



ELEKTRO-ISOLA

Dedication in Composites

ESG REPORT 2024/2025





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Letter from our CEO

“

This report marks an important milestone for Elektro-Isola A/S as our first sustainability report prepared in accordance with the Voluntary Sustainability Reporting Standard for SMEs (VSME).

Although this is our first sustainability report, responsible business conduct has always been an integral part of the way we operate. Since the company was founded in 1921, we have built our business on quality, integrity, and long-standing relationships. Taking responsibility for our employees, maintaining trustworthy partnerships, and delivering high-quality solutions have always been fundamental to our way of doing business.

During the period covered by this report, I assumed the role of CEO, and I am pleased to present this report as a reflection of both our long-standing values and our continued development in this area.

A key milestone documented in this report relates to our climate efforts. Since committing to the Science Based Targets initiative (SBTi) in 2021, we have worked systematically to measure and reduce the climate impact of our operations. I am therefore proud to share that, based on the results presented in this 2024/25 report, Elektro-Isola A/S has already achieved and surpassed its 2030 target of reducing Scope 1 and Scope 2 greenhouse gas emissions by at least 50 percent.

Reaching this milestone is something we are proud of. It reflects how our continuous focus on improving production processes has not only strengthened our business but also significantly reduced the climate impact of our operations. This demonstrates that a structured and strategic approach to sustainability supports both resilience and long-term development.

”

Sincerely,

Gorm Jørgensen
Chief Executive Officer
Elektro-Isola A/S



About Elektro-Isola A/S



Part of the future since 1921

For more than 100 years, Elektro-Isola has developed, manufactured and processed thermosetting composite materials that solve critical challenges in electrical insulation and mechanical strength. Today, our materials are found in everything from transformer installations and demanding electrotechnical applications to aerospace and mechanical systems worldwide.

As a family-owned company with our entire production facility located in Vejle, Denmark, we have always taken social responsibility seriously, and we naturally abide by all applicable laws, international standards and norms. This applies equally to our external partnerships and to our employees, who are responsible for, and contribute to, the high quality we are known for.

We continuously invest in our equipment and facilities while optimising our processes. Data collection and reporting support that work, helping us stay ahead of market trends and meet the needs of our customers.



A/S

Legal form



137

Headcount



ESG-related
certifications:

FSC-STD-40-004
V3-1

ISO 14001-2015

ISO 9001-2015



NACE-code

27.33
Manufacture of
wiring devices



Our approach to sustainability

This is our first sustainability report, prepared voluntarily in line with the Voluntary Sustainability Reporting Standard for SMEs (VSME). It covers the reporting period from 1 October 2024 to 30 September 2025, referred to throughout as 2024/25. We have chosen to apply both the Basic and Comprehensive modules of the standard, giving a fuller picture of our environmental, social and governance performance than the minimum requirements alone.

Given the size of our business, we are not required to report, but we have chosen to start now. We see growing interest from customers and partners in how we work with climate, working conditions and responsible business conduct, and this report gives us a structured way to document and share that.

The report is based on our own operational data, covering our production site in Vejle, Denmark. As this is our first year of VSME reporting, comparative figures from previous years are not included, but will be added from next year's report onward. For our climate target, we use 2017/18 as our established baseline year.

Some figures, such as turnover and annual material volumes, are considered commercially sensitive and have therefore not been disclosed. This does not affect the completeness or reliability of the results presented in this summary.

Responsibility for the content of this report and its follow-up sits with our management. Sustainability is anchored in how we run the business day to day, and we see this report as a practical tool for following up, prioritising, and creating transparency with the people we work with.

Note: This report is a summary of a more detailed report that we have prepared together with our accounting firm, Beierholm. The purpose of this report is to give our customers and stakeholders a clear overview of our main initiatives and focus areas.

If you would like to see more detailed information and data, we would be happy to share the full report prepared with Beierholm upon request.

Please contact us at ei@elektro-isola.com



Environment

Sustainability is closely tied to our production processes, which rely on energy, raw materials and chemical inputs. As an end-to-end supplier of advanced composite materials, we are aware of how our impact on the environment reflects further down the value chain.

