support controlled manufacturing processes and continuous improvement in environmental performance.

**Downstream**, the most significant sustainability impacts occur during the operational phase of the company's products. Ventilation systems often operate continuously over long lifetimes. As a result, product-level energy efficiency has a direct and lasting influence on customers' energy consumption and related greenhouse gas emissions.

Product performance is therefore a key driver of overall lifecycle impact.

This value chain structure places NOVENCO in a position where sustainability performance is primarily shaped by engineering decisions in product design, system efficiency and lifecycle optimization, rather than by operational footprint alone.

## STRATEGIC CONTEXT AND MARKET ENVIRONMENT

## A market shaped by regulation and efficiency

---

NOVENCO operates in a market increasingly shaped by regulation, energy efficiency requirements and ESG expectations. Key frameworks include the EU Ecodesign Directive, Energy Efficiency Directive and Energy Performance of Buildings Directive. Safety standards for ventilation systems in buildings and infrastructure also play a critical role.

These regulations place strong emphasis on energy performance, lifecycle efficiency and reduced energy consumption. As a result, ventilation system design requirements are becoming more demanding and performance driven.

At the same time, demand is increasing for solutions that support decarbonization of buildings and industrial systems. This trend is particularly strong in energy-intensive sectors such as data centres, infrastructure and commercial real estate.

In these environments, ventilation performance directly affects both operating costs and carbon emissions. In data centres and large infrastructure projects, ventilation can represent a significant share of total energy use. System efficiency therefore becomes a critical lever for compliance and cost optimization.

Energy efficiency is no longer a secondary consideration in product development. It has become a core design parameter alongside reliability, safety and performance. NOVENCO addresses these requirements through high-efficiency ventilation solutions designed for regulatory compliance and long-term sustainability targets.

## REGULATORY TIMELINE

# A regulatory landscape shaped by EU policy

NOVENCO operates within a regulatory landscape increasingly shaped by EU climate and energy policy frameworks. Key legislation includes the Ecodesign framework and the upcoming Ecodesign for Sustainable Products Regulation (ESPR), which introduce stricter requirements for energy performance, durability, repairability, and environmental footprint.

At building level, the Energy Performance of Buildings Directive (EPBD) raises requirements for energy efficiency and zero-emission buildings. This directly increases demand for high-performance ventilation systems.

These frameworks are reinforced by broader EU initiatives such as Fit for 55, the Energy Efficiency Directive (EED), and the Renewable Energy Directive (RED). Together, they accelerate the transition toward energy-efficient and low-carbon solutions.

Looking ahead, Digital Product Passports will significantly increase requirements for product-level transparency. Lifecycle data, material composition, and carbon footprint documentation will become central compliance elements.



## EU legislation shaping ventilation, 2019–2030



### 2019–2021

Baseline

#### European Green Deal

Sets the direction toward climate neutrality by 2050

#### Ecodesign Directive

Already in force and directly relevant for NOVENCO products Establishes minimum energy performance requirements



### 2021–2023

Fit for 55 – acceleration

#### Fit for 55

Overarching policy package driving updates across EU climate legislation

#### Energy Efficiency Directive (EED)

Strengthened targets for energy efficiency Increased requirements for energy savings in buildings and industry

#### Renewable Energy Directive (2023 revision)

Higher targets for renewable energy integration across sectors



### 2023–2025

Stricter product and building requirements

#### Energy Performance of Buildings Directive (EPBD, 2024)

Stricter requirements for building energy performance, including HVAC systems

#### Ecodesign for Sustainable Products Regulation (ESPR)

Successor to the Ecodesign Directive Expands scope to durability, repairability, and material efficiency



### 2025–2030

Implementation and enforcement

National implementation of EPBD requirements

Progressive rollout of ESPR requirements by product category

Anticipated stricter Ecodesign requirements for ventilation products

#### Digital Product Passport (under ESPR)

Direct requirements for our product categories are not expected to apply within the near term. We will continue to follow the regulatory development and prepare our data and systems as requirements become more defined.

# 02

## Our sustainability approach

|    |                               |
|----|-------------------------------|
| 15 | Core sustainability           |
| 17 | Highlights                    |
| 18 | Double materiality assessment |
| 20 | Governance                    |
| 22 | Strategy and SDGs             |
| 23 | SDG alignment                 |



## CORE SUSTAINABILITY

# The use phase is where impact is decided

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The most significant sustainability lever for NOVENCO lies in the use-phase performance of its products. Ventilation systems operate continuously over long periods. Even marginal improvements in energy efficiency can deliver substantial reductions in total lifecycle emissions.

This makes product engineering, lifecycle design, and system optimization the central mechanisms. Through this, NOVENCO contributes to improved energy efficiency and reduced emissions across its installed base.

## CORE SUSTAINABILITY

# Where NOVENCO's impact happens

A visual summary of the company's value chain, climate footprint and key sustainability lever.



**The use phase is where impact is decided.**

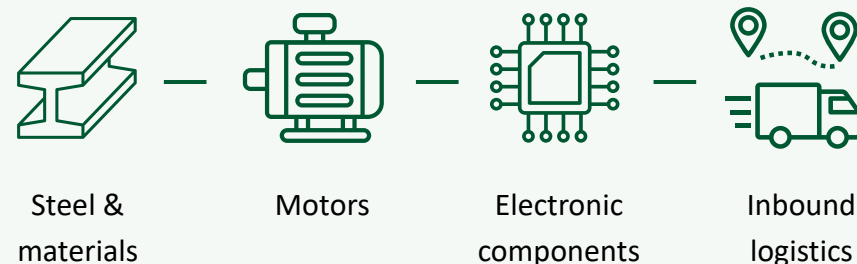
Even marginal improvements in energy efficiency can deliver substantial reductions in total lifecycle emissions.

### OUTSIDE NOVENCO OPERATIONS

#### SCOPE 3- UPSTREAM

Materials & components

**10,320.1** tCO<sub>2</sub>e



Upstream activities provide the input that enable our products

### INSIDE NOVENCO OWN OPERATIONS

#### OWN OPERATIONS

Næstved, Denmark

#### SCOPE 1

Direct emissions from own operations

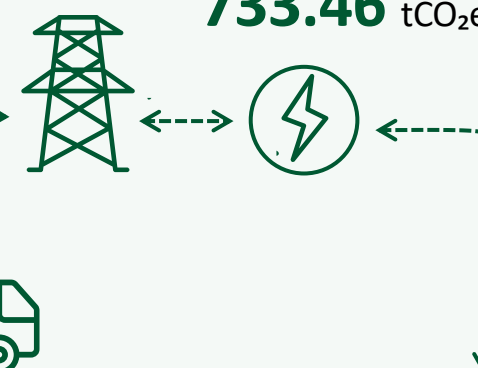
**311.51** tCO<sub>2</sub>e



#### SCOPE 2

Purchased energy for own operations

**733.46** tCO<sub>2</sub>e



### OUTSIDE NOVENCO OPERATIONS

#### SCOPE 3- DOWNSTREAM

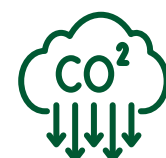
Use phase performance

Use of sold products

**2,902.8** tCO<sub>2</sub>e



We design for performance and durability, so impact is low over the full lifecycle .



Scope 3 overall reductions

**2,135.46** tCO<sub>2</sub>e

## HIGHLIGHTS

## Milestones on the sustainability journey



2023

**First fans with Environmental Product Declarations (EPDs)**

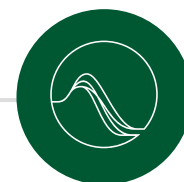
NOVENCO developed Environmental Product Declarations (EPDs) for the ZerAx® and NovAx™ fan ranges. The declarations provide verified environmental data and support more transparent product documentation.



2023 / 2024

**New headquarters focused on sustainable construction**

In 2024, NOVENCO said farewell to the company's former buildings from 1964 and moved into a new headquarters in Oeverup. The new facilities were developed with a focus on environmentally responsible construction and achieved both DGNB Gold Certification and DGNB Heart Certification, documenting sustainability initiatives and ensuring a healthy indoor working environment. The relocation represents both a practical and strategic step towards more sustainable operations.



2025

**Science Based Targets approved by SBTi**

NOVENCO's greenhouse gas reduction targets were approved by the Science Based Targets initiative (SBTi). The approval confirms that the company's climate targets are aligned with climate science and international reduction pathways.



2025

**Updated certification documentation packages**

NOVENCO updated its documentation packages to support building certifications including LEED, BREEAM, DGNB, SGBC and Green Pro. The updated material helps simplify specification and certification processes for consultants, contractors and building owners.



2026

**ECOBox – internal LCA tool for EPD development**

In collaboration with Rambøll and FORCE Technology, NOVENCO developed ECOBox, an internal Life Cycle Assessment (LCA) tool verified by an independent third party for creating EPDs. Unlike many market solutions based on generic datasets, ECOBox is tailored to NOVENCO's specific production setup and energy mix, providing more accurate, reliable and verifiable environmental product data.

## DOUBLE MATERIALITY ASSESSMENT

### Key high-impact topics

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NOVENCO has initiated its double materiality assessment process in alignment with the European Sustainability Reporting Standards (ESRS) framework.

As part of the first phase, internal workshops were conducted using the Business Model Canvas and Value Proposition Canvas methodologies. The purpose was to identify sustainability-related impacts, dependencies, risks and opportunities connected to the company's business model and value chain.

Based on these initial assessments, combined with NOVENCO's strategic priorities and selected UN Sustainable Development Goals (SDGs), the company established a preliminary overview of the most relevant ESRS topical standards.

The double materiality assessment process is ongoing and will be further developed through additional workshops planned later this year. These workshops will support the validation and prioritization of material topics, stakeholder perspectives, and the development of related targets, metrics and action plans.

The topics below therefore reflect NOVENCO's current preliminary assessment of the sustainability areas where the company is most likely to cause, contribute to, or be directly linked with significant impacts, risks and opportunities across the value chain.



# Preliminary material topics

|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E1</b><br><b>Climate change</b><br>ESRS E1                    | Climate-related impacts primarily arise from greenhouse gas emissions linked to operational energy consumption and activities across the value chain. These emissions contribute to climate change while also creating transition risks related to regulation, energy costs and evolving customer requirements. At the same time, they create opportunities to develop low-carbon solutions and more energy-efficient ventilation products. |
| <b>E5</b><br><b>Resource use and circular economy</b><br>ESRS E5 | Resource-related impacts are connected to the use of metals, components and other resource-intensive materials, as well as waste generation throughout product lifecycles. These activities may contribute to resource depletion and waste streams while also creating operational risks linked to supply security. They also present opportunities for circular product design, improved material efficiency and lifecycle optimization.   |
| <b>S1</b><br><b>Own workforce</b><br>ESRS S1                     | Impacts related to NOVENCO's own workforce include working conditions, health and safety, employee wellbeing and skills development. These areas represent important social impacts within operations and are closely linked to talent attraction, employee retention and productivity. They also provide opportunities to strengthen organizational capabilities and employee engagement.                                                  |
| <b>S2</b><br><b>Workers in the value chain</b><br>ESRS S2        | Impacts on workers in the value chain primarily arise within upstream manufacturing and logistics activities, where labour conditions, health and safety, and workers' rights may be affected. These areas may create risks related to supply chain continuity, compliance and reputational exposure. They also provide opportunities to strengthen supplier standards and due diligence processes.                                         |
| <b>G1</b><br><b>Business conduct</b><br>ESRS G1                  | Business conduct impacts relate to ethical behavior, anti-corruption practices, corporate culture and supplier governance. These factors influence both organizational integrity and stakeholder trust. Risks include regulatory non-compliance and reputational damage, while strong governance practices support resilience, transparency and long-term stakeholder confidence.                                                           |

## GOVERNANCE

# ESG as an integrated business discipline

NOVENCO's governance framework integrates ESG directly into the company's business model and decision-making processes.

The Board of Directors provides strategic oversight, while Senior Management is responsible for operational execution across the organization.

ESG priorities are embedded throughout product development, supply chain management and production processes. A cross-functional Sustainability Steering Committee supports coordination and alignment of ESG initiatives across business functions.

Governance is supported by structured policies, internal controls and certified management systems. Risk management is integrated into all business activities to ensure the identification, assessment and mitigation of ESG-related risks.

The governance model supports consistency across NOVENCO's international organization, including subsidiaries and sales entities.

ESG is managed as an integrated business discipline rather than a standalone reporting function. This approach strengthens alignment between strategy, operations and reporting while supporting responsible business conduct and long-term value creation.

## Leader in efficient fan technologies

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Continuous improvement, transparency and measurable progress across operations and the entire value chain.

STRATEGY AND SDGS

# Vision, mission and sustainability strategy

## NOVENCO vision

NOVENCO aims to be customers’ preferred partner and to be recognized as the world’s most innovative manufacturer of high-performance, energy-efficient quality fans.

