

ESG Report 2024/25

Our Responsibility: from clean air solutions to accountable operations

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Our focus has shifted from high-level sustainability communication toward building a **more mature and data-driven ESG foundation.**

Management Report

2024/25 has been a transitional year for JP Air Tech. Our focus has shifted from high-level sustainability communication toward building a more mature and data-driven ESG foundation. This report outlines our strategic priorities, our actions during the year, and the areas where further development is required.

To ensure transparency, we have integrated our performance data directly into our strategic focus areas, providing a clear link between our historical baseline and our 2025/26 commitments

We continued strengthening compliance processes, improving safety performance, and preparing the organization for increasing customer and regulatory requirements, including PFAS regulation, REACH developments, and stricter expectations for transparency in ESG data.

Operationally, we invested in digital monitoring of energy use, tested alternative materials in collaboration with suppliers, and improved waste sorting procedures. On the social side, we worked on training initiatives, safety routines, and competency development. We continue to support the local community in Sakskøbing through sponsorships, including both handball and football. In addition, we have become a partner in the Youth Guarantee programme in Guldborgsund Municipality, which supports young people's access to education and employment. We also initiated updates of internal policies and governance structures to better align with international ESG expectations.

At the same time, the year exposed areas where we must improve: data consistency, product documentation, supplier oversight, and risk management.

This report outlines the direction we will follow in 2025/26:



Strengthening ESG governance and compliance



Developing transparent and verifiable data



Enhancing safety and workforce stability



Documenting our contribution to clean air through validated product testing



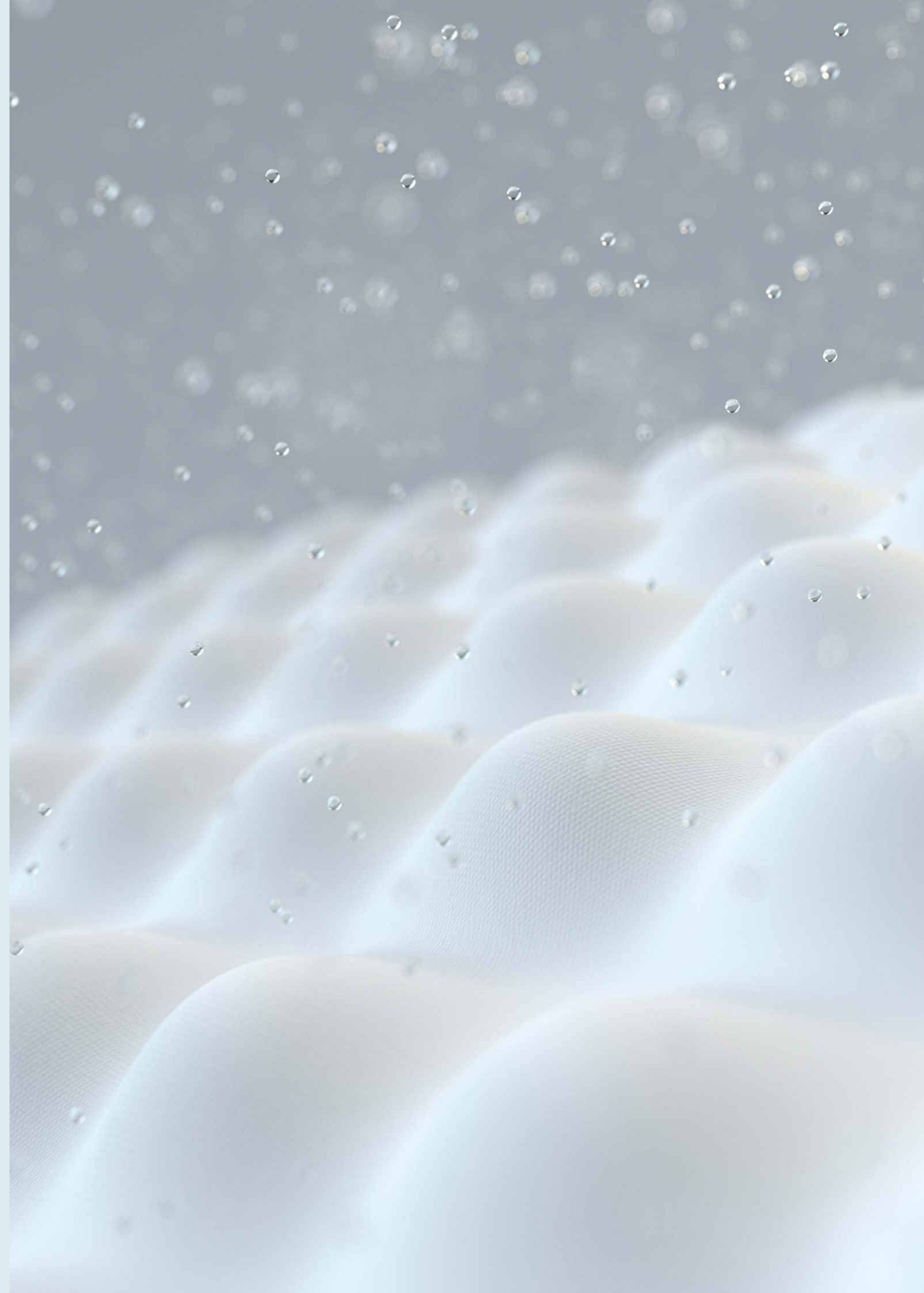
Improving environmental performance through targeted actions