Our ongoing focus on reducing climate impact, managing resource use responsibly and minimising pollution across our operations is not just good for us. It has a direct impact on our customers, and their customers, and their overall environmental footprint, while we often see lowered operational costs as a result of smarter use of resources.

Our four key initiatives

We have identified what we consider to be our four key initiatives at present and outlined the current status and progress of each. The initiatives are as follows and will be presented on the next pages:

SBTi Target

**PTFE/PFAS
Phase-out**

**Recycling of
Thermoset Waste**

Heat Recovery



SBTi Target

We have committed to the Science Based Targets initiative (SBTi), the internationally recognised body that validates companies' climate targets and ensures they are scientifically grounded and aligned with the Paris Agreement. This is not a target we set ourselves. It is a target we are held to.

In 2021, we committed to reducing our direct emissions (scope 1 and 2) by at least 50 percent by 2030. We have already reduced them by **68 percent**, five years ahead of schedule, through measures such as electrifying our vehicle fleet, recovering heat from our RTO system, and optimising our production processes.

In 2026, we will submit a formal progress update to SBTi, so this result is externally validated rather than self-reported.

Why it matters to you:

Our emissions are your scope 3 emissions. When we reduce ours, you reduce yours too, without having to change anything in your own procurement.

Status:



Our Greenhouse Gas Emissions:

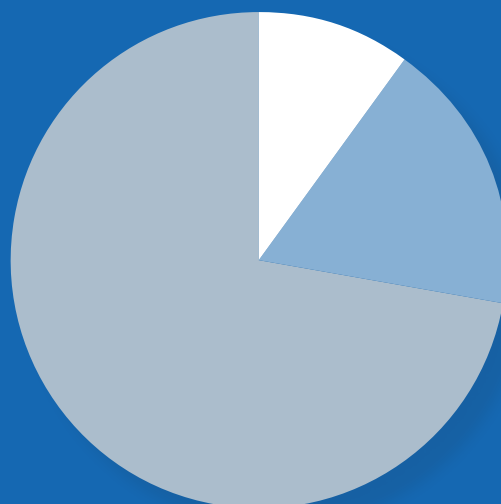
	2017/18	2024/25	Delta
	tCO2e	tCO2e	%
Total Scope 1	3,961	1,228	-69
Scope 2 - location-based	784	310	-60
Scope 2 - market-based	2,064	2,088	1
Total Scope 1 & 2 - location-based	4,745	1,538	-68
Total Scope 1 & 2 - market-based	6,025	3,316	-45
Total Scope 3	9,460	8,327	-12
Total Scope 1, 2 & 3 - location-based	14,205	9,865	-31
Total Scope 1, 2, & 3 - market-based	15,485	11,643	-25

Total emissions per scope*

2024/2025

- Scope 1 - 10,63 %
- Scope 2 - 18,07 %
- Scope 3 - 71,30 %

* Per market-based values



PTFE/PFAS Phase-out

As a manufacturer of thermoset composite materials, we work continuously to reduce substances that carry environmental or regulatory concern, including PTFE and PFAS-related compounds used in specialised applications. This is not a one-off clean-up. It is an ongoing substitution effort run in close collaboration with our customers and suppliers where intense testing of equivalent components is required.

We have worked on phasing out **PTFE-containing materials since 2017**. In parallel, our phenolic resin project, completed between 2023 and 2025, reduced material complexity and lowered the use of materials containing free formaldehyde. We also avoid bleaching in relevant fibre-based processes wherever technically feasible, reducing chemical treatment without compromising product performance.

We continue to evaluate alternative raw materials and chemical substitutes that can lower environmental impact while still meeting technical requirements and customer specifications.

Why it matters to you:

When we remove substances of concern from our materials, you inherit a cleaner supply chain without having to run your own substitution project. It also reduces your regulatory exposure as PFAS restrictions tighten across markets.

Status:



Recycling of Thermoset Waste

Thermoset composite materials cannot be remelted once cured, which limits conventional recycling options for both production waste and end-of-life products. Rather than accept this as a dead end, we are actively looking for ways around it.

We have in progress a dedicated project, due in the fourth quarter of 2026, to evaluate recycling and recovery opportunities for our thermoset waste streams, including machining residues, offcuts, and defective production. The goal is to **identify realistic recovery pathways** and assess whether this material can be reused as a secondary raw material or find a place in other value chains.

