

A top-down view of a green, biodegradable seedling tray filled with dark soil and several small green seedlings. The tray is divided into individual compartments, each containing a young plant with two leaves. The overall scene is vibrant and green, symbolizing growth and sustainability.

Sustainability report 2024

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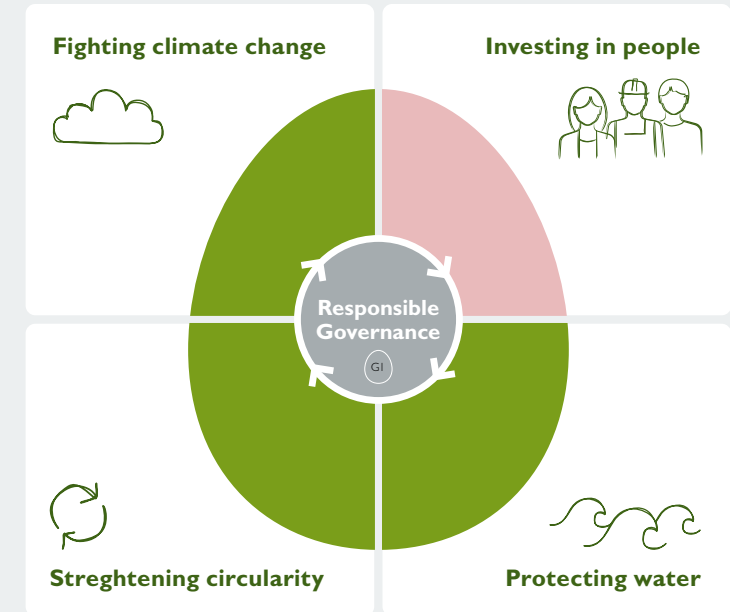
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About the sustainability report

This sustainability report is part of Hartmann Packaging A/S' annual report covering the period 1 January – 31 December 2024. The report ensures compliance with section 99a of the Danish Financial Statements Act. With regards to reporting of all nonfinancial KPI's, the activities in Russia will remain included until a sale is realised. In the preparation of the report, we have focused on identifying and reporting on relevant stakeholder concerns and the context and materiality of our efforts as well as presenting a comprehensive overview of Hartmann's sustainability work. We aim to continuously develop and improve our approach, welcoming any feedback from our stakeholders.

> Our main ESG priorities

Read more about the outcome of our double materiality assessment reflected in our four main ESG priorities



Read more on [page 13](#)



Sustainability profile

Hartmann at a glance

Hartmann is the world's leading manufacturer of moulded-fibre egg packaging and a market-leading manufacturer of fruit packaging in South America and India. The group is also the world's largest manufacturer of technology for the production of moulded-fibre packaging. Founded in 1917, Hartmann's market position builds on its strong technology know-how and extensive experience of sustainable moulded-fibre production dating back to 1936.



Sustainability highlights

Share of recycled paper

97%

2023: 97%

CO₂e emissions Scope 1-3

-3%

from 2023

Injury rate, LTI-FR

-35%

From 2023

Latest ratings



Lower risk score is better:



Low relative performance

High relative performance

Due to the delisting from Nasdaq Copenhagen at the end of 2023, Hartmann will no longer have external ratings and the presented ratings is applicable for 2023.

Commitments



We are committed to the UN Global Compact and company relevant UN SDG's

Science-based targets

Hartmann's near-term Scope 1, 2, and 3 carbon emission reduction targets are validated by the Science Based Target initiative

50%

reduction by 2030

From a 2021 base, we aim for:

- Scopes 1 and 2: Absolute reduction of 50% by 2030
- Scope 3: 50% relative reduction of carbon emission intensity per kilogram dry matter by 2030



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Achievement of these targets require development of new technologies for our machinery.

Moulded-fibre sustainability profile

We actively promote bio-degradable moulded-fibre products made from recycled paper, offering superior features to customers and consumers as a preferable alternative to single-use plastic packaging. We remain committed to reducing our carbon footprint and enhancing workplace safety.

Hartmann's moulded-fibre packaging from recycled materials such as cardboard and newspaper offers consumers a proven and bio-degradable alternative to single-use, oil-based, plastic and polystyrene foam packaging.

We strive to accelerate the transition from single-use, oil-based products towards moulded-fibre packaging through our strong product portfolio. This portfolio not only ensures superior protection and hygiene but also offers additional marketing space.