## NOVENCO mission

- Build strategic partnerships and deliver ventilation solutions tailored to customer needs
- Provide environmentally responsible and reliable ventilation solutions with the lowest possible life-cycle costs
- Be a specialist in ventilation solutions within selected market segments

## Sustainability strategy

At NOVENCO, sustainability is not an add-on. It is embedded in core value creation. The strategy focuses on reducing lifecycle emissions through high-performance ventilation systems. It also ensures responsible operations and supply chain practices.

Until the double materiality assessment is fully completed and formal targets and action plans are established across business functions, NOVENCO’s sustainability approach is guided by three strategic pillars:

01

Product-driven sustainability through high-efficiency ventilation solutions and lifecycle optimization

02

Data-driven transparency through LCA, EPD, and product-level sustainability data

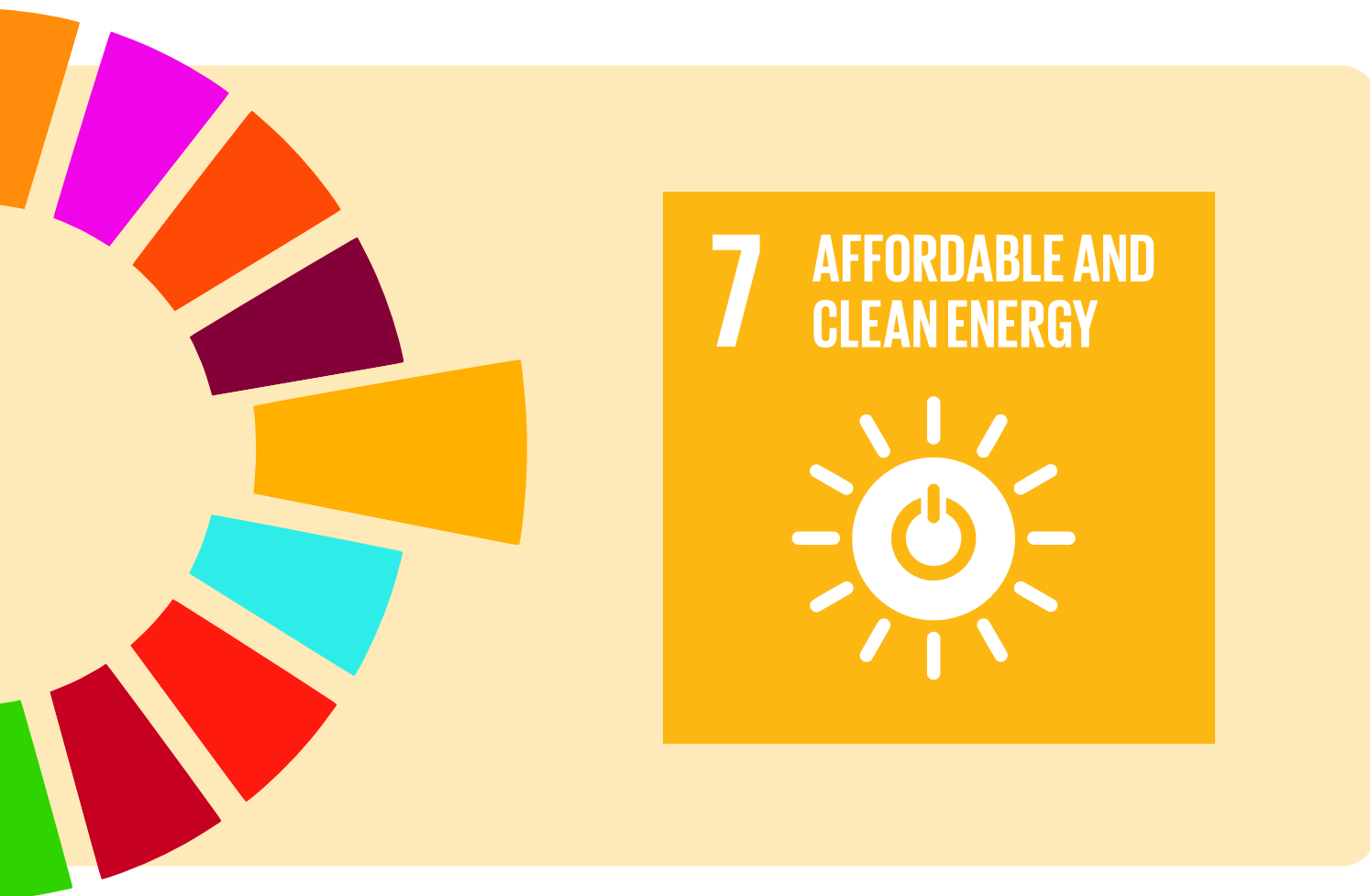
03

Responsible value chain engagement aligned with evolving regulatory and market requirements

## SDG ALIGNMENT

## Aligned with the goals where impact is highest

NOVENCO aligns its sustainability strategy with the United Nations Sustainable Development Goals (SDGs), focusing on areas where its activities have the highest impact and where it can contribute to meaningful systemic change. The selected SDGs are embedded in NOVENCO's sustainability strategy and reflect alignment with the objectives of the Paris Agreement. Science Based Targets initiative (SBTi)-validated targets ensure that the decarbonization pathway follows a 1.5°C trajectory. This strengthens NOVENCO's contribution to the SDGs by reducing greenhouse gas emissions across operations and relevant parts of the value chain.



### Affordable and clean energy

NOVENCO contributes by reducing energy consumption and associated emissions across the full product lifecycle, with a primary focus on the use phase, where most environmental impact occurs.

#### Key contributions aligned with SDG targets

- 7.3** - Improving energy efficiency through high-efficiency ventilation solutions that reduce energy demand in buildings and industrial applications
- 7.2** - Supporting integration of cleaner energy systems by ensuring compatibility with low-carbon and renewable energy infrastructure

NOVENCO prioritizes continuous product optimization, advanced control systems, and system-level efficiency improvements to reduce energy use for customers.

## SDG ALIGNMENT

# Innovation, infrastructure and responsible production



### Industry, innovation and infrastructure

NOVENCO supports sustainable industrial development by integrating environmental performance into product design and industrial processes.

#### KEY CONTRIBUTIONS ALIGNED WITH SDG TARGETS

**9.4** - Upgrading infrastructure and industrial processes to improve resource efficiency and reduce environmental impact

**9.5** - Strengthening innovation through life cycle thinking and environmental data integration in product development

Life Cycle Assessments are applied to key products to increase transparency across the value chain. Innovation focuses on reducing both operational and embodied emissions.



### Responsible consumption and production

NOVENCO contributes by improving resource efficiency and advancing circular principles across operations and the value chain.

#### KEY CONTRIBUTIONS ALIGNED WITH SDG TARGETS

**12.2** - Promoting efficient use of natural resources, including metals and key components

**12.5** - Reducing waste through prevention, reuse, recycling, and material optimization

**12.6** - Encouraging responsible practices across the supply chain

NOVENCO increases the use of recycled materials, reduces production waste, and integrates circular design principles, including durability, repairability, and end-of-life considerations.

# 03

## Material ESG topics

|    |                                      |
|----|--------------------------------------|
| 26 | E1 · Climate change                  |
| 45 | E5 · Resource use & circular economy |
| 49 | S1 · Own workforce                   |
| 54 | S3 · Workers in the value chain      |
| 57 | G1 · Business conduct                |
| 61 | E4 · Biodiversity & ecosystems       |



## E1 CLIMATE CHANGE

## Transition plan and business model context

NOVENCO operates as a global engineer-to-order supplier of ventilation solutions for data centres, industrial applications, buildings, and infrastructure such as car parks and tunnels.

Its value chain is globally distributed, with key suppliers located in Denmark, Germany, Hungary, France, the United States, and China. Key purchased inputs include fabricated steel and aluminium, mechanical components, electric motors, and electrical components. These materials are energy- and carbon-intensive, making them a significant contributor to upstream Scope 3 emissions.

The business model is characterized by relatively low direct operational emissions. The majority of climate impact occurs across the value chain, particularly in purchased goods and services, transportation, and the downstream use phase of products.

As ventilation systems are energy-intensive products with long operational lifetimes, product energy efficiency is NOVENCO's most significant contribution to climate change mitigation. Product performance strongly influences lifecycle energy use and associated emissions during operation.

Climate considerations are therefore integrated into engineering, product development, sourcing, and project execution. Key focus areas include fan efficiency, airflow optimization, system performance, and energy consumption under application-specific operating conditions.

The engineer-to-order model enables tailoring solutions to specific use cases, supporting optimization of energy performance over the full product lifecycle.

## E1 CLIMATE CHANGE

# Climate strategy and emissions focus

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NOVENCO's climate strategy focuses on reducing greenhouse gas emissions across the entire value chain, with particular emphasis on material Scope 3 categories, including purchased goods and services, upstream transportation, and use of sold products.

Emissions reduction activities are structured around measurement, operational efficiency, supply chain engagement, logistics optimization, and product performance improvements. Initiatives include supplier collaboration, improved packing and loading efficiency, and increased use of lower-emission transport options, including HVO fuel in selected logistics operations.

Climate considerations are embedded in core business processes and decision-making rather than treated as a standalone function. The approach continues to evolve in alignment with ESRS reporting requirements and long-term climate mitigation objectives.

## E1 CLIMATE CHANGE

# Emissions reduction levers

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### Own operations

Electrification of company vehicles  
Energy efficiency improvements in facilities  
Transition to lower-emission energy sources  
Increased onsite renewable energy generation, including solar power



### Upstream / supply chain

Material efficiency and scrap reduction  
Supplier engagement on climate performance  
Optimization of transport and logistics  
Selection of lower-impact components where feasible



### Downstream (product use phase)

High-efficiency ventilation system design  
Lifecycle optimization of products  
Modular and retrofit solutions extending product lifetime

E1 CLIMATE CHANGE

# Targets and KPIs



NOVENCO’s climate KPIs are approved by the Sustainability Steering Committee and include:

- Total CO<sub>2</sub>e reduction versus baseline year
- Scope 1 and 2 emissions per product unit
- Share of strategic suppliers with validated climate targets (SBTi or equivalent)
- Progress towards 2030 near-term target
- Progress towards 2050 long-term target



ALIGNED WITH SCIENCE BASED TARGETS INITIATIVE (SBTi) COMMITMENTS

Net-zero by 2050

-42% reduction in Scope 1, 2 and 3 emissions by 2030

-90% reduction by 2050

E1 CLIMATE CHANGE

## Energy consumption and operational performance

---

1,602,397 kWh

Total energy consumption

01

115.4

Energy intensity per produced unit

02

89 %

Share of renewable electricity

03

733.46 tCO<sub>2</sub>e

Scope 2 emissions (market-based) 119.38 tCO<sub>2</sub>e location-based

04

Operational improvements include relocation to a **DGNB-certified facility**, electrification of internal logistics, and optimization of production flow layout.

RENEWABLE ELECTRICITY

# Renewable electricity development - Denmark / Næstved

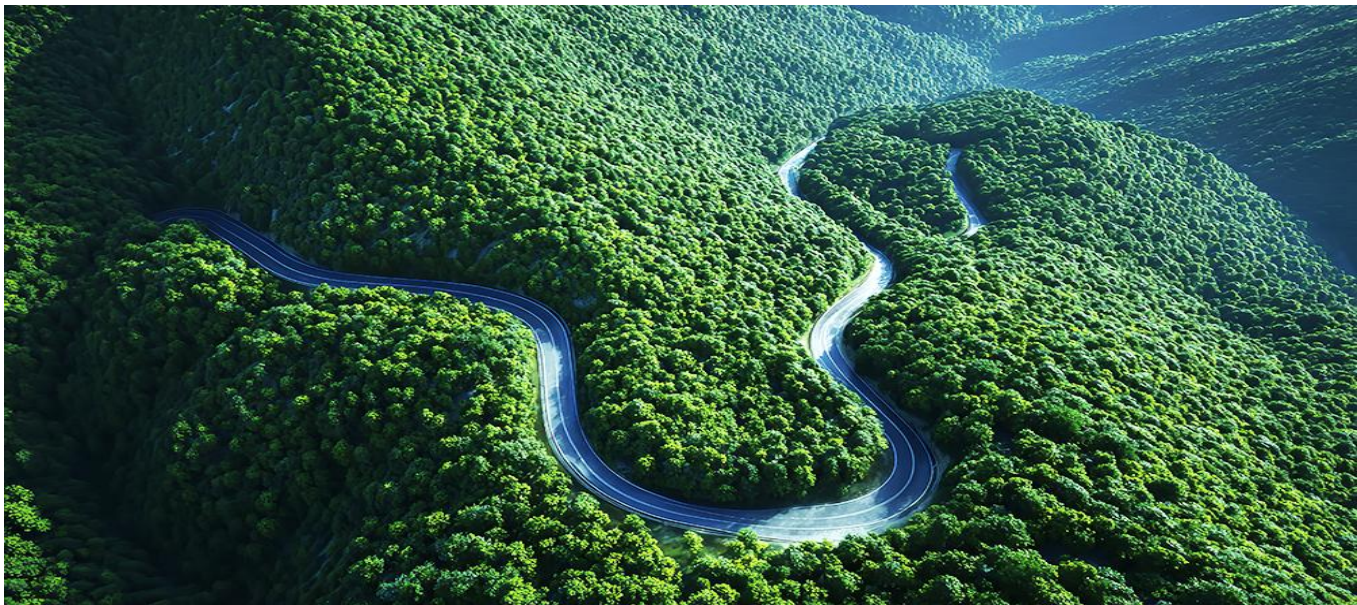
Denmark has a very high share of renewable electricity, driven primarily by wind power and an increasing contribution from solar PV. Wind energy forms the backbone of the national electricity system, while solar power is growing rapidly as a complementary source. Over recent decades, coal and other fossil-based generation have been significantly reduced, resulting in one of the most climate-friendly electricity systems in Europe.