This builds on systematic production data collection across all parts of production. It started in 2025 and already supports action plans to reduce scrap and defective production at the source.

Why it matters to you:

If we succeed in finding recovery pathways for material that currently has none, that directly reduces the waste footprint tied to your purchase and gives you a stronger circularity story to tell in your own reporting.

Status:

On-going

Heat Recovery

Our energy consumption primarily consists of natural gas and electricity. Natural gas is used for process-related purposes and space heating, while electricity is used across production processes, machinery, technical installations, building operations and the charging of company electric vehicles. A limited amount of fuel is used for company vehicles.

We currently have in progress the recovery of heat from our process extraction system and the replacement of supply air in our impregnation department, both due in 2026. Combined with earlier measures such as heat recovery from our RTO system and improved insulation of hot water valves, this has already helped cut our total fuel consumption by 17 percent compared to our 2017/18 baseline, **with non-renewable fuel down 46 percent.**

We are also working on a new energy metering structure, expected to be completed in 2026, which will give us better data to identify where further gas savings are possible.

Why it matters to you:

Lower gas consumption on our side means a smaller energy footprint embedded in every product you buy from us, and a supplier less exposed to energy price volatility.

Status:

On-going

Energy Consumption:

	2017/18	2024/25	Delta
<i>Energy type</i>	MWh	MWh	%
Fuel, renewable energy	575	3,589	524
Fuel, non-renewable energy	10,842	5,902	-46
Total fuel	11,417	9,491	-17
Electricity, renewable energy	3,309	3,900	18
Electricity, non-renewable energy	1,419	740	-48
Total electricity	4,728	4,640	-2
Total renewable energy	3,884	7,489	93
Total non-renewable energy	12,261	6,642	-46
Total energy consumption	16,145	14,131	-12

Waste Management

Water withdrawal in our production is limited due to the use of closed-loop systems, where water is recirculated with only minor refilling needed for maintenance or downtime. In 2024/25, our total water withdrawal was 2,760 m³, **none of it from water-stressed areas**, and none of it is assessed as consumed since virtually all water is returned to the environment or a third party.

In the same period, we generated 821 tonnes of waste in total, of which 808 tonnes were non-hazardous and 13 tonnes hazardous. All waste is handled through approved operators, with routines in place to minimise the risk of accidental spills.

Resource Efficiency

As a manufacturer of thermoset composite materials, we rely primarily on virgin raw materials to meet the purity, performance and reliability our products require. Our products are designed for long service life and dimensional stability, which reduces replacement frequency and extends the useful life of the materials we sell.

In 2025, we began systematic production data collection across all parts of our manufacturing process. This data supports ongoing action plans to reduce production scrap, defective production and material consumption, and forms part of our continuous process optimisation.

Responsible Sourcing

Our primary material flows consist of fibre-based materials, including paper, cotton and glass fibre, together with resin systems used in the manufacture of our thermoset composite materials. Responsible sourcing is central to how we manage these material flows.

We hold FSC certification, supporting traceability and responsible sourcing of forest-based raw materials across our relevant supply chains. We are also preparing for compliance with the EU Deforestation Regulation (EUDR), strengthening transparency and documentation of relevant raw material sources.

Circularity extends into how we handle packaging and logistics. We reduce packaging-related impact through a pallet return system in Denmark, where pallets are reused through established logistics arrangements, and we are working more systematically with documenting our packaging streams to prepare for upcoming extended producer responsibility requirements.



Overview of Total Waste Generated:

2024/25
Tonnes

Non-hazardous waste	808
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Hazardous waste	13
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Total waste generated	821
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Total waste recycled or reused	84
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Waste and Recycling Opportunities

Thermoset composite materials cannot be remelted once cured, which limits conventional recycling options for both production waste and end-of-life products. Of the waste we generated in 2024/25, **84 tonnes were recycled or reused**.

We have in progress a dedicated project, due in the fourth quarter of 2026, to evaluate recycling and recovery opportunities for our thermoset waste streams, including machining residues, offcuts, and defective production. The goal is to identify realistic recovery pathways and assess whether this material can be reused as a secondary raw material or find a place in other value chains.