An increasing number of consumers across our markets choose moulded-fibre packaging over plastic and polystyrene products, and global awareness of non-degradable plastic waste in landfills and the oceans is consistently growing. Additionally, current and expected bans on

single-use plastic packaging helps to drive the conversion to moulded fibre too.

Hartmann's moulded-fibre packaging helps reduce food waste, as moulded-fibre provides better protection of the eggs and fruit during transportation compared to plastic packaging. Reducing food waste lowers CO₂ emissions and ensures a more reliable global food supply.

Moulded-fibre packaging has a more favourable sustainability impact over plastic-based packaging according to a 2021 Life Cycle Analysis¹. The superior performance of moulded-fibre is primarily due to lower climate impact of recycled raw material throughout its life cycle. On average, raw material for moulded-fibre packaging can be recycled three times more than recycled plastic raw material. Additionally, Hartmann's moulded-fibre

egg packaging is fully compostable² degrading 90% within 20 weeks.

Hartmann's moulding process has been refined over many years to sort out even the smallest waste materials, improving the purity of waste streams of paper, metals, and other impurities in the recycling stream.

Moulded-fibre packaging generates significantly lower emissions, produces less air pollution, including photochemical ozone, from toxic incineration and acidification, and has a lower impact on waterways and aquatic life compared to recycled plastic. Hartmann will further enhance the sustainability performance of our moulded-fibre products by developing new technologies, optimizing processes, and implementing environmental initiatives to fulfil our commitment to the Science Based Targets initiative.



Recycling facts

Circulation loops raw material³

6 : 2

Moulded-fibre

Recycled plastic

Moulded-fibre packaging 90% compostable² in

20

weeks

³ AFRY: Argumenting to win in sustainability for EMFA.

¹ Pöyry Management Consulting: Updated LCA for moulded fibre packaging.
² Certified according to European standard EN 13432

Refining and prioritizing our sustainability initiatives

2024 has been a very busy year in our sustainability journey, characterized by meaningful organizational and structural advancements, insightful reassessments, and the launch of numerous ambitious projects aimed at driving more sustainable operations. As we reflect on the achievements and challenges of the past year, we reaffirm our commitment to integrating environmental, social, and governance (ESG) principles into our operations and value chain.

One of our most significant efforts this year was revisiting our value chain and double materiality assessment. This comprehensive review provided deeper insights into how our operations impact the environment and society, as well as how external factors influence our business – all while broadening the scope of employees involved in the assessment. These insights have guided our sustainability strategy and driven us to define and prioritize numerous projects to address critical gaps.

Recognizing the growing importance of water stewardship, we improved our knowledge and impact in water and wastewater management by appointing a dedicated specialist to focus on this area. Water is a vital resource, and its sustainable use and management remain central to our operations. Our initia-

tives are designed to minimize water consumption, improve wastewater treatment, and ensure our activities contribute positively to the ecosystems and communities where we operate.

This year, we also successfully concluded a collaborative project with Dansk Industri (The Confederation of Danish Industry), focusing on value chain sustainability. This initiative brought together industry players to identify shared challenges and opportunities, exchange best practices, and define actionable solutions. The project has been a source of valuable insights, which have already informed several of our ongoing sustainability initiatives. Learnings have continuously been shared externally to hopefully inspire other companies to strengthen their efforts in ESG value chain management.

Additionally, we began integrating ESG principles into our procurement processes, embedding sustainability into how we engage with suppliers and partners. Through enhanced due diligence, we aim not only to meet regulatory requirements but also to hold our supply chain to higher environmental and social standards. This integration process, initiated in 2024, will be progressively developed across our global operations.

2024 has been a year of progress and learning, but we remain acutely aware of the challenges ahead. The road to sustainable growth is complex and requires continuous innovation, collaboration, and adaptability. Our focus on energy and CO₂ reductions has never been higher and our energy engineering department has grown accordingly in 2024. Looking ahead, we will continue to refine our strategies and execute the prioritized projects derived from the double materiality assessment and gap analysis.

Notably, 2024 also marked the first year in recent history under 100% private ownership, as Hartmann was delisted from Nasdaq Copenhagen at the end of 2023. As we move forward under the sole ownership of the Thornico Group, we are aligning our sustainability efforts with those of Thornico. This integration has enhanced the resources and expertise at our disposal, strengthening our ability to achieve our goals.