In the Næstved area, developments follow the national trajectory, with increasing electrification of buildings and industry. Electricity consumption is supplied by the Danish national grid, where CO<sub>2</sub> intensity continues to decline in line with the ongoing expansion of renewable energy, particularly wind and solar.

At the same time, the main challenge has shifted from generation to system flexibility and grid capacity. The focus is increasingly on balancing variable renewable production and ensuring efficient utilization of wind and solar resources. Næstved is therefore part of a broader Danish energy transition, where electrification of industry, heating, and transport drives continued investment in renewable capacity and improved grid integration.

RENEWABLE SHARE IN GRID

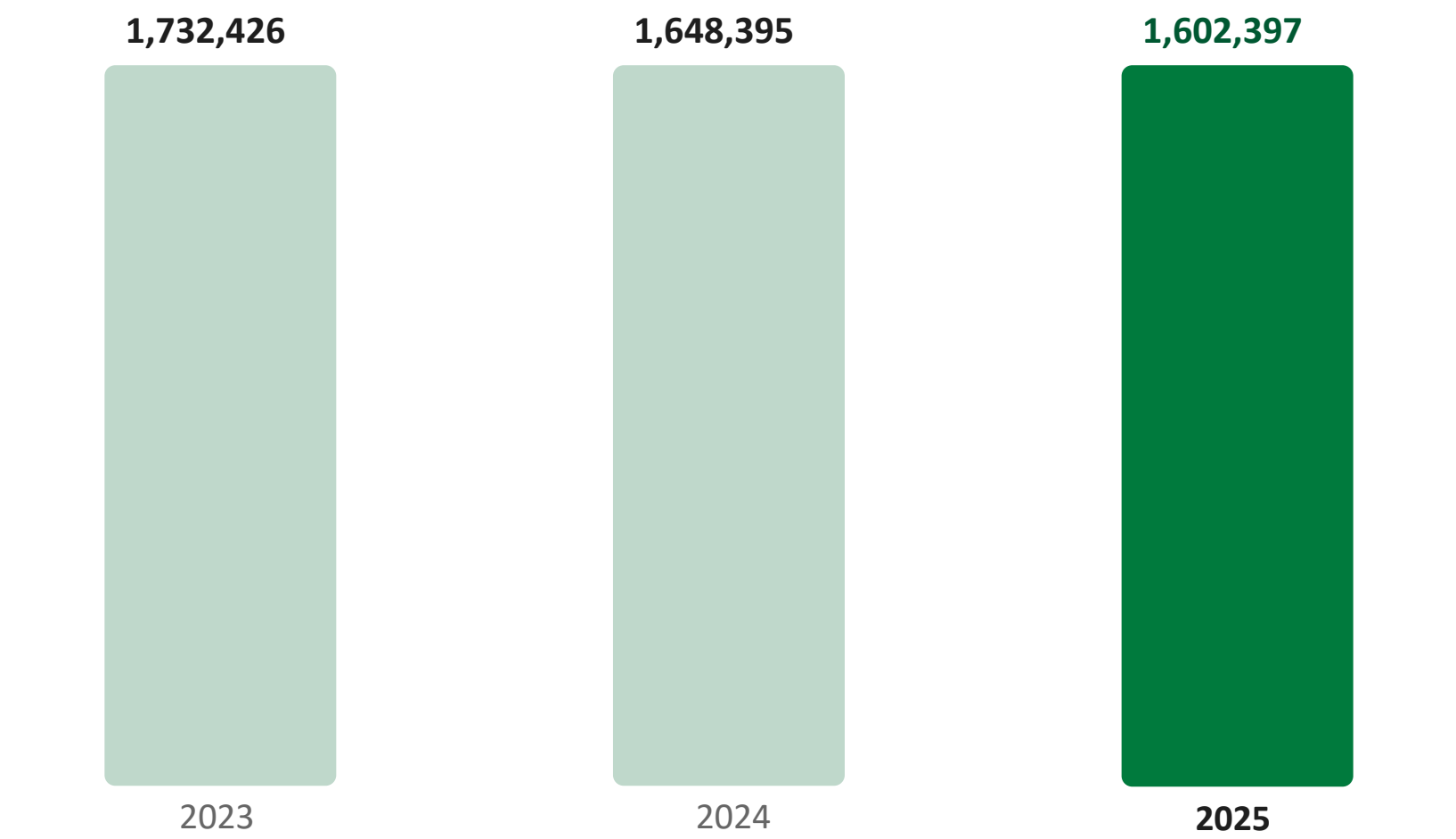
| Year        | Denmark | Næstved |
|-------------|---------|---------|
| 2023        | 86%     | 84%     |
| 2024        | 88%     | 86%     |
| 2025        | 90%     | 88%     |
| 2026 (est.) | 91–92%  | 89%     |



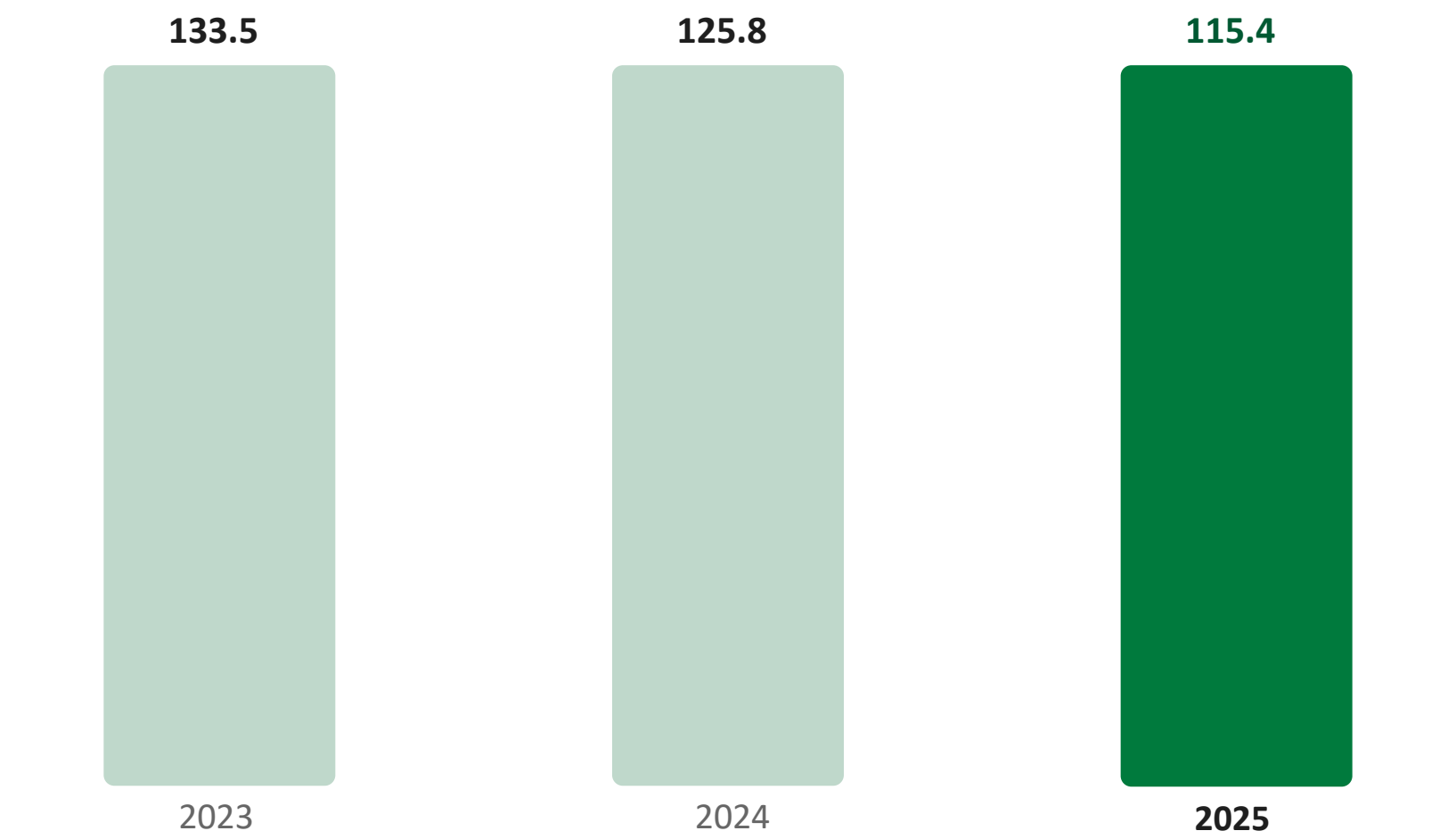
OPERATIONAL PERFORMANCE

# Electricity consumption and energy intensity

**Electricity consumption**  
KWH PER YEAR



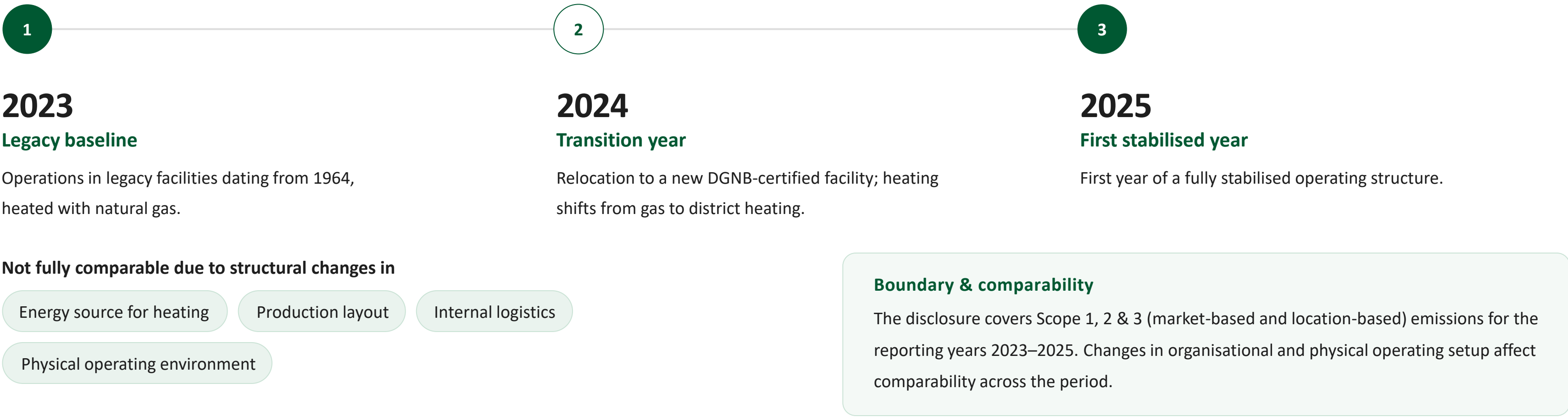
**Energy intensity**  
KWH PER PRODUCED UNIT



Both total electricity consumption and energy intensity per produced unit declined across the reporting period, reflecting the move to a DGNB-certified facility, electrified internal logistics, and optimization of production flow layout.