Pollution Prevention

As a manufacturing company, we work systematically to prevent and minimise pollution of air, water and soil. This is supported by our ISO 14001-certified environmental management system, in place since 1995, and structured processes under our ISO 9001-certified quality management system.

The most significant pollution-related impacts at our site relate to emissions to air from production processes, including organic compounds, combustion-related pollutants and particulate matter. These are managed through ventilation and filtration systems, including self-cleaning dust filters, and a regenerative thermal oxidiser (RTO), where extracted process air is treated at high temperatures. Emissions are monitored through periodic measurements performed by accredited external laboratories.

We follow up chemical and product compliance against REACH and POP requirements as part of our ongoing chemical management and substitution work. For water and soil, we use closed systems and spill containment for liquid raw materials, with weekly inspection of containment systems and tanks. Water used in production is largely recirculated in closed-loop systems, reducing both consumption and the risk of discharge to the environment.

We have not received any authority remarks, orders or enforcement actions in relation to our environmental permits or inspection reports.

Biodiversity

We lease and operate one site at Grønlandsvej 197 in Vejle, Denmark, covering 11.25 hectares. The site is located in or near Natura 2000 habitats, and protected nature types under Section 3 of the Danish Nature Protection Act, including heathland and bog habitats, are present both on-site and nearby.

Approximately 4.08 hectares of the site, more than a third of the total area, is maintained as nature-oriented land and is not used for operational purposes, allowing it to support local biodiversity and natural habitats over time.

We expect to further mature our approach to biodiversity in 2026, including our understanding of biodiversity-related impacts, dependencies and relevant future actions.



Social

Elektro-Isola has more than 100 years of tradition in the production of composite materials. Over the years, we have evolved from craftsmanship to scaled industrial production, but the know-how of our employees remains a key reason for our ongoing growth.

We are committed to maintaining a positive, fair and healthy workplace, with employees who take pride in their work. We also support the importance of work-life balance, including part-time employment, flexible working hours, remote work, and an active staff club that organises social activities outside working hours.

Workforce

We primarily employ staff on permanent contracts, supporting continuity and long-term capability building across the organisation. In 2024/25, **we had an average headcount of 137 employees, of whom 136 were permanent.** Almost all employees are based in Denmark, with one employee based in Germany in a sales function.

We have a long tradition of employee retention. According to our own historical records, more than 40 employees have celebrated their 40th anniversary with the company, reflecting continuity, accumulated know-how and long-standing engagement across the workforce.

Diversity

Our workforce reflects the demographics typical of our industry. In 2024/25, our workforce consisted of 83 percent men and 17 percent women.

Diversity in management, executive leadership and our board of directors does not yet reflect the balance we see in the wider workforce. We recognise this, and we are assessing initiatives to improve gender diversity across all levels of the organisation over time.

Gender Composition



Male - 83%

Female - 17%

Management below executive (F:M)	0:6
Executive management (F:M)	0:1
Board of directors (F:M)	0:5



Health and Safety

A safe and healthy workplace is a continuous priority for us. Health and safety at Elektro-Isola is managed through a formal occupational health and safety organisation, with local OHS groups and a joint health and safety committee (AMU) where both management and employee representatives participate.

We work systematically with prevention:

- Workplace assessments to identify risks before they become incidents
- Near-miss reporting to catch potential hazards early
- Observations followed up through the relevant OHS groups to support continuous learning
- Ongoing management focus on incidents and preventive measures to reduce the risk of future accidents

In the 2024/25 reporting period, we recorded six recordable work-related accidents, corresponding to a rate of six per 200,000 working hours. No work-related fatalities occurred during the period. Management maintains an ongoing focus on workplace safety and follows up on incidents to reduce the risk of future accidents.

Pay and Collective Agreements

We are committed to providing fair and competitive remuneration and employment terms for all employees. All employees receive pay at or above the applicable minimum levels under the relevant employment basis, including legislation, collective agreements and individual employment terms.

Hourly paid employees are covered by the Industry Agreement (Industriens Overenskomst), while salaried employees are employed under the Danish Salaried Employees Act (Funktionærloven).

In 2024/25, 71 percent of our employees were covered by collective bargaining agreements. Competence development takes place through on-the-job learning, mentoring and apprenticeships linked to operational requirements.