Clean Air and Our Role

Clean air is a global health concern, and industrial air filtration plays a central role in reducing harmful airborne particles. Our products are used in applications where particle emissions must be controlled for health, safety and operational quality.

During 2024/25 we expanded our internal testing framework in order to provide data-driven documentation of product performance. These tests confirm filtration efficiencies, pressure drops, and particle removal capabilities across relevant particle sizes. The results demonstrate that our filter media contribute to cleaner air within industrial environments, supporting both worker health and process quality.

We will continue strengthening our test documentation so that clean-air claims are supported by measurable, verifiable results—an important step in avoiding overstated or non-substantiated environmental claims. Future ESG reporting will include third-party-validated performance indicators once the datasets are complete.



Materiality and Double Materiality Assessment

JP Air Tech has conducted a proportionate materiality and double materiality assessment inspired by the CSRD/ESRS principles and the voluntary VSME standard for SMEs. The purpose is to identify the ESG topics most relevant to JP Air Tech's operations, stakeholders and long-term business performance.

Methodology

A predefined list of environmental, social and governance topics relevant to JP Air Tech's business and value chain was assessed using an internal qualitative scoring(1-5) approach. Each topic was evaluated across three dimensions:

- **Impact materiality (inside-out):** JP Air Tech's actual or potential impacts on the environment and society.
- **Financial materiality (outside-in):** potential financial risks and opportunities for JP Air Tech, including regulatory, operational and market-related factors.
- **Stakeholder importance:** relevance to key stakeholder groups, including customers, employees, suppliers and business partners.








Given the company's size and maturity level, the assessment was conducted as an internal exercise rather than through a full external stakeholder survey. Topics scoring high on impact and/or financial relevance were classified as material, while topics with medium materiality are monitored and reassessed periodically.



Results of the assessment

The assessment identified a limited number of ESG topics with high material relevance. These represent the most significant risks and opportunities for JP Air Tech and therefore receive priority in the ESG strategy and reporting.

Highly material topics include:

-  PFAS and chemical compliance
-  Occupational health and safety
-  CO₂ intensity and energy consumption
-  Supplier due diligence and supply-chain risk
-  Accuracy and documentation of sustainability information
-  Employee retention and workforce stability
-  Air emissions from production processes

Use of the Materiality Assessment

The materiality assessment is used to structure JP Air Tech's ESG priorities and focus areas and to guide the selection of relevant KPIs and targeted action plans. It also supports transparency and consistency in ESG communication. The assessment will be reviewed periodically to reflect changes in regulation, stakeholder expectations and business strategy.

ESG Performance Overview

In the **2024/25** period, JP Air Tech has transitioned from qualitative goals to a more rigorous, baseline-driven ESG framework. This year's performance reflects a period of "maturation" where we have actively identified both our progress and the gaps that require structured follow-up. This report marks our official baseline for the next phase of our journey toward 2025/26.

Environmental performance (E)

Our environmental initiatives focused on operational transparency and chemical responsibility. By monitoring energy consumption continuously, we have identified key optimization opportunities within our production cycles. Waste management was identified as a focus area, with initiatives aimed at increasing recycling rates. Furthermore, we actively engaged with suppliers to test alternative packaging solutions and continued the critical R&D work of developing PFAS-free formulations, ensuring our long-term alignment with emerging chemical regulations.

- Energy consumption was monitored continuously; optimization opportunities were identified.
- Waste sorting improved and recyclable materials increased.
- Alternative packaging options were tested with suppliers.
- Ongoing development of PFAS-free formulations.