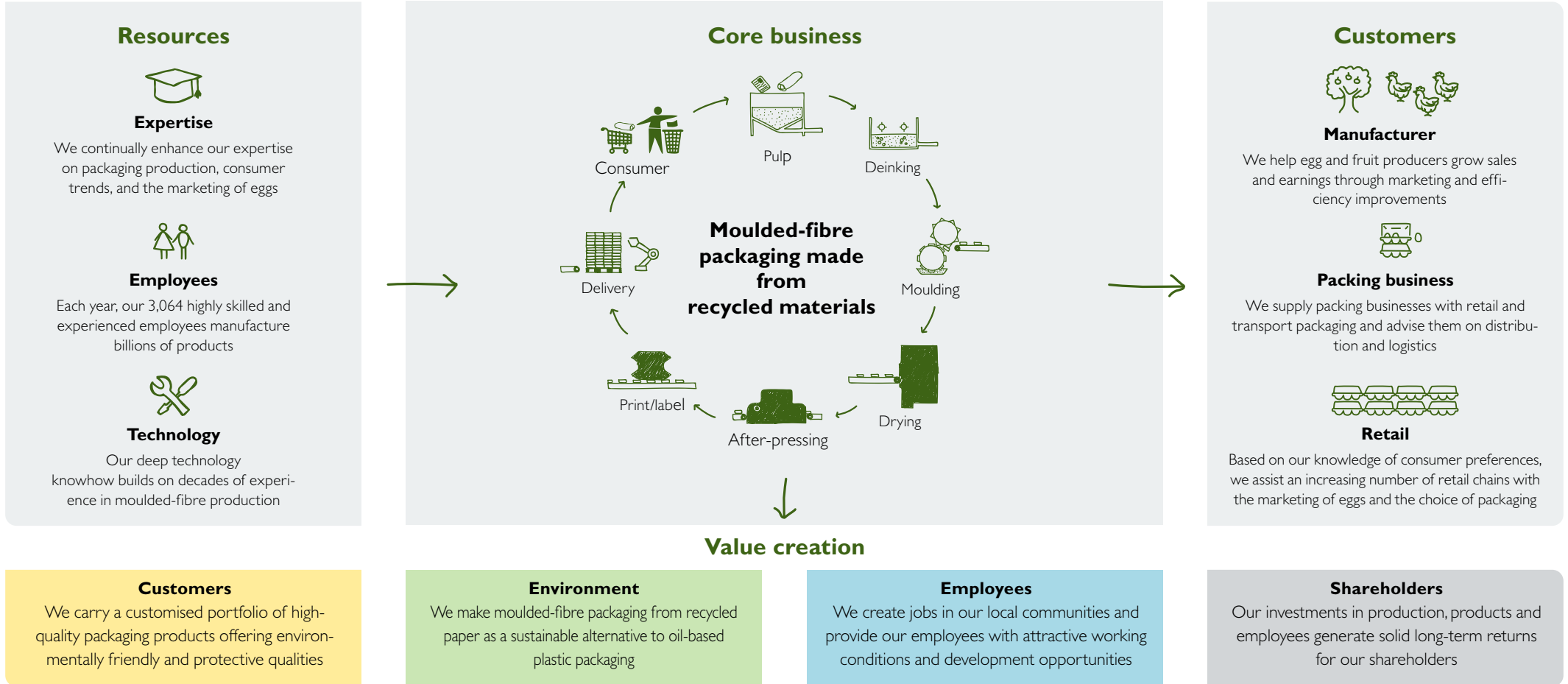


●●
Beyond the reports and metrics, the true reward lies in witnessing the real-world impact of our improvement projects.

●●
Torben Rosenkrantz-Theil
CEO

Finally, I am proud to share that we sold more of our bio-degradable moulded-fibre packaging in 2024 than ever before – largely replacing single-use plastic packaging. That, too, is a significant step forward.

Business model



Key stakeholders

Based on our strengthened sustainability focus and the delisting of the company from Nasdaq Copenhagen, our stakeholder groups are selected based on their direct impact on Hartmann's business as

well as their exposure to any positive or negative impact from our operations.

We engage with the stakeholders on an ongoing basis to assess their expectations and identify market trends, and we value their opinion and perspective on our sustainability efforts. We

tailor our engagement and communications with each stakeholder group to accommodate their particular interests and nurture constructive and value-creating relations over the long term.