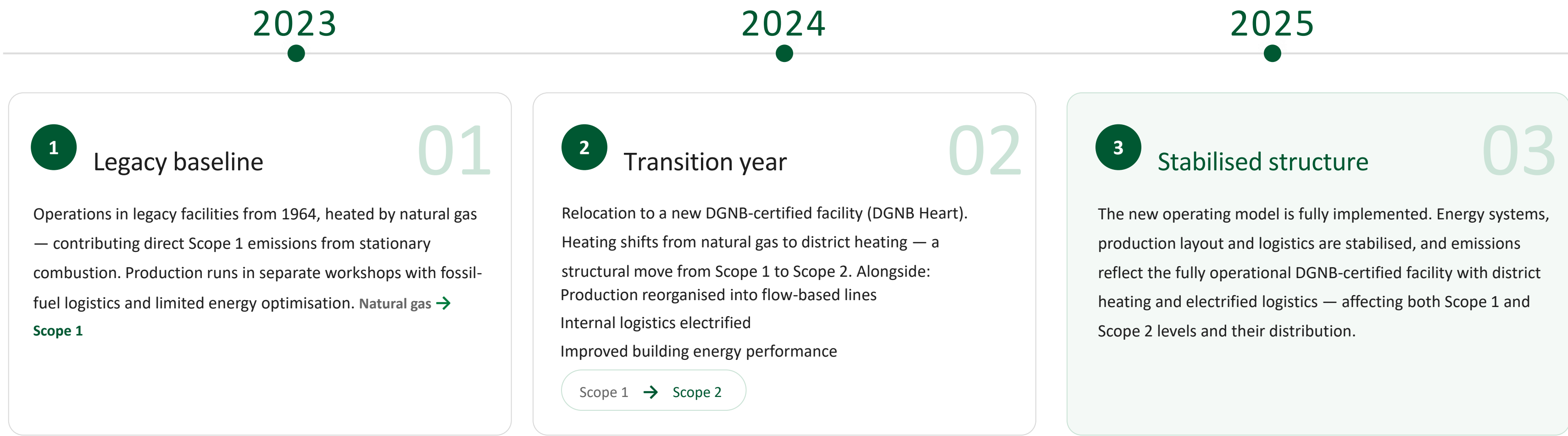
EMISSIONS INVENTORY 2023–2025

# Boundary and comparability



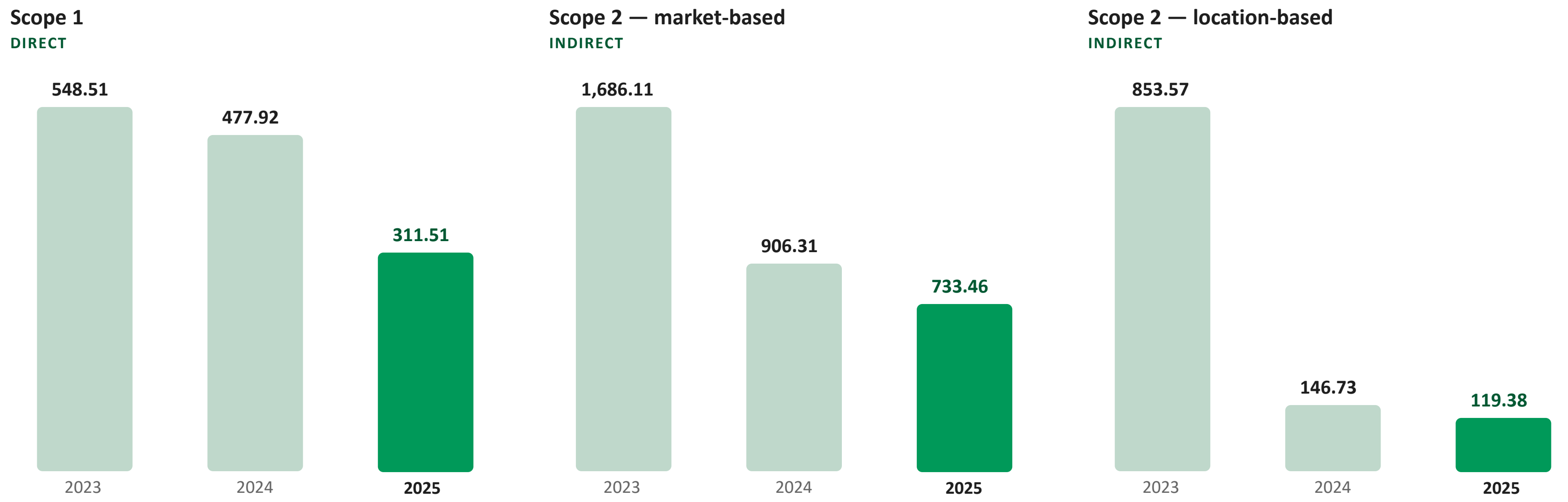
SCOPE 1 & SCOPE 2

# An operational transition, 2023–2025



## SCOPE 1 & SCOPE 2

### Direct and energy-related emissions (tCO<sub>2</sub>e)



Emissions are calculated in accordance with the GHG Protocol Corporate Standard. Scope 2 emissions are reported using both market-based and location-based methodologies.

The years 2023, 2024 and 2025 are not fully comparable without consideration of changes in operational and physical setup.

## SCOPE 3

# Decoupling growth from emissions

–3 %



Total Scope 3 climate impact vs 2023 — achieved  
**alongside substantial growth in net revenue**

–54 %



Emission intensity in 2024 vs the 2023 baseline

–57 %



Emission intensity in 2025 vs the 2023 baseline

### A more climate-efficient business

The Group significantly improved its CO<sub>2</sub> efficiency during 2023–2025. While achieving substantial growth in net revenue, the total Scope 3 climate impact was reduced by approximately 3% compared to 2023.

### How intensity is measured

Emission intensity is the ratio between total greenhouse gas emissions (tCO<sub>2</sub>e) and net revenue — an intensity metric rather than an absolute reduction metric, showing whether the company is becoming more climate efficient relative to its economic activity.

## SCOPE 3

# Totals and categories (tCO<sub>2</sub>e)

| Category - all BUs                     | 2023          | 2024            | 2025             |
|----------------------------------------|---------------|-----------------|------------------|
| Purchased goods & services             | 19,358.00     | 15,031.28       | 16,989.5         |
| Capital goods                          | 1,679.50      | 776.95          | 612.78           |
| Fuel & energy related activities       | 45.96         | 188.48          | 80.40            |
| Upstream transport                     | 67.60         | 191.61          | 191.82           |
| Waste generated in operations          | 0.05          | 1.59            | 1.88             |
| Business travels                       | 289.80        | 215.54          | 210.23           |
| Employee commuting                     | 55.90         | 57.07           | 56.27            |
| Downstream transportation              | 1,124.10      | 2,393.58        | 2,299.24         |
| Use of sold products                   | 2,718.70      | 1,827.50        | 2,902.80         |
| Upstream leased assets                 | 5.20          | 3.30            | 5.20             |
| End-of-Life treatment of sold products | 239.20        | 148,90          | 143,63           |
| <b>Totals</b>                          | <b>25,584</b> | <b>22,168.8</b> | <b>23,493.75</b> |

SCOPE 3

Key drivers

Purchased goods & services

|      |        |
|------|--------|
| 2023 | 19,368 |
| 2024 | 15,031 |
| 2025 | 16,989 |

The reduction from 2023 to 2024 is primarily driven by improved data quality and methodological refinements, including more supplier-specific and granular ERP data, reducing reliance on proxy-based estimates. From 2024 to 2025, emissions remain broadly stable. This category continues to represent the largest share of Scope 3 emissions and remains a key hotspot within the value chain.

Use of sold products

|      |         |
|------|---------|
| 2023 | 2,718.7 |
| 2024 | 1,827.5 |
| 2025 | 2,902.8 |

The decrease in 2024 followed by an increase in 2025 is primarily driven by changes in sales volumes and product mix, which directly affect the number of products entering the use phase. Year-on-year changes reflect fluctuations in activity levels and product composition rather than efficiency improvements and remain strongly influenced by market demand.

Downstream transportation

|      |       |
|------|-------|
| 2023 | 1,124 |
| 2024 | 2,393 |
| 2025 | 2,299 |

A structural increase from 2023, then a slight decrease in 2025 while remaining well above baseline - a key hotspot. Targeted initiatives focus on optimized packing and loading to improve volume utilization, and NBI Holland has agreed HVO fuel use with transport providers. Impact is expected progressively across 2026–2027.

SCIENCE BASED TARGETS

Validated 1.5°C decarbonization pathway

Net-zero target

NOVENCO Building & Industry A/S commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

Near-term targets

Reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2023 base year, and reduce absolute Scope 3 GHG emissions 42% within the same timeframe.

Long-term targets

Reduce absolute Scope 1 and 2 GHG emissions 90% by 2050 from a 2023 base year, and reduce absolute Scope 3 GHG emissions 90% within the same timeframe.

GHG EMISSIONS (TCO<sub>2</sub>E) VS SBTI TARGETS

| Category | Baseline | 2025      | 2030   | 2050    |
|----------|----------|-----------|--------|---------|
| Scope 1  | 584.51   | 311.51    | 339    | 58.45   |
| Scope 2  | 1,686.11 | 733.46    | 978.94 | 168.61  |
| Scope 3  | 25,584.0 | 23,350.12 | 13,959 | 2,558.4 |

Baseline year 2023. 2030 near-term and 2050 long-term targets per SBTi commitments.

## EMISSIONS INTENSITY METRICS

## Measuring efficiency, not just absolutes

---

CO<sub>2</sub>e intensity is calculated to enable a normalised assessment of greenhouse gas emissions relative to economic or operational output. Absolute emissions (Scope 1 and Scope 2) do not account for changes in business scale, production volume, or revenue, and therefore do not in themselves provide a comparable efficiency metric over time.

CO<sub>2</sub>e intensity expresses emissions per unit of output (e.g. per revenue or per produced unit), allowing for assessment of emissions efficiency independent of changes in activity levels. This supports identification of decoupling between economic growth and emissions development.

CO<sub>2</sub>e intensity does not replace absolute emissions reporting but complements it by providing a relative performance indicator. Both absolute and intensity-based metrics are required to ensure a complete understanding of emissions performance and underlying drivers.

**WITHIN ESRS E1, INTENSITY METRICS ARE USED TO**

Enable comparability across reporting periods with varying production volumes

Assess operational efficiency improvements over time

Support evaluation of decarbonisation progress relative to business growth

Provide additional context to absolute emissions figures

EMISSIONS INTENSITY METRICS

CO<sub>2</sub>e intensity results, 2023–2025

2024 - Transition year

Ultimo 2024, CO<sub>2</sub>e intensity is impacted by the relocation to a DGNB-certified facility and the transition from natural gas to district heating. Production is reorganised into flow-based lines, and internal logistics are partially electrified. These structural changes result in a significant reduction in both Scope 1 and Scope 2 emissions per unit.

In 2025, the CO<sub>2</sub>e intensity reflects a fully implemented operational setup, including:

- DGNB-certified building with district heating
- Electrified internal logistics
- Flow-optimised production setup

Emission reductions are fully reflected in both Scope 1 and Scope 2, resulting in a lower and stabilised emissions intensity level.

TCO<sub>2</sub>E PER PRODUCED UNIT

| Year | Market-based | Location-based |
|------|--------------|----------------|
| 2023 | 0.175        | 0.111          |
| 2024 | 0.106        | 0.048          |
| 2025 | 0.075        | 0.024          |

TCO<sub>2</sub>E PER MDKK REVENUE

| Year | Market-based | Location-based |
|------|--------------|----------------|
| 2023 | 5.11         | 3.24           |
| 2024 | 1.83         | 0.83           |
| 2025 | 1.17         | 0.37           |

This KPI should be interpreted with appropriate context, as changes in product mix and differences in product characteristics may influence the results.

## E1 CLIMATE CHANGE

# Transition risks & climate adaptation

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### Transition risks & dependencies

Key transition risks include:

Energy price volatility

Availability and cost of carbon-intensive materials

Regulatory developments (e.g. EU product footprint requirements)

Increasing customer demand for verified CO<sub>2</sub> data

These factors may affect both cost structures and market requirements.

### Climate adaptation considerations

Climate-related physical risks are assessed as part of NOVENCO's risk management process.

Key risks include rising ambient temperatures, extreme weather events, and potential disruptions to energy systems. These factors may affect both supply chain continuity and operational conditions.

Product development and system design increasingly integrate external climate conditions, with particular focus on high-temperature operation, energy resilience, and building performance requirements. This is especially relevant for critical infrastructure applications such as data centres and industrial environments.

## POLICIES & GOVERNANCE

# Management systems for climate performance

Climate management is supported by structured management systems and policies that ensure consistent monitoring, control, and continuous improvement of environmental performance.

### ISO 14001

Framework for systematic identification, management, and reduction of environmental impacts, including resource consumption, waste management, and pollution prevention.

### ISO 9001

Supports process discipline and operational control, ensuring consistency and traceability in production and service delivery, which indirectly contributes to efficient resource use.

### Energy Management Policy

Framework for systematic monitoring and reduction of energy consumption through measurement, optimisation, and investment in more efficient solutions.