Local Responsibility

We partner with Karriereværkstedet, a sheltered workplace under Vejle Municipality, where citizens with disabilities help pack a set number of our products into bags. It's a small but steady part of our production flow, and it gives them meaningful, structured work close to home.

Employee retention

86%

Overall retention rate, 2024/2025
- 19 employees left of 137 average headcount
(14 % turnover)

Employee well-being

6

Accidents

6

Per 200k Hrs

0

Fatalities

Recordable work-related
accidents 2024/2025

Collective bargaining

71%

Employees covered by collective bargaining
agreements - Industriens overenskomst (hourly)
/ Funktionærloven (salaried)



Governance



Responsible business conduct has always been part of how we operate, and it rests on three core values: drive, responsibility and innovation.

Drive means turning knowledge and ideas into action, and having the courage to try, even when it means learning from mistakes along the way.

Responsibility means thinking beyond ourselves, treating every commitment to customers, colleagues and partners as seriously as if it were our own business, and delivering on what we promise, on time, every time.

Innovation has been part of our DNA since 1921. Standing still is not an option in our industry, so we keep pushing our materials, processes and solutions forward.

Quality and Certification

Quality is not just a checkbox for us. It is embedded in how we work, and it is verified by independent third parties.

We have held ISO 14001 certification for environmental management since 1995, and ISO 9001 for quality management, both covering the production, sale and development of composite materials, plastic materials, sheets, tubes, machined components and complete system solutions. These are not passive certificates. Our ISO 14001 system is actively used to identify and manage environmental risks and aspects across our operations, and it underpins the environmental improvements described throughout this report.

We have recently initiated AS 9100 certification, building on our existing ISO 9001 system, to meet the stricter quality and traceability requirements of aerospace and defence customers.

Whistleblower Scheme

We maintain an open company culture where employees can freely report reasonable suspicion of wrongdoing or illegal activity related to our business. As legally required, we operate a whistleblower scheme, with reports submitted to and handled by our external legal counsel, who conduct an initial assessment of whether the report falls within the scope of the scheme, as well as an independence and impartiality review of the specific case. No reports were received during the reporting period.



Business Conduct

Responsible business conduct extends beyond our own values into how we govern the company and manage our relationships with employees, customers and partners.

We have developed and implemented policies and codes of conduct covering child labour, forced labour, human trafficking, discrimination, and health and safety. We are not aware of any violations or confirmed incidents relating to these policies within our own workforce, our value chain, affected communities, customers or end-users during the reporting period. Employees can raise concerns through established complaint processes, supported by a whistleblower scheme.

We received no convictions and no fines related to corruption or bribery during the reporting period, and no suspected cases were reported through our whistleblower scheme or other channels.

We can also confirm that we do not operate in controversial sectors such as weapons, tobacco cultivation, fossil fuels, or agrochemical production, and we are not excluded from EU climate benchmark indices aligned with the Paris Agreement.

Looking Ahead

As we build on the foundation laid in this report the following areas will shape our focus going forward.

Continual Responsible Sourcing

We are working toward more resilient sourcing, with a growing preference for suppliers based in Europe. This reduces our exposure to geopolitical disruption and strengthens the security of our supply chain, supporting the consistent quality and reliability our customers expect, and our ambition to become their preferred supplier.

We are also committed to improving gender diversity, both across our workforce and in management. As an industrial manufacturer, we recognise the challenge in attracting women to the sector. We will pursue further initiatives to close this gap, while acknowledging that full parity will take time to achieve.

Beyond SBTi targets

We have met the SBTi target ahead of schedule, but we don't rest on the laurels. We will initiate an official review of the target at SBTi. In addition, we have other initiatives in progress that show potential for reducing our climate impact, improve our social commitment, and practice responsible leadership in the years to come.



ELEKTRO-ISOLA

Dedication in Composites

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Looking ahead, Elektro-Isola A/S will continue to build on the strengths that have defined the company for more than a century. At the same time, we will further develop our approach to sustainability-related matters as an integral part of our business and our ability to meet evolving stakeholder expectations and changing market conditions.

On behalf of Elektro-Isola A/S, I would like to thank our employees, customers, suppliers, and business partners for their continued trust and cooperation. "

Sincerely,

Gorm Jørgensen
Chief Executive Officer



www.elektro-isola.com