Customers

We continuously monitor customer satisfaction and strive to assist in improving their sustainability performance through conversion from single-use plastic packaging to moulded-fibre products. We receive input from customers and participate in knowledge sharing about sustainability trends in the retail industry and among end-consumers.



Employees

We cooperate with safety representatives, workers' councils and unions to receive relevant input, continuously improve working conditions and reduce risk in the workplace. Most of our workers are covered by representatives who advocate their perspectives and ensure their opinions are considered by local management.



Suppliers

We maintain close dialogue with our suppliers and conduct supplier audits to ensure that they acknowledge and respect their responsibilities when doing business with Hartmann.



Authorities and financial institutions

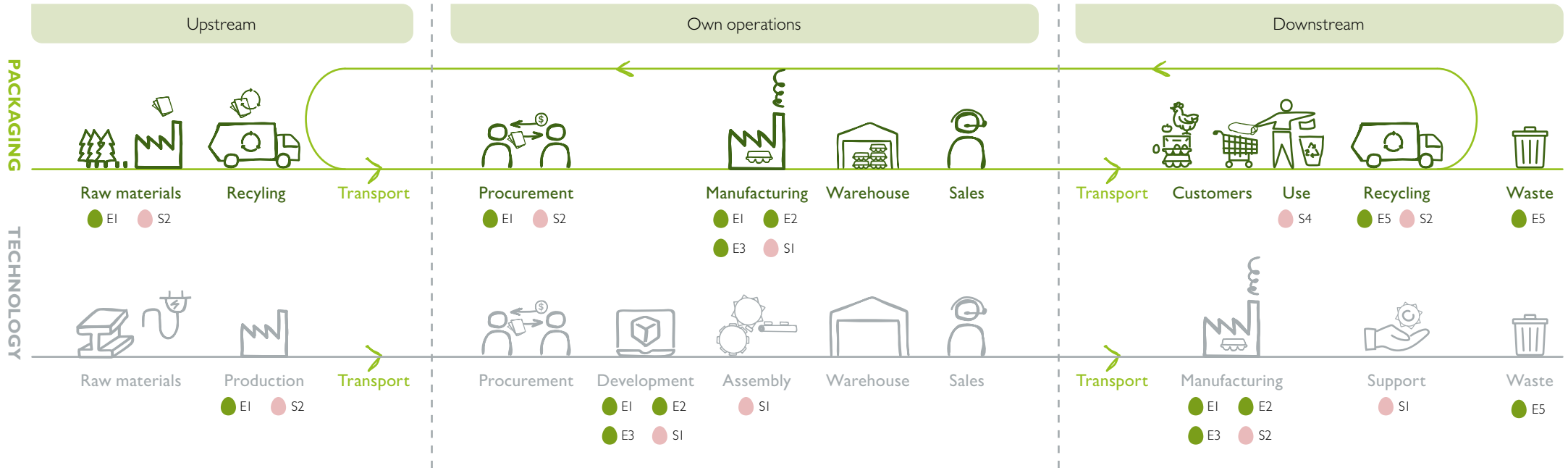
We have a constructive relationship with local authorities and our financial partners and maintain ongoing communications to ensure that we provide sufficient and relevant information and data about ESG topics to enable them to comply with increasingly complex legislation and stricter reporting demands.



Nature (silent stakeholder)

We impact nature and nature may impact us. We work to reduce our environmental footprint, backed by science-based targets as well as our focus on protecting water. We maintain a focus on our impact and risk assessment of nature as a silent stakeholder, relying on public data and information as well as dialogue with experts on material topics.

Value chain assessment and priorities



High priorities:

Fighting climate change

- E1 Climate change

Investing in people

- S1 Own workforce
- S2 Workers in the value chain
- S4 Consumers and end-users

Protecting water

- E2 Pollution
- E3 Water and marine resources

Strengthening circularity

- E5 Resource use and circular economy

Responsible governance

- G1 Business conduct is included in all areas

● Environment ● Social ● Governance

Double materiality assessment

Hartmann's value chain

Our value chain is divided into two distinct value chains - one for packaging and another for Hartmann Technology (machinery and equipment) - with multiple common touchpoints. The value chains encompass own operations and the related upstream and downstream activities.