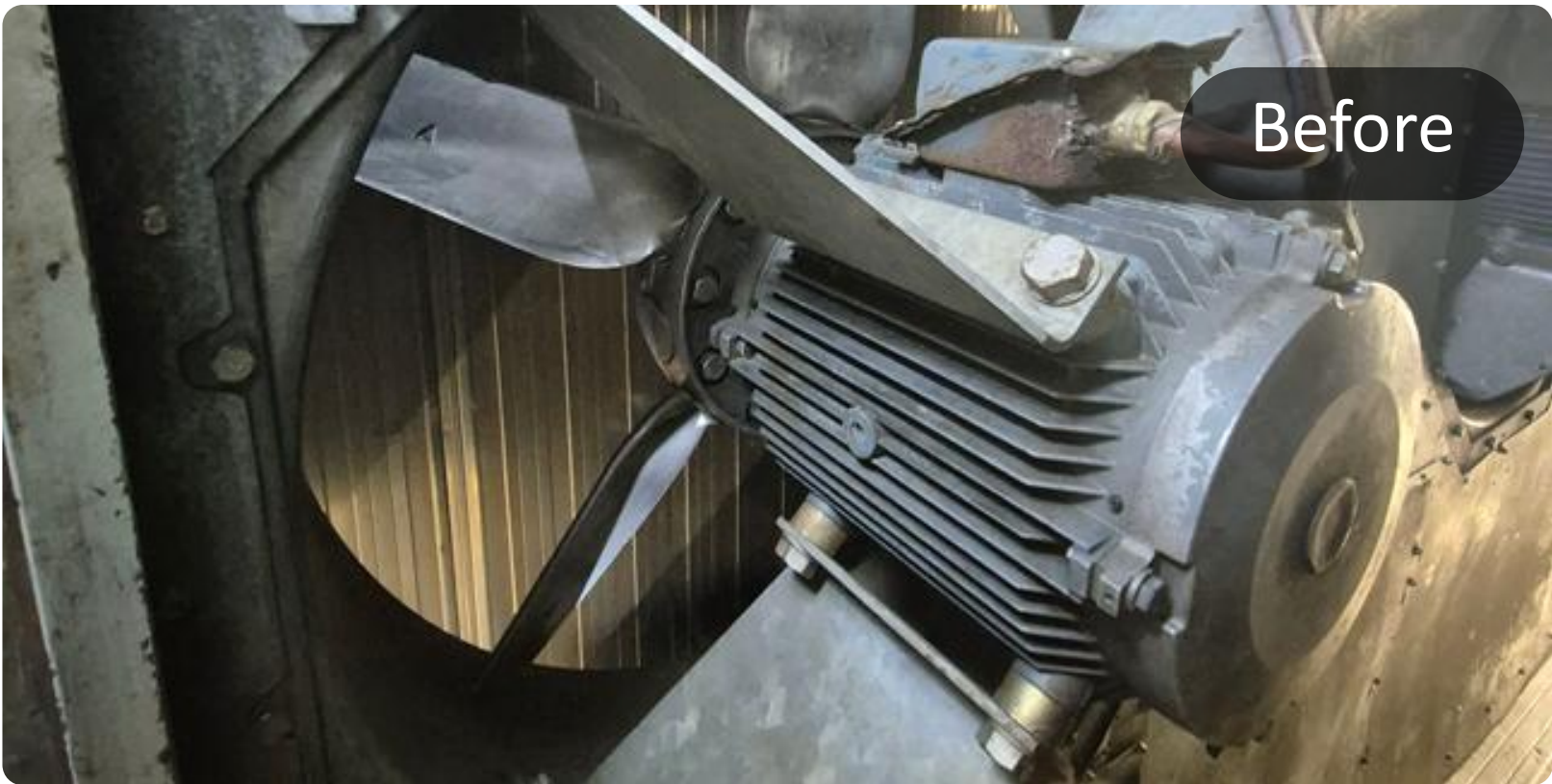
### Environmental Process

Ensures structured identification and management of environmental impacts, supported by data-driven improvement and compliance requirements.

### Integrated QHSE framework

Quality, Health, Safety & Environment - ensures regulatory compliance, risk management, and continuous improvement across environmental and operational areas.

Together, these systems provide the governance foundation for environmental performance management, ensuring structured execution of climate-related processes and continuous improvement over time.



IMPACT OF PRODUCTS

Efficiency that cuts customer emissions

The Unilever Caivano case demonstrates how targeted retrofit solutions can support measurable ESG improvements in energy-intensive production environments. By replacing six outdated fans with high-efficiency NOVENCO ZerAx axial flow fans, the facility reduced energy consumption by 38% while improving cooling performance and operational reliability.

The project supports Unilever’s ambition to make the Caivano site a zero-emission factory by 2030.

|                                                                                       |                           |   |           |
|---------------------------------------------------------------------------------------|---------------------------|---|-----------|
|    | ROI                       | → | 2,2 years |
|    | Cost saving               | → | 60.000 €  |
|    | Energy usage              | → | -60%      |
|  | kWh saving                | → | 438.872   |
|  | CO <sub>2</sub> reduction | → | 161 t     |



Unilever case

Unilever cuts energy use by 38%

## E5 RESOURCE USE & CIRCULAR ECONOMY

# Engineered materials, circular thinking

NOVENCO's operations are based on the design and production of engineered ventilation systems using resource-intensive materials such as steel, aluminium, electric motors, and mechanical components. The company operates an engineer-to-order model, where product customisation drives variability in material use and production inputs.

Due to the long lifetime of products and the use of engineered materials, resource efficiency and material circularity are key considerations within the business model.

### The most significant material flows

Purchased raw materials

Mechanical and electrical components

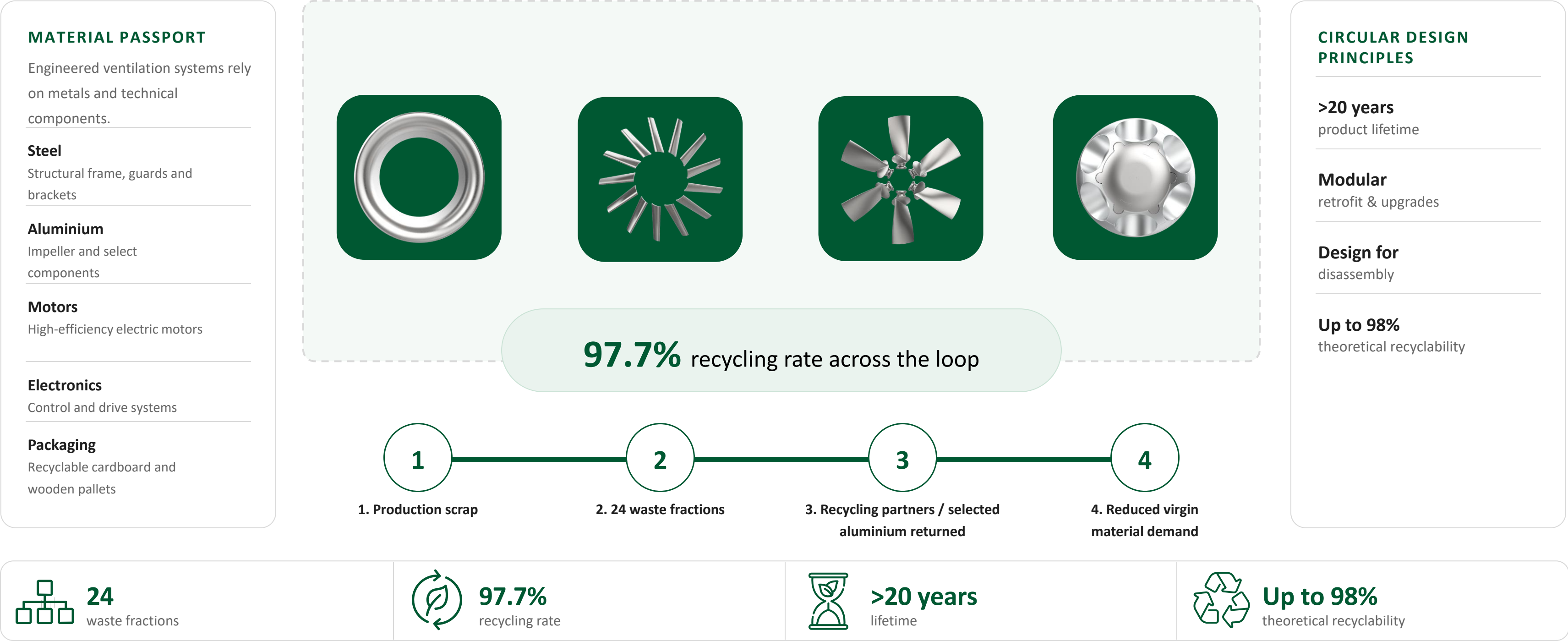
Packaging and transport materials



E5 RESOURCE USE & CIRCULAR ECONOMY

# Circularity designed into the fan

How long-life design, material separation and recyclability support NOVENCO’s E5 performance.



## E5 RESOURCE USE & CIRCULAR ECONOMY

# Circular strategy, materials & design

### Strategy & approach

Improving material efficiency, extending product lifetimes, and increasing recyclability across the value chain. Circular principles are integrated into:

Product design, using eco-design principles

Production processes, including waste sorting and material separation

Supplier collaboration, supporting material recovery loops where feasible.

The focus is on reducing virgin material use and increasing the share of materials kept in circulation.

### Materials use & efficiency

Material efficiency is a key performance area due to the use of metals and technical components. In production, material waste is systematically separated into **24 fractions** and processed through external recycling partners, including Stena Recycling.

A closed-loop system is implemented for selected aluminium alloys, where scrap material is returned to suppliers and reintegrated into production.

### Product circularity & design

Long product lifetimes (>20 years)

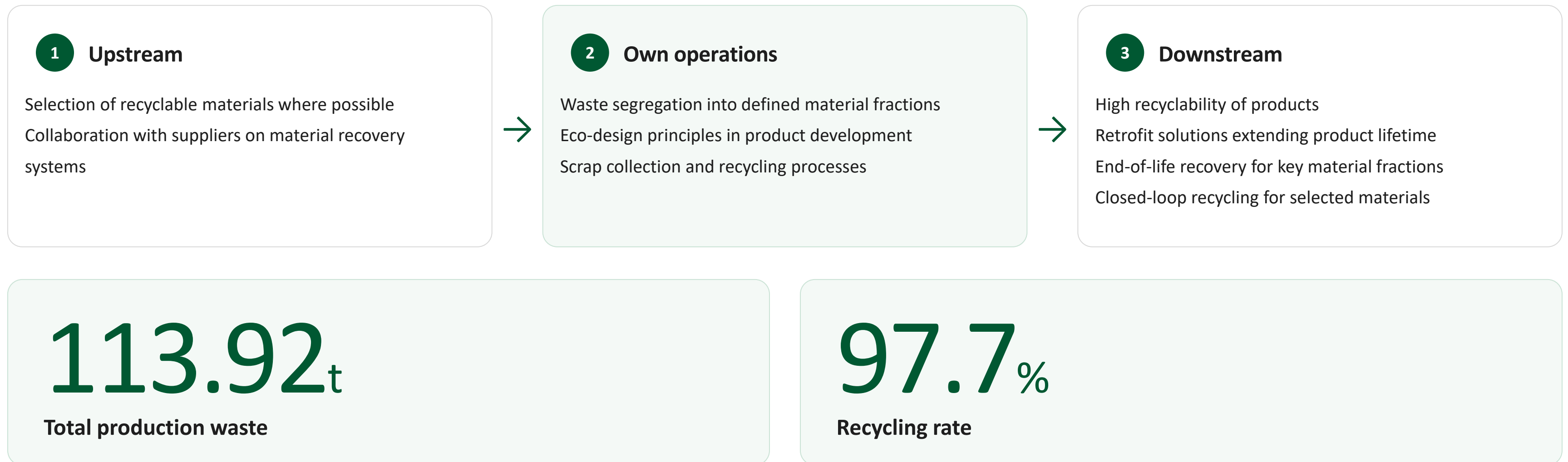
Modular design enabling retrofit and upgrades

Design for disassembly and material separation

Independent assessment indicates recyclability rates of **up to 98%**, based on material composition and end-of-life recovery potential - a theoretical recyclability rather than actual recovery rate.

## E5 RESOURCE USE & CIRCULAR ECONOMY

### Value chain material flows



## S1 OWN WORKFORCE

# A workforce built on engineering and safety

NOVENCO's workforce is central to delivering high-performance ventilation solutions for technically demanding and safety-critical applications. All manufacturing activities are located in Denmark, with subsidiaries in the Netherlands, Germany and the United Kingdom, and sales offices in the United States, Malaysia, India and Singapore. This structure combines industrial production, engineering expertise and international commercial capabilities.

In Denmark, the focus is on safe and efficient production environments supported by structured health and safety processes. Across international entities, the focus expands to consistent employment practices, organizational alignment and competence development across markets.

### Key workforce-related aspects

Health and safety in production and operational environments

Access to skilled labour and retention of technical competencies

Consistent application of employment standards across geographies

Employee engagement and organizational alignment in an international structure



S1 OWN WORKFORCE

# Composition, conditions & safety

## Workforce composition

Employees span engineering and product development, production and manufacturing, service and installation, and sales and administrative functions - primarily based in Denmark.

| Employees by entity    | 2023  | 2024  | 2025 |
|------------------------|-------|-------|------|
| Total employees (avg.) | 249   | 330   | 347  |
| NBI-DK                 | 78%   | 81%   | 80%  |
| NBI-NL                 | 13.7% | 10.4% | 9.5% |
| NBI-UK                 | 5.1%  | 6.2%  | 7.0% |
| NBI-DE                 | 1.6%  | 1.8%  | 2.1% |
| Other countries        | 1.2%  | 1.0%  | 1.2% |

## Working conditions

Regulated working hours and shift systems where applicable

Competitive conditions aligned with local labour markets

Structured onboarding and role-specific training

| Indicator                       | 2023   | 2024    | 2025    |
|---------------------------------|--------|---------|---------|
| Turnover — blue / white collar* | 12 / 3 | 13 / 15 | 44 / 12 |
| Sickness absence — blue collar  | 5.4%   | 6.3%    | 9.9%    |
| Sickness absence — white collar | 2.7%   | 1.9%    | 1.8%    |

\* Employee turnover ratio, excluding temporary staff.