Social performance (S)

Social performance in 2024/25 has focused on formalizing internal culture into measurable safety and retention programs. Training and onboarding processes were reinforced to support our growing team, and safety procedures, particularly on the nano production line, were updated. While we have improved our data capture, resulting in the recording of 12 minor injuries, this transparency allows us to implement more targeted safety workshops. Additionally, we are addressing the challenges of recruitment and retention through new, structured competency mapping.

- Training and onboarding processes were reinforced.
- Safety procedures were updated, especially on the nano production line.
- Employee engagement efforts continued, including wellbeing surveys.
- Recruitment and retention remained challenging, requiring targeted action.

Governance performance (G)

This year marks a milestone in our governance maturity through the completion of our first Double Materiality Assessment. We have initiated a comprehensive update of our policy framework, including the Code of Conduct and green procurement guidelines. Internal roles regarding ESG data have been clarified to ensure accountability, and the groundwork for a formal whistleblower mechanism was established, ensuring a transparent and ethical business environment for JP Air Tech and our partners.

- Policy updates were initiated (Code of Conduct, green procurement, data handling).
- Internal ESG roles and responsibilities began to be clarified.
- Supplier screening procedures were strengthened.
- Work began on implementing a whistleblower mechanism.

Navigating our Performance Data

The following sections provide a detailed breakdown of our performance within the Environmental, Social, and Governance dimensions.

Each section is structured as a two-page spread:

The Left Page presents our raw performance data and historical baselines.

The Right Page outlines our strategic response, including concrete initiatives and *their current status leading up to 2025/26*.

This structure ensures full transparency in our data while maintaining a clear focus on the actions required to meet our future targets.

Environment (E)

Performance & Strategic Focus 2025/26

At JP Air Tech, our environmental commitment is centered on transparency and high-performance filtration that respects planetary boundaries. In the 2024/25 period, we have prioritized the establishment of a credible data baseline. This allows us to move beyond general goals and instead target our efforts where they have the greatest impact—specifically regarding chemical safety and energy intensity in our production.

Environment	Unit	21/22	22/23	23/24	24/25	↑/↓
CO ₂ e-emissions for scope 1 <small>Direct emissions from sources owned or controlled by the company (e.g., fuel combustion and company vehicles).</small>	Ton CO ₂ e	6.3	11.7	11.2	7.2	↓ 36%
CO ₂ e-emissions for scope 2 <small>Indirect emissions from the generation of purchased energy consumed by the company (e.g., electricity, district heating, cooling, steam).</small>	Ton CO ₂ e	140.4	106.4	135.8	83.9	↓ 38%
CO ₂ e-emissions for scope 3 <small>Other indirect emissions across the value chain, upstream and downstream (e.g., purchased goods and services, transport, business travel, waste, use and end-of-life of products).</small>	Ton CO ₂ e	11,206	4,168	6,965	10,022	↑ 44%
Total CO ₂ e-emissions (Scope 1, 2 and 3)	Ton CO ₂ e	11,352	4,286	7,112	10,113	↑ 42%
Consumption of water	m ³	560.0	930.0	573.0	821.0	↑ 43%

Data Insight: Scope 1 and Scope 2 emissions decreased in 2024/25, whereas Scope 3 emissions increased and remained the principal driver of total CO₂e emissions. The increase in Scope 3 was mainly attributable to purchased materials, purchased services and capital goods, and transport related to purchased goods. Waste emissions also increased following an update to the Klimakompasset (Climate Compass) methodology, under which all waste is now included in Scope 3. In addition, Scope 2 calculations were updated using the 2024 location-based emission factors provided through Klimakompasset, replacing the 2021 factors. As a result, the reported Scope 2 figures have changed.

Operational Footprint: Water consumption increased in 2024/25 and, together with energy use, reflects the operational requirements of our R&D activities. Both remain priority areas for our 2025/26 efficiency programmes. Looking ahead, Scope 2 emissions are expected to increase as production is insourced, leading to higher electricity consumption. The same trend is expected to continue in 2025/26.

Based on these insights, our environmental strategy for 2025/26 focuses on the following key initiatives:

Key initiatives:

Energy Efficiency Program

- Install additional digital meters and conduct analysis of energy-intensive processes.
- Implement targeted improvements in machinery and insulation.

CO₂ Accounting and Reduction Framework

- Improve Scope 1–3 data quality.
- Shift to intensity-based KPIs to reflect operations accurately.
- Evaluate reduction levers in transport, materials and energy.

Waste Reduction and Circularity

- Improve presorting and increase recycling rates.
- Introduce packaging changes with suppliers.
- Monitor waste generation per ton of output.