For packaging, our own operations include product manufacturing, sales, procurement, and warehousing. Procurement is responsible for upstream suppliers of, e.g. recycled fibers, while sales is responsible for interactions with customers such as producers, packing businesses and retailers.

Customers distribute and sell products, mainly eggs, in Hartmann packaging to consumers, who then either dispose the packaging for recycling or waste. Distribution is part of both the downstream and upstream value chains.

For Hartmann Technology, own operations include development of technology, sales, procurement,

assembly, machinery testing, and supervision of installation. Procurement is responsible for upstream suppliers of, e.g. steel, machinery parts and electronics, while sales is responsible for interactions with customers, with Hartmann's packaging business being one of the largest customers. In the downstream value chain machinery and equipment is transported to customers where Hartmann Technology supervise the installation. Once in use, Hartmann Technology provides continuous support as needed. After use, the machinery and equipment can be recycled through standard waste streams, with the majority going to steel waste, being fully recyclable.

Double materiality assessment

Hartmann's double materiality assessment is an ongoing and repeated process following our due diligence processes.

In 2024 we revisited and refined our double materiality assessment, emphasizing the impact of our business activities on the environment,

employees, and people around us, as well as the influence of external factors on our company. We also expanded our value chain assessment to include Hartmann Technology and will further explore potential and actual impact, risks, and opportunities in the coming period.

The assessment process

The double materiality assessment process consisted of three steps: internal and external reviews followed by an assessment of their findings.

To identify impacts, risks, and opportunities, we conducted an internal review based on stakeholder engagement and a revisit of our gap analysis against all disclosure requirements in the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS) in 2024. The gap analysis was updated to reflect both initiated and completed actions taken to prevent and mitigate impacts and risks throughout the year. There were no material changes identified in our external sustainability scan which assesses potential environmental, social and

governance risks across our value chain, industry components and relevant geographies.





The process, actions and findings have been continuously discussed, assessed and reported to Hartmann's Executive Management.

To manage these impacts, risks and opportunities, we have embedded policies and will further extend the scope of these to embrace all material topics. We screen suppliers to evaluate and determine quality, credit, stable delivery and sanctions, and for selected strategic suppliers we conduct annual audits. We have also added more resources throughout the year to manage actions related to material impacts, risks, and opportunities, and we continuously track these actions to monitor their effectiveness.

We have made grievance mechanisms available to our workforce, as well as external stakeholders such as suppliers and local communities. Our confidential and anonymous whistleblower system is accessible through our website to employees, and all external stakeholders who wish to report

an issue. Our grievance mechanisms include recording and reporting of grievances raised, and actions taken to address them. If it is identified that we have caused or contributed to adverse impacts, we provide for or co-operate in the remediation of the adverse impacts through legitimate processes intended to deliver effective remedy while not preventing access to other forms of remedy if justified.