## Health & safety

Workplace risk assessments (APV)

Incident and near-miss reporting

Preventive safety actions and follow-up

Mandatory safety training

| Indicator                | 2023 | 2024 | 2025 |
|--------------------------|------|------|------|
| Work-related injuries    | 8    | 37   | 25   |
| — with >1 day absence    | 0    | 8    | 9    |
| Lost days (work-related) | 87   | 80   | 76   |
| Work-related fatalities  | 0    | 0    | 0    |
| LTI — lost time injuries | 641  | 868  | 943  |
| LTIF — LTI frequency     | 23.1 | 65.8 | 42.1 |
| Near misses              | 13   | 40   | 46   |

SKILLS, TRAINING & COMPETENCE (ESRS S1)

# From ad hoc training to structured learning

## NOVENCollege

In 2025, NOVENCO introduced NOVENCollege, an internal learning platform that consolidates knowledge, processes and best practices across the organization. It supports faster onboarding, enables flexible on-demand learning, and facilitates the rollout of mandatory and targeted training across functions - including quality, operations and technical disciplines. It further integrates training on ethics, compliance, the Code of Conduct and sustainability.

## NOVENCO 360: People for Excellence

A biannual onboarding programme for all new white-collar employees across countries. It strengthens a shared culture and builds relationships across NOVENCO’s international organization, supporting collaboration and alignment across locations.

## KEY INDICATORS

|                                         |          |
|-----------------------------------------|----------|
| Training completion rate (mandatory)    | 95%      |
| Training hours delivered · NOVENCollege | 2,795.63 |
| Onboarding participants · NOVENCO 360   | 103      |
| ESG-related training coverage           | —        |

By combining digital learning, in-person training and apprenticeship development, NOVENCO strengthens competence development, improves consistency in ways of working, and enhances overall quality and business performance.

S1 OWN WORKFORCE

# Compliance, apprenticeships & engagement

## SCHAKO compliance

As part of the SCHAKO Group, NOVENCO operates under group-wide governance and compliance structures. The SCHAKO compliance platform supports identification, mitigation and monitoring of compliance risks across entities and functions. All employees complete mandatory training covering policies, IT security and business conduct, with completion centrally tracked. Employees are assigned individual risk scores to prioritize mitigation where the risk of non-compliance is highest.

SCHAKO compliance completion rate · 2025 **95.6%**

## Apprenticeships

NOVENCO is structuring its apprenticeship approach. A defined framework has been established for metalwork apprentices, while frameworks for warehouse, logistics and commercial apprentices are in development. The objective is to develop future employees internally while providing young people in local communities with opportunities to build skills within an internationally oriented company.

Active apprentices · 2023–25 **13 / 13 / 12**

## Engagement & retention

NOVENCO monitors employee engagement and retention as key indicators of organizational stability and workforce satisfaction. Workplace risks are systematically identified and managed through regular APV assessments, ensuring continuous follow-up of both physical and psychosocial working environment risks.

APV response rate · 2024 → 2026\* **72% → 86%**

Engagement initiatives · 2023–25 **17 / 20 / 20**

\* APV assessments are conducted every two years.

Diversity, equal opportunity & compliance

NOVENCO is committed to equal opportunity and non-discrimination in accordance with applicable legislation and internationally recognized labour standards. The organization promotes a fair and inclusive working environment, ensuring that employment decisions are based on competence, qualifications and performance.

|                                         |               |
|-----------------------------------------|---------------|
| Gender balance · all employees (M / F)  | 81% / 19%     |
| Average seniority · blue / white collar | 6.6 / 7.5 yrs |
| Average age · blue / white collar       | 46 / 49 yrs   |
| Pay equity indicator (if applicable)    | —             |

Governance & compliance framework

Workforce practices are governed by internal policies and procedures designed to ensure compliance with applicable labour legislation and alignment with international frameworks, including ILO conventions. Compliance is supported through internal audits, HR governance processes and mandatory training programmes — ensuring consistent application of standards across the organization.



## S3 WORKERS IN THE VALUE CHAIN

# Workers across a global value chain

NOVENCO's value chain includes suppliers of materials and components, as well as logistics providers and service partners. Key suppliers are located in Denmark, Germany, Hungary, France, the United States and China.

### Main categories of value chain workers

- Manufacturing workers producing steel, aluminum and technical components.
- Workers producing electrical motors and mechanical components.
- Logistics and transport workers.
- Subcontracted service personnel in selected markets.

### Risk profile

The risk profile varies across the value chain. Risk exposure is generally lower among EU-based suppliers due to strong labour standards and enforcement frameworks. Higher potential exposure is associated with global sourcing, particularly working conditions in manufacturing and component supply.

## S3 WORKERS IN THE VALUE CHAIN

## Policies & the Supplier Code of Conduct

NOVENCO's approach is based on risk-based due diligence, applicable legislation and internationally recognized principles, including ILO standards and the UN Guiding Principles on Business and Human Rights. Approximately **90%** of the supplier base is located within the EU, where labour standards are generally strong - though labour-related risks may still exist beyond Tier 1 suppliers.

### Governance framework & management systems

Value chain risks are managed through a structured governance framework supported by certified management systems (ISO 9001 and ISO 14001). Together with the Supplier Code of Conduct (SCoC), they define minimum expectations for ethical business conduct, labour rights, health and safety, and environmental compliance.

### The Supplier Code of Conduct requires

- Prohibition of forced and child labour
- Safe and healthy working conditions
- Fair and lawful employment practices
- Compliance with applicable labour and environmental legislation

**Compliance with the SCoC is a prerequisite** for onboarding and continued cooperation.

## S3 WORKERS IN THE VALUE CHAIN

# Risk-based due diligence & monitoring

### KEY INDICATORS

84%

01

Suppliers covered by Supplier Code of Conduct

100%

02

Strategic suppliers assessed for ESG risks

7%

03

Suppliers in higher-risk geographies (non-EU)

### Due diligence processes

Supplier selection and onboarding procedures

Application of the Supplier Code of Conduct

Ongoing supplier relationships and dialogue

Supplier audits are conducted in selected cases, primarily focused on quality and environmental management systems (ISO 9001 and ISO 14001). These provide indirect insights but are not dedicated assessments of labour or human rights conditions.

### Monitoring & follow-up

Ongoing supplier relationships and dialogue

Selected supplier audits (quality & environmental systems)

ESG rating of strategic suppliers and those in higher-risk sectors or countries

Monitoring of labour conditions remains indirect and is not yet based on dedicated workforce-specific KPIs or structured audit programmes.

## G1 BUSINESS CONDUCT

# Tone from the top

NOVENCO's governance framework is strengthened through active engagement from the Board of Directors and senior management. They set clear expectations for responsible business conduct and compliance across the organization. ESG is embedded in strategic decision-making and operational governance, ensuring that ethical standards, risk management and sustainability priorities are consistently reflected in how the business is managed and developed.

### Role & integration in the organisation

ESG is embedded in core processes rather than managed as a separate function, ensuring environmental, social and ethical considerations are assessed alongside financial and operational performance - integrated into strategic planning, risk management, product development, procurement and operational execution. With operations in Denmark and entities across Europe, the United States and Asia, a consistent governance framework ensures alignment of policies, controls and ethical standards across all locations.



## G1 BUSINESS CONDUCT

# Board & management oversight

NOVENCO's governance framework is designed to ensure responsible business conduct, transparency and effective oversight of environmental, social and governance matters across the organization and value chain. It is embedded in the company's management system and supports compliance with applicable legislation as well as alignment with internationally recognized principles for responsible business practices.

### **Senior management, including the Managing Director, is responsible for**

Establishing and evaluating group policies and objectives

Ensuring employee awareness and understanding of policies and objectives

Appointing a management representative when deemed necessary based on evaluation

Ensuring the availability of resources to maintain the management system

Ensuring alignment between NOVENCO's strategic direction and the QMS system

## POLICIES & GOVERNANCE FRAMEWORK

# Policies, systems & certifications

### Key policies

Code of Conduct

Compliance Policy

Corporate Social Responsibility Policy

QHSE Policy

Conflict of Interest Policy

Supplier Code of Conduct

Data Protection Policy

Environmental Process Policy

Energy Management Policy

Water Management Policy

Policy on Well-being, Stress, Bullying and Harassment

These policies apply to employees, management and business partners, forming the foundation of NOVENCO's ethical governance framework.

### Systems & certifications

Governance processes are supported by certified management systems ensuring structured control, auditability and continuous improvement: **ISO 9001** and **ISO 14001**.

### Risk management & compliance

ESG-related risks are integrated into the overall risk management framework and identified, assessed and mitigated on an ongoing basis. Internal controls and audit processes support compliance. **No material breaches of governance-related policies were identified during the reporting period.**

### Whistleblower mechanism

NOVENCO maintains a whistleblower mechanism in accordance with the EU Whistleblower Directive, enabling confidential reporting and structured investigation in line with internal procedures.

G1 BUSINESS CONDUCT

# Governance KPIs & political engagement

## Monitored governance indicators

|                                             |        |
|---------------------------------------------|--------|
| Coverage of signed Supplier Code of Conduct | 68%    |
| Training completion (mandatory compliance)  | 95.6%  |
| Confirmed corruption incidents              | 0      |
| Confirmed whistleblower cases               | 0      |
| Female representation · Board               | 2 of 5 |
| Board meeting attendance rate               | 100%   |
| Data privacy breaches                       | 0      |
| Critical audit findings                     | 0      |

## Audits conducted (no.)

| By entity                 | 2023 | 2024 | 2025 |
|---------------------------|------|------|------|
| Internal · Denmark        | 13   | 13   | 14   |
| Internal · Netherlands    | 8    | 5    | 6    |
| Internal · United Kingdom | 0    | 3    | 4    |
| External · Denmark        | 5    | 6    | 5    |

## Political engagement & lobbying

NOVENCO does not engage in political donations or direct lobbying activities. The company is a member of selected industry associations, including Synergi, and other technical and industry organizations — primarily focused on knowledge sharing, development of technical standards and promotion of energy-efficient and sustainable industrial solutions.

Such participation is conducted in alignment with NOVENCO’s Code of Conduct and Anti-corruption Policy and is subject to internal assessment to ensure consistency with the company’s ethical standards. It supports access to relevant technical knowledge and awareness of emerging regulatory and market expectations.

## E4 BIODIVERSITY &amp; ECOSYSTEMS

## Biodiversity & ecosystems

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Although biodiversity has not been assessed as a double materiality topic, NOVENCO acknowledges indirect impacts on nature and ecosystems through material consumption and local land-use effects. As material extraction and processing are key drivers of biodiversity loss globally, NOVENCO seeks to reduce indirect impacts through responsible sourcing and the use of recycled material content - primarily metals - helping reduce demand for virgin material extraction.

Biodiversity impacts are not currently monitored through dedicated product-level KPIs. However, ecosystem pressures are assessed through life cycle assessment (LCA) methodologies. Using an internal LCA tool, NOVENCO develops third-party verified EPDs in accordance with EN 15804 and ISO 14025. While EPDs do not directly quantify biodiversity impacts, they include recognized impact categories acting as proxies - land use, acidification, eutrophication and resource depletion.



## E4 BIODIVERSITY & ECOSYSTEMS

### Local biodiversity at Naestved

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NOVENCO's headquarters is located in Naestved Municipality, where the surrounding landscape combines intensive agricultural land use and designated natural areas of high biodiversity value, including Natura 2000 sites. These areas are generally subject to pressure from fragmentation and land-use change.

Direct biodiversity impacts are primarily local and limited to land use at the headquarters site. A biodiversity area has been established in connection with the construction of the headquarters, planted with native species and functioning as a local nature initiative to create habitats for insects and other species.

The integration of this initiative into the building's DGNB certification supports biodiversity as part of the overall sustainability assessment.

No quantitative biodiversity targets or formal KPIs have been defined to date. However, an initiative has been launched in collaboration with Næstved Municipality to develop a biodiversity measurement approach, with the aim of establishing a future baseline for monitoring development over time. No defined methodology or historical data is currently available.

# 04

## Deep dives

|    |                                      |
|----|--------------------------------------|
| 64 | Research & development               |
| 65 | Product management                   |
| 66 | Operations                           |
| 67 | Pollution & environmental management |
| 69 | Supply chain                         |
| 70 | Data maturity development            |



## DEEP DIVE

## Research & development ESG contribution

R&D is central to developing energy-efficient, low-impact ventilation technologies and translating sustainability requirements into product innovation - closely aligned with Climate Change, Resource Use & Circular Economy, and ESRS General Disclosures.

### Energy-efficient product innovation · E1

Focused on reducing use-phase energy consumption - the dominant share of lifecycle emissions - through improvements in aerodynamic performance, motor efficiency and system optimization, including fan design, control systems and integration.

### Lifecycle thinking in development · E1 · E5

LCA methodologies and EPD data support early-stage design: energy performance across use-phase scenarios, material efficiency and recyclability, and identification of environmental hotspots.

### Material efficiency & design optimization · E5

Reducing material intensity in design and supporting design-for-manufacturing - optimizing component structures, reducing production waste and improving recyclability of components.