PFAS, Chemicals & Air Emissions

- Accelerate R&D into PFAS-free alternatives while strengthening REACH compliance documentation.
- Monitor and optimize air emissions from production lines to ensure minimal local environmental impact.
- Prepare for upcoming regulatory changes

Environmental Product Testing

- Expand internal test data for filtration performance.
- Prepare documentation for future third-party validation.

Social (S)

Workforce Insights & Strategic Focus 2025/26

Our people are the foundation of our expertise. As JP Air Tech grows, strengthening our occupational health and safety efforts and ensuring long-term knowledge retention is paramount. The 2024/25 data reflects a stable workforce, but also highlights the demographic transitions we must manage to remain competitive and continue our specialized nano-production.

We also remain committed to contributing to the local community in Sakskøbing through sponsorships, including both handball and football. In addition, we have become a partner in the Youth Guarantee programme in Guldborgsund Municipality, supporting young people's access to education and employment. Together with the municipality, we furthermore provide work trial placements for individuals currently outside the labour market, helping them gain relevant experience and move closer to employment.

Social	Unit	21/22	22/23	23/24	24/25	↑/↓
Employees	No	40	37	42	45	↑ 7%
Age: 18 to 28 years	%	10%	16%	19%	18%	↓ 5%
Age: 29 to 39 years	%	15%	16%	12%	10%	↓ 16%
Age: 40 to 49 years	%	23%	24%	29%	28%	↓ 2%
Age: 50 + years	%	53%	43%	41%	44%	↑ 9%
Sex (% Women)	%	23%	24%	26%	25%	↓ 4%
Sick leave	%	2.1%	2.6%	2.8%	3.1 %	↓ 11%
Accidents	No	N/A	N/A	N/A	12	

In 2024/25, JP Air Tech implemented a more rigorous reporting system for occupational health and safety (accidents). This improved tracking has identified 12 minor injuries during the period. Historically, such data was not consolidated at a corporate level, which is why previous years are marked as N/A. We are currently conducting an internal review to reconstruct historical data where possible and, more importantly, to analyze the root causes of the 12 incidents to prevent recurrence.

Demographic Focus: With over 50% of our workforce in the 50+ age group, our data underlines the importance of our upcoming mentorship and formal training programs to secure future competencies.

To address these workforce dynamics, we have committed to the following social initiatives for 2025/26:

Key initiatives:

Safety Enhancement Program

- Reinforce PPE usage and safety routines.
- Conduct root-cause analysis of the 12 recorded incidents in 2024/25.
- Update risk assessments, especially on the nano line.
- Increase frequency of safety inspections and incident reporting quality.

Training and Competence Development

- Formalize onboarding processes.
- Introduce job-specific training modules.
- Strengthen knowledge retention in critical roles.

Employee Engagement and Wellbeing

- Run annual wellbeing surveys, followed by targeted actions and stronger internal communication.
- Support inclusion through work trial placements and the Youth Guarantee programme.
- Strengthen employee pride and local belonging through support for community sports in Sakskøbing.

Retention Strategy

- Identify root causes of turnover.
- Develop targeted retention programs.
- Create internal career paths for operators and specialists.

Fair and Transparent Working Conditions

- Update HR policies to ensure consistency.
- Clarify procedures for leave, training, and compensation.

Governance (G)

Compliance & Strategic Focus 2025/26

Robust governance ensures that our ESG commitments are translated into ethical business practices. In 2024/25, we matured our internal systems and completed our first Double Materiality Assessment, which has specifically highlighted the need for deeper value chain integrity.

While we have always prioritised regulatory compliance and chemical control through quality management and dialogue, we are now formalising these efforts. A structured supplier ESG evaluation framework will be implemented stepwise, starting with high-risk suppliers and critical materials. This ensures a risk-based approach that is both proportional to our company size and effective in securing our shared future.

Governance	KPI / Metric	21/22	22/23	23/24	24/25	Target 25/26
Board Oversight	Board meetings with ESG on the agenda	4	4	4	4	100%
Board Oversight	Double Materiality Assessment completed	No	No	No	Yes	Review biannually
Compliance	Whistleblower incidents reported					Initiated
Compliance	Critical IT-security breaches			0	0	0
Supply Chain	Strategic Supplier Code of Conduct (Sign-offs)			Initiated	25%*	100%
Chemical Gov.	Products with full Material Declaration (REACH)			85%	92%	100%
Risk Management	Workplace Safety Inspections (Frequency)			Bi-weekly	Bi-weekly	Maintain

Governance at JP Air Tech has matured from basic compliance to strategic risk management. In 2024/25, we finalised our first Double Materiality Assessment, which now serves as the steering tool for our 2025/26 ESG initiatives. Our focus is now shifting towards full supply chain transparency and 100% chemical compliance documentation.