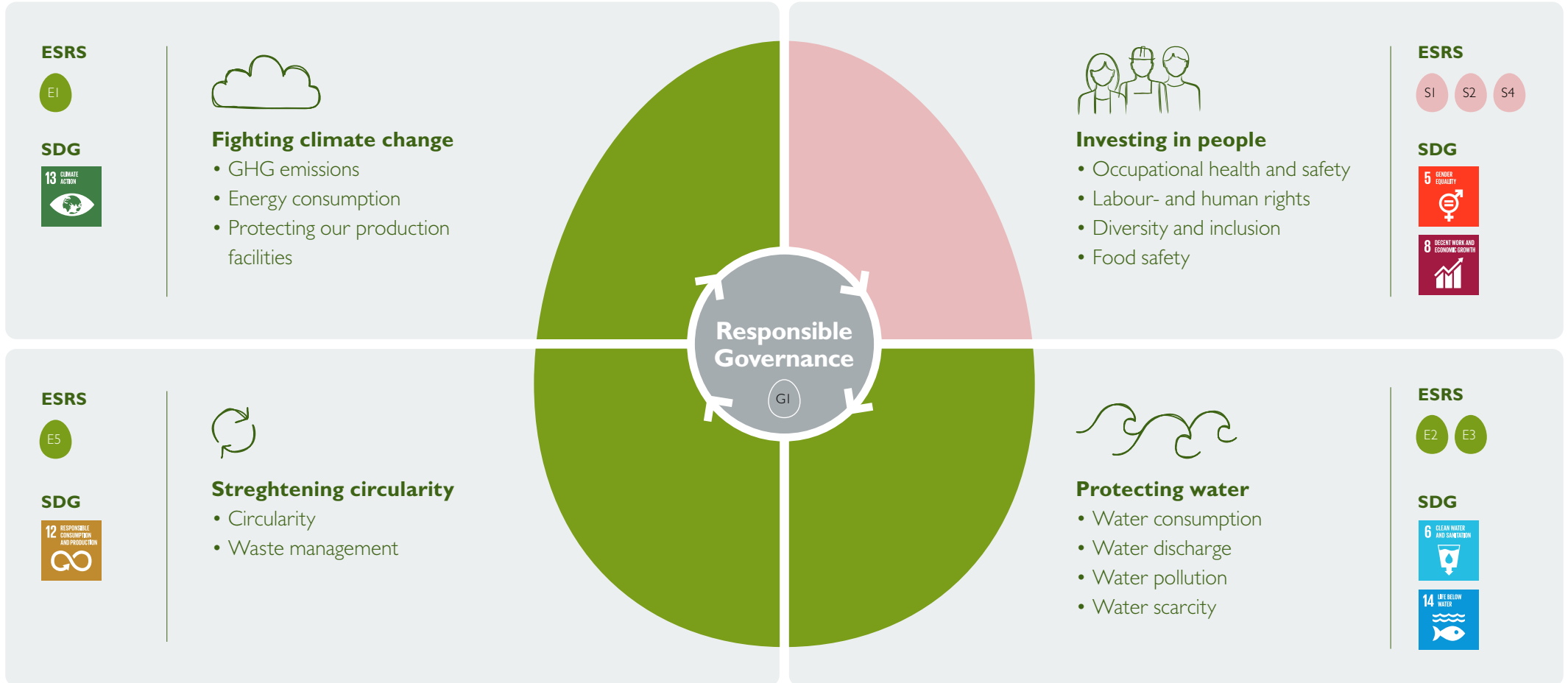
The outcome of this process was an assessment of our most material potential and actual impacts, risks, and opportunities reinforcing our four priorities moving forward:

-  **Fighting climate change**
-  **Investing in people**
-  **Protecting water**
-  **Strengthening circularity**

While particular emphasis will be placed on the four chosen priorities, other topics may become relevant as informed by our due diligence processes, which we aim to incorporate into our entire business, as we continue our work.



Hartmann's main ESG priorities



ESRS: European Sustainability Reporting Standards SDG: Sustainable Development Goals

● Environment ● Social ● Governance

ESG impacts and risks



Fighting climate change

ESRS topic

EI Climate change

Description

GHG emissions

The primary environmental impact associated with Hartmann's activities is energy consumption and the related greenhouse gas emissions from our manufacturing processes. These impacts are present in own packaging operations. For Hartmann Technology the environmental impacts primarily stem from upstream activities with the procurement of machinery and equipment being the main contributors.

Climate risks

Climate risk exposure may impact production, facilities, supply chain security, and working conditions.

Mitigation action

Our near-term science-based targets are validated, and planned CO₂ e emission reductions are expected to be realized primarily toward the end of the 2030 trajectory.

In 2025, we will reassess investing in a new CO₂ calculation system to ensure more complete and accurate calculations.

We have added more resources to our competency centre focusing on energy projects to develop more energy-efficient machinery and processes for moulded-fibre packaging. Additionally, we are exploring how digitalisation and artificial intelligence can support our ambitions.

Ongoing investments in facilities, equipment, and processes continue to safeguard Hartmann's production platform.



Investing in people

SI Own workforce

Health and Safety

Our primary potential negative impact include failure to ensure safe working conditions, which could lead to severe injuries, fatalities and non-compliance with UN Global Compacts principles. Additionally, inadequate workplace safety could damage our reputation and negatively impact our ability to recruit and retain employees. These impacts and risks may also lead to temporary production stoppages. Similar impacts and risks are present in Hartmann Technology's downstream operations when employees provide on-site support for end-users.

Equal treatment and labour rights

The risk involves failing to ensure equal treatment and opportunities and a non-discriminatory work environment. Hartmann is subject to national laws and regulations and any violation could result in legal, financial, HR-related, and reputational consequences as well as the potential loss of talent.

We continuously monitor and review safety and fire conditions at the factories and share knowledge across the group. Safety briefings and data