### Product compliance & regulatory alignment · E1 · ESRS 2

Ensures products comply with EU Ecodesign requirements and sector-specific performance standards, with sustainability integrated into product specification.

### Data-driven product development · ESRS 2 · E1

Increasingly relies on quantified environmental data. Internal LCA tools and product-level data, including EPDs, are used to evaluate design alternatives and support evidence-based optimization - strengthening transparency and consistent integration of environmental performance criteria.

## DEEP DIVE

## Product management ESG contribution

Product Management supports NOVENCO's sustainability strategy through product design, lifecycle performance and portfolio management - aligned with Climate Change, Resource Use & Circular Economy.

### Energy performance & climate impact • E1

The portfolio, including ZerAx® and NovAx® technologies, is designed to minimize use-phase energy consumption. Energy performance requirements are embedded in product specifications from early design stages, supporting EU Ecodesign compliance and significant reductions in customer-related operational emissions.

### Lifecycle impact & circularity • E1 • E5

Products are designed for long service life, durability and low maintenance, typically exceeding 20 years. Circularity principles are integrated, with flagship products achieving high recyclability rates, increasingly supported by structured LCA data.

### Product-level ESG transparency • ESRS 2 • E1

NOVENCO develops EPDs and uses its internal LCA tool (ecoBOX) to generate product-specific environmental data - supporting customer ESG reporting, Scope 3 accounting and certification schemes such as DGNB.



## DEEP DIVE · OPERATIONS ESG CONTRIBUTION

## Energy-efficient, circular operations

Operations are a key enabler of NOVENCO's sustainability performance, with a strong focus on energy efficiency, resource optimization and environmentally responsible manufacturing - aligned with Climate Change (E1), Pollution (E2) and Resource Use & Circular Economy (E5).

### Energy efficiency & climate impact · E1

Production facilities in Denmark are designed and operated with a strong focus on energy efficiency and reduced environmental impact. Energy consumption is continuously optimized through process improvements and equipment upgrades, supporting lower operational emissions across operations and products.

### Waste, materials & circularity · E5

Material efficiency is a core focus area in production: reducing steel scrap, optimizing material usage and improving waste segregation to increase recycling through certified partners. Defined material streams - primarily steel, packaging and electronic components - are systematically monitored, with a significant share directed to recycling or recovery.

### Resource efficiency & continuous improvement · E5 · E1

Resource efficiency is enhanced through continuous improvement initiatives aimed at optimizing production processes, reducing resource consumption and minimizing process losses. Operational excellence, lean manufacturing and process optimization support more efficient use of materials and energy while integrating environmental and climate considerations into daily decision-making.

## POLLUTION &amp; ENVIRONMENTAL MANAGEMENT (ESRS E2)

## Pollution & environmental management

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Environmental impacts from production are managed through structured environmental management systems - compliance with applicable requirements, responsible handling of materials and chemicals, and continuous monitoring of operational impacts.

As production is primarily electrified, direct pollution is limited; the most significant impacts are indirect (upstream raw material extraction and processing, transport and commuting) and addressed through Scope 3 reporting.

### Chemical management

Chemical management is integrated into environmental and occupational health procedures. All chemicals used in production are registered in the Danish chemical database system, which documents substances across operations and includes gross lists covering both occupational health and environmental hazards. The database supports substitution by enabling comparison of chemical profiles and identification of less hazardous alternatives where technically and operationally feasible, supported by internal controls and workplace instructions.

POLLUTION & ENVIRONMENTAL MANAGEMENT (ESRS E2)

# A structured approach to noise reduction

The most significant direct environmental impact from production is noise. It is managed through engineering controls, equipment selection, workplace design and behavioural measures.

| Reduction at source                                                                                                                                     | Acoustic improvements                                                                                                                                        | Operational & behavioural measures                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Replacement of impact wrenches with geared tools<br>Optimization of CNC milling blade selection<br>Reduction of idle operation on large press equipment | Acoustic panels and baffles near wing-cutting operations<br>Insulation of extraction ducts<br>Installation and in-house production of movable noise barriers | Relocation of coil drying processes<br>Adjustments to waste handling to reduce impact noise<br>Dedicated enclosed areas for grinding and straightening |

Measurements are conducted every six months across production areas under normal operating conditions, with before-and-after measurements in connection with major improvement initiatives.

## DEEP DIVE · SUPPLY CHAIN ESG CONTRIBUTION

## Managing upstream impacts

Supply Chain influences upstream environmental and social impacts through sourcing, supplier engagement and material selection - aligned with Climate Change (E1), Resource Use & Circular Economy (E5) and Workers in the value chain (S2).

### Supplier ESG assessment & risk · S2 · E1–E5

A structured assessment approach combines ESG questionnaires, external ESG ratings, desk research and sector- and country-based risk screening - enabling assessment of supplier maturity and identification of sustainability-related risks.

### Scope 3 emissions & data quality · E1

Upstream emissions are assessed using supplier-specific data, lifecycle modelling and proxy-based estimates where primary data is unavailable. Data quality is currently heterogeneous, and NOVENCO is actively increasing the share of primary data over time.

### Responsible sourcing & material impacts · E5 · E2

NOVENCO engages suppliers to improve transparency on material composition, environmental impacts and regulatory compliance - focusing on responsible sourcing, reduced environmental hazards and improved traceability across key material flows.

### Supplier engagement & development · S2

Supplier engagement improves ESG maturity and strengthens data availability. Assessment outcomes are used to prioritise follow-up actions and risk mitigation across the value chain.

DATA MATURITY DEVELOPMENT

# A three-year supply-chain data journey

NOVENCO is progressing through a structured supply chain ESG data maturity journey, moving from risk-based screening towards primary data-driven management - improving both the accuracy of Scope 3 reporting and the ability to actively manage upstream environmental and social impacts.



# 05

## Industry memberships

|    |                                                         |
|----|---------------------------------------------------------|
| 72 | Membership of associations                              |
| 73 | Appendix · Industry memberships & external associations |



## MEMBERSHIP OF ASSOCIATIONS

# Engaged in industry & technical organizations

NOVENCO is a member of selected industry and technical organizations that support knowledge sharing, development of standards and advancement of energy-efficient and sustainable industrial solutions.

These memberships are primarily focused on technical development, standardization, certification frameworks and industry best practices within ventilation, HVAC and industrial systems. They provide access to technical insights, market developments and evolving requirements relevant to product performance and regulatory compliance.

Memberships are periodically reviewed to ensure continued relevance to business needs, regulatory developments and sustainability priorities. This includes assessment of governance risks, including potential indirect influence on standards or industry frameworks.

APPENDIX

# Industry memberships & external associations

## AMCA

TECHNICAL / INDUSTRY ASSOCIATION

Standards, certification and testing methods for air systems, ventilation equipment and airflow performance. Highly relevant for product validation, performance standards and compliance within HVAC and air movement systems; supports technical credibility and alignment with international testing and certification frameworks.

## Dansk Industri

BUSINESS ADVOCACY, INDUSTRIAL POLICY, LABOUR MARKET CONDITIONS, TRADE AND COMPETITIVENESS IN DENMARK.

Supports framework conditions for manufacturing, export, regulatory developments and industrial competitiveness, and provides policy updates and sector-wide business intelligence.

## Dutch Data Center Association (DDA)

REPRESENTATION OF THE DATA CENTRE SECTOR IN THE NETHERLANDS - ENERGY EFFICIENCY, DIGITAL INFRASTRUCTURE, SUSTAINABILITY AND REGULATORY DIALOGUE.

As a supplier of ventilation and cooling to data centres, provides insight into sector-specific energy efficiency, sustainability expectations and technical standards for critical infrastructure.

## Danish Association for Quality

PROMOTION OF QUALITY MANAGEMENT, BEST PRACTICES AND CONTINUOUS IMPROVEMENT, INCLUDING CERTIFICATION FRAMEWORKS AND KNOWLEDGE SHARING.

Supports structured quality management, a continuous improvement culture and alignment with ISO-based systems (e.g. ISO 9001) underpinning product quality, process control and governance.

## Centrum Ondergronds Bouwen (COB)

KNOWLEDGE SHARING, RESEARCH AND INNOVATION ON UNDERGROUND CONSTRUCTION, INFRASTRUCTURE DESIGN AND COMPLEX BUILT ENVIRONMENTS.

Relevant for ventilation and air handling in underground environments (tunnels, parking), supporting technical development, safety standards and infrastructure applications.

## CQMS Safety Scheme

HEALTH & SAFETY PRE-QUALIFICATION, CONTRACTOR ASSESSMENT AND COMPLIANCE VERIFICATION FOR SAFE WORKING PRACTICES.

Relevant for supplier and contractor safety assurance, ensuring H&S compliance in installation, service and operational activities, particularly in project execution.

## Danish Data Center Industry

REPRESENTATION OF THE DANISH DATA CENTRE SECTOR - INFRASTRUCTURE DEVELOPMENT, ENERGY EFFICIENCY, SUSTAINABILITY AND REGULATORY FRAMEWORK CONDITIONS.

Provides insight into sector-specific requirements for energy performance, cooling efficiency and sustainability standards in critical digital infrastructure.

## Industry memberships & external associations (cont.)

### Synergi

**PROMOTION OF ENERGY EFFICIENCY, ELECTRIFICATION AND CLIMATE-FRIENDLY ENERGY SYSTEMS THROUGH POLICY INPUT, KNOWLEDGE SHARING AND SECTOR COLLABORATION.**

Provides insight into energy policy, building performance requirements and electrification trends, supporting energy-efficient ventilation and reduced operational energy use. undefined

### FGK – Fachverband Gebäude-Klima e. V.

**HVAC AND BUILDING-CLIMATE TECHNOLOGIES, ENERGY EFFICIENCY IN BUILDINGS, TECHNICAL STANDARDS AND INDUSTRY COLLABORATION IN GERMANY AND THE EU.**

Provides access to HVAC developments, regulatory trends and energy efficiency requirements in the German and broader European building sector. undefined

### Rookbeheersingssystemen (RBS) – Smoke Control Systems

**STANDARDS AND BEST PRACTICES FOR SMOKE CONTROL SYSTEMS IN BUILDINGS AND INFRASTRUCTURE, INCLUDING FIRE-SAFETY VENTILATION AND EVACUATION SUPPORT.**

Directly relates to design, performance and compliance of smoke and heat control systems; supports alignment with European and national fire-safety requirements. undefined

### CEN – CEN/TC 191/SC 1 WG6 & WG9

**DEVELOPMENT OF EUROPEAN STANDARDS FOR HEAT AND SMOKE CONTROL SYSTEMS - PERFORMANCE, SAFETY AND TESTING FOR FIRE-SAFETY VENTILATION.**

Directly influences design, compliance and certification of smoke and heat control systems; ensures alignment with EU safety standards for critical building-safety applications. undefined

### Federatie Veilig Nederland (FVN)

**SAFETY STANDARDS, RISK PREVENTION AND BEST PRACTICES WITHIN SAFETY-RELATED INDUSTRIES IN THE NETHERLANDS.**

Relevant for safety requirements for ventilation and smoke control in industrial and infrastructure applications; supports alignment with Dutch safety frameworks. undefined

### Rådet for Bæredygtigt Byggeri

**SUSTAINABLE CONSTRUCTION PRACTICES, CERTIFICATION SCHEMES (E.G. DGNB), LIFECYCLE THINKING AND REDUCED ENVIRONMENTAL IMPACT IN THE BUILT ENVIRONMENT.**

Provides insight into sustainability requirements in building design and operation, supporting alignment of ventilation with green-building certification frameworks. undefined

# Industry memberships & external associations (cont.)

## Normcommissie NEN

DEVELOPMENT AND MAINTENANCE OF DUTCH (NEN) STANDARDS - TECHNICAL SPECIFICATIONS, SAFETY REQUIREMENTS AND TESTING FRAMEWORKS ACROSS INDUSTRIES.

Supports compliance with Dutch and European standards for ventilation, HVAC and building safety; ensures alignment with product certification expectations in key markets. undefined

## SafePQQ

SUPPLIER AND CONTRACTOR PRE-QUALIFICATION COVERING H&S, ENVIRONMENTAL MANAGEMENT, ETHICAL CONDUCT AND CORPORATE COMPLIANCE.

Provides third-party validation of governance, safety and sustainability practices; supports due diligence in supplier and contractor selection across the value chain. undefined

## Smoke Control Association (SCA)

BEST PRACTICE, STANDARDS AND GUIDANCE FOR SMOKE CONTROL SYSTEMS - DESIGN, INSTALLATION, TESTING AND MAINTENANCE OF LIFE-SAFETY VENTILATION.

Directly relates to smoke and heat control solutions; supports alignment with UK fire-safety expectations and certification of critical life-safety systems. undefined

## SafeContractor

CONTRACTOR H&S ASSESSMENT AND ACCREDITATION, VERIFYING COMPLIANCE WITH SAFETY, RISK MANAGEMENT AND OPERATIONAL PROCEDURES.