With our management systems and materiality baseline now firmly in place, we have identified five strategic priorities for 2025/26:

Key initiatives:

ESG Governance Framework

- Define responsibilities for ESG data, compliance, and reporting.
- Integrate ESG tasks into existing management processes.

Compliance and Documentation

- Update Code of Conduct, procurement policies, and chemical handling guidelines.
- Implement whistleblower system.
- Establish marketing compliance procedures to avoid greenwashing.

Supplier Due Diligence

- Introduce structured annual risk assessments.
- Expand supplier surveys and initiate selected third-party audits.
- Strengthen documentation for high-risk geographies.

Data Quality and Reporting

- Improve accuracy and consistency of all ESG data streams.
- Introduce audit trails and validation procedures for key indicators.

Third-Party Verification Roadmap

- Prepare for EcoVadis rating.
- Identify product-level certifications or testing partners for 2025/26.

Looking Ahead

2025/26 will be a year of consolidation and execution for JP Air Tech. With the 2024/25 baseline now established, our priority is to embed ESG into day-to-day operations through clearer ownership, stronger data discipline and structured follow-up on the topics assessed as most material. Our overall goal is to ensure that environmental and social claims are supported by documentation, that governance systems translate priorities into consistent practice, and that performance can be tracked transparently over time.

Strengthening the quality and usability of ESG data

A key focus is improving the consistency, comparability and auditability of our ESG datasets. This includes refining Scope 1–3 data quality, strengthening calculation methodologies and ensuring clear KPI definitions. Where relevant, we will shift toward intensity-based KPIs to reflect operational changes more accurately and to support meaningful year-on-year comparison. We will also continue developing internal validation routines and audit trails for key indicators, so reported data is decision-useful for both internal management and external stakeholders.

Environmental priorities: energy, emissions and chemical responsibility

Our environmental work will build on the digital monitoring already implemented and translate identified optimisation opportunities into targeted actions in energy-intensive processes. As part of operational development, production will be insourced in 2025/26, which is expected to increase electricity demand and may lead to higher Scope 2 emissions. We will reflect this transparently in our reporting and prioritise efficiency measures and intensity-based tracking to separate structural changes from underlying performance improvements.

In parallel, we will maintain a strong focus on PFAS and chemical compliance. We will continue the development of PFAS-free alternatives and strengthen REACH-related documentation and material declarations, particularly for critical products and customers with elevated documentation requirements. We will also continue monitoring air emissions from production processes to ensure minimal local environmental impact.

Documenting our contribution to clean air

JP Air Tech's role in clean air depends on credible, measurable evidence. In 2025/26, we will further expand product testing datasets and strengthen the documentation of filtration performance, pressure drop and particle removal across relevant particle sizes. This work supports substantiated communication and reduces the risk of overstated claims. Once datasets are sufficiently complete, we will evaluate opportunities for selected third-party validation in line with customer expectations and market requirements.

Social priorities: safety, competence and workforce stability

Our people remain the foundation of our specialised production and long-term competitiveness. In 2025/26, we will strengthen safety routines, preventive measures and reporting quality, including root-cause analysis of recorded incidents and updated risk assessments – with particular focus on the nano production line.

We will also formalise onboarding and job-specific training modules to support knowledge retention in critical roles and to address demographic transitions in the workforce. Employee engagement efforts will continue through wellbeing surveys and action plans, supported by improved internal communication channels and clearer HR procedures.

Governance: formalising systems and strengthening value-chain integrity

In 2025/26, we will continue maturing our governance framework so that ESG responsibilities, compliance processes and reporting are clear, consistent and embedded in management routines. Planned improvements include policy updates (including Code of Conduct, procurement and chemical handling guidelines), the implementation of a whistleblower mechanism and the establishment of marketing compliance procedures to avoid greenwashing.

Supplier due diligence will be strengthened stepwise, starting with high-risk suppliers and critical materials. This risk-based approach supports proportionality as an SME while addressing increasing customer and regulatory expectations for value-chain transparency.

Next reporting cycle

The next reporting cycle will include clearer KPI structures, improved validation and transparent progress assessments across E, S and G. Where methodology updates or operational changes affect results (including energy-related Scope 2 impacts), we will explain these changes explicitly to ensure comparability and credibility over time.

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