Relevant for ensuring contractor and supplier H&S compliance during installation, maintenance and service; supports risk management in project execution. undefined

## Singapore Green Building Council (SGBC)

SUSTAINABLE BUILDING PRACTICES, GREEN-BUILDING CERTIFICATION AND REDUCED ENVIRONMENTAL IMPACT IN SINGAPORE AND THE WIDER APAC REGION.

Provides insight into regional green-building standards and sustainability certification; supports alignment of ventilation/HVAC with green-building criteria in APAC. undefined

## The Danish Ventilation Association

KNOWLEDGE SHARING, TECHNICAL DEVELOPMENT AND BEST PRACTICES WITHIN VENTILATION AND INDOOR CLIMATE SOLUTIONS IN DENMARK.

Provides access to industry developments, technical standards and market trends; supports alignment with national best practices and innovation in energy-efficient ventilation. undefined

# 06

## ESG data & methodology

|    |                                         |
|----|-----------------------------------------|
| 77 | ESG KPI overview                        |
| 82 | Accounting practice                     |
| 83 | CO <sub>2</sub> e emissions methodology |
| 84 | Carbon intensity metrics                |
| 85 | Definitions & methodology               |



### ESG KPI OVERVIEW

## Emissions & performance, 2023–2025

| Measure                                        | Unit               | 2023      | 2024      | 2025      |
|------------------------------------------------|--------------------|-----------|-----------|-----------|
| Scope 1 - direct emissions                     | tCO <sub>2</sub> e | 584.51    | 477.92    | 311.51    |
| Scope 2 - indirect, energy (market-based)      | tCO <sub>2</sub> e | 1,686.11  | 906.31    | 733.46    |
| Scope 2 - indirect, energy (location-based)    | tCO <sub>2</sub> e | 853.57    | 146.73    | 119.38    |
| Scope 3 - total                                | tCO <sub>2</sub> e | 19,368.60 | 15,588.34 | 17,236.14 |
| Revenue                                        | MDKK               | 443,962   | 755,273   | 894.,27   |
| Intensity - per MDKK (market-based)            | tCO <sub>2</sub> e | 5.11      | 1.83      | 1.17      |
| Intensity - per MDKK (location-based)          | tCO <sub>2</sub> e | 3.24      | 0.83      | 0.37      |
| Intensity - per produced unit (market-based)   | tCO <sub>2</sub> e | 0.175     | 0.106     | 0.075     |
| Intensity - per produced unit (location-based) | tCO <sub>2</sub> e | 0.111     | 0.048     | 0.024     |
| Electricity consumption                        | kWh                | 1,732,42  | 1,648,39  | 1,602,39  |
| Share of renewable electricity (local grid)    | %                  | 84        | 86        | 88        |
| Electricity per produced unit                  | kWh                | 133.50    | 125.80    | 115.40    |
| Total production waste                         | tonnes             | -         | 201.00    | 133.00    |

## ESG KPI OVERVIEW

# Scope 3 by category, 2023–2025

| Scope 3 category                 | Unit               | 2023      | 2024      | 2025      |
|----------------------------------|--------------------|-----------|-----------|-----------|
| Purchased goods & services       | tCO <sub>2</sub> e | 13,320.50 | 10,172.63 | 10,320.1  |
| Capital goods                    | tCO <sub>2</sub> e | 1,679.50  | 776.95    | 612.78    |
| Fuel & energy related activities | tCO <sub>2</sub> e | 45.96     | 178.17    | 65.50     |
| Upstream transport               | tCO <sub>2</sub> e | 67.60     | 124.01    | 139.52    |
| Waste generated in operations    | tCO <sub>2</sub> e | 0.05      | 1.59      | 1.88      |
| Business travel                  | tCO <sub>2</sub> e | 267.70    | 104.73    | 97.72     |
| Employee commuting               | tCO <sub>2</sub> e | 34.80     | 31.77     | 31.77*    |
| Downstream transportation        | tCO <sub>2</sub> e | 1,124.10  | 2,370.99  | 2,283.75  |
| Use of sold products             | tCO <sub>2</sub> e | 2,718.70  | 2,737.90  | 2,902.80  |
| Upstream leased assets           | tCO <sub>2</sub> e | 2.60      | n/a       | n/a       |
| Scope 3 - total                  | tCO <sub>2</sub> e | 19,368.60 | 15,588.34 | 17,236.14 |

\* Employee commuting 2025 estimated on prior-year basis.

## ESG KPI OVERVIEW · SOCIAL

# People & workforce, 2023 - 2025

| Measure                                  | Unit  | 2023  | 2024  | 2025     |
|------------------------------------------|-------|-------|-------|----------|
| Total number of employees                | Pcs   | 218   | 273   | 302      |
| Full-time employees                      | Pcs   | -     | -     | 277      |
| Part-time employees                      | Pcs   | -     | -     | 25       |
| Gender balance - all employees (M/F)     | %     | 81/19 | 82/18 | 80/20    |
| Gender diversity - management (M/F)      | %     | 63/37 | 65/35 | 75/25    |
| Female employees, full-time              | Pcs   | -     | -     | 65       |
| Male employees, full-time                | Pcs   | -     | -     | 268      |
| Engagement initiatives                   | No.   | 17    | 20    | 20       |
| Survey response rate                     | %     | -     | 64    | 86       |
| Training provided - NOVENCollege         | hours | -     | -     | 2,795.63 |
| Onboarding programme attendees           | No.   | -     | -     | 103      |
| Employees covered by healthcare - NBI-DK | %     | 100   | 100   | 100      |

ESG KPI OVERVIEW · HEALTH & SAFETY

# Health, safety & resources, 2023 - 2025

| Measure                                | Unit | 2023  | 2024  | 2025  |
|----------------------------------------|------|-------|-------|-------|
| Work-related injuries                  | Pcs  | 8     | 37    | 25    |
| Work-related injuries - >1 day absence | Pcs  | 0     | 8     | 9     |
| Lost days due to work-related incident | Pcs  | 87    | 80    | 76    |
| Work-related fatalities                | Pcs  | 0     | 0     | 0     |
| Near misses                            | Pcs  | 13    | 40    | 46    |
| Recycling rate                         | %    | 90.80 | 91.30 | 97.70 |
| Production scrap rate                  | %    | -     | 26    | 26    |
| Board meeting attendance rate          | %    | 100   | 100   | 100   |

Health & safety figures cover site employees and exclude contractors, vendors and external contractors.

ESG KPI OVERVIEW · GOVERNANCE & ETHICS

# Governance & ethics, 2023–2025

| Measure                                         | Unit | 2023 | 2024 | 2025 |
|-------------------------------------------------|------|------|------|------|
| Board members                                   | Pcs  | 5    | 5    | 5    |
| Women within the board of directors             | Pcs  | 2    | 3    | 2    |
| Women in top executive positions                | Pcs  | 0    | 0    | 0    |
| Compliance course attendance - IT safety        | %    | N/A  | N/A  | 95%  |
| Child or forced labour incidents                | No.  | 0    | 0    | 0    |
| Confirmed information security incidents        | No.  | 0    | 0    | 0    |
| Bribery cases                                   | No.  | 0    | 0    | 0    |
| Fraud cases                                     | No.  | 0    | 0    | 0    |
| Extortion cases                                 | No.  | 0    | 0    | 0    |
| Gifts / inducement cases                        | No.  | 0    | 0    | 0    |
| Whistleblower discrimination / harassment cases | No.  | 0    | 0    | 0    |
| Lawsuits on business-ethics violations          | No.  | 0    | 0    | 0    |

## ACCOUNTING PRACTICE

## Group procurement & reporting boundary

Group Scope 3 emissions are primarily driven by the procurement of goods and services as well as transport activities. The Group operates a **hub-and-spoke procurement model**, where Denmark functions as the central procurement hub responsible for key supplier relationships, procurement activities and coordination of transport across the Group.

The Netherlands and the United Kingdom operate with more decentralized procurement structures, where purchasing decisions are primarily managed locally within each entity.

NBI-DE was historically integrated within the Danish legal entity and only became a separate legal entity in 2025. As a result, NBI-DE operations and associated emissions have historically been administered and consolidated through the Danish headquarters.

Following the legal separation, NBI-DE is now reported as a distinct business unit; however, Scope 3 emissions related to procurement and transport activities managed centrally through Denmark continue to be accounted for within the Danish baseline.

CO<sub>2</sub>E EMISSIONS

# Emissions accounting methodology

The inventory is prepared in accordance with the **GHG Protocol Corporate Accounting and Reporting Standard** and aligned with relevant SBTi and IPCC guidance. The majority of emissions data is based on actual consumption data from the general ledger, annual energy statements and internal questionnaires. Emission factors are primarily sourced from **DEFRA** and the **Danish Business Authority’s CO<sub>2</sub> calculation tool**, applying the most recent factors available at the time of reporting.

| Scope 1                                                                                                                                                                                           | Scope 2                                                                                                                                                                                                                                                               | Scope 3                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Direct greenhouse gas emissions from sources owned or controlled by the Group - primarily fuel combustion in stationary sources at production sites, and company-owned vehicles where applicable. | Reported using both location-based and market-based approaches per the GHG Protocol Scope 2 Guidance. Location-based reflects average grid emission factors; market-based reflects contractual instruments, including supplier-specific factors or residual mix data. | Calculated per the GHG Protocol Corporate Value Chain Standard. Categories are selected on a materiality assessment. Estimated using activity data and emission factors from internal financial systems, procurement and energy data, supplier information and external databases where primary data is unavailable. |

## CARBON INTENSITY METRICS

# Measuring carbon efficiency

Carbon intensity provides a relative measure of greenhouse gas emissions in relation to business activity and production output, enabling comparison over time and supporting assessment of decoupling between emissions growth and business or production growth.

### Revenue-based intensity

CO<sub>2</sub> emissions per unit of revenue - reflecting the overall carbon efficiency of the business relative to financial performance.

These metrics are used to monitor progress towards emission reduction targets and to improve operational and product-level efficiency.

### Production-based intensity

CO<sub>2</sub> emissions per produced unit - reflecting the carbon efficiency of manufacturing operations and production output.

DEFINITIONS & METHODOLOGY

# Definitions - workforce & safety

**Total number of employees**

All employees working full-time, part-time, students, trainees, flex jobs etc.

**Full-time employees**

Employees working 37 hours per week, including trainees.

**Part-time employees**

Employees working 1–36 hours per week, including students; excluding flex jobs.

**Gender balance**

Number of male or female employees divided by total number of employees.

**Gender diversity, management**

Number of male or female employees divided by total number of managers.

**Employee turnover**

Workers who leave over a period - voluntary (party agreement, resignation, end of contract) and involuntary.

Retirement excluded from the ratio, but data is collected.

**Rate = ((voluntary + involuntary leavers FTE) / total FTE) × 100**

**Sickness absence**

Registered hours of absence (sickness only) as a percentage of working hours.

**= hours of absence / working hours × 100**

**Work-related injuries**

Total number of injuries with absence. Site employees; excludes contractors and vendors.

**Work-related fatalities**

An occupational injury or illness leading to the death of an employee, temporary worker or contractor, including delayed deaths directly resulting from the incident.

**LTI - Lost time injuries**

Any work-related injury (not illness) with absence; excludes fatalities.

**LTIF - Lost time injury frequency**

Occupational injuries with absence per 1,000,000 working hours.

**= (injuries × 1,000,000) / working hours performed**

**LTI severity rate**

Days lost due to injuries per million hours worked. **= days lost × 1,000,000 / total hours worked**

**Incident rate**

**= total injuries / total workers in the reporting period**

**Near misses**

A safety incident that did not result in injury, illness or death but had the potential to do so.

DEFINITIONS & METHODOLOGY

# Definitions - training & governance

|                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employee development interviews</b><br>Conducted Employee Development Interviews divided by total number of employees.                 |
| <b>Training provided - NOVENCollege</b><br>Number of employees with completed trainings.                                                  |
| <b>Onboarding programme</b><br>Number of employees attending the onboarding programme (company culture and values).                       |
| <b>Engagement initiatives</b><br>Statistics from HR, the Employee Association and internal intranet (sports, parties, social activities). |
| <b>Employees trained on ethics / discrimination</b><br>Statistics from the SCHAKO Meta compliance platform.                               |
| <b>Board members</b><br>Total number of Board members elected at year end.                                                                |
| <b>Gender diversity, Board</b><br>Total females divided by total board members, elected at year end.                                      |

|                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Child or forced labour incidents</b><br>Total number reported in the reporting period.                                                                                                                   |
| <b>Information security incidents</b><br>Total confirmed in the reporting period.                                                                                                                           |
| <b>Bribery / fraud / extortion</b><br>Total cases in the reporting period (including offer or receipt of gifts, loans, fees or other advantages as an inducement to act dishonestly or in breach of trust). |
| <b>Whistleblower cases</b><br>Discrimination or harassment incidents reported in the period.                                                                                                                |
| <b>Supplier Code of Conduct signed</b><br>Number submitted against number of signed SCoC returned.                                                                                                          |
| <b>Board meeting attendance rate</b><br><b>= (meetings attended per member / (meetings × members)) × 100</b>                                                                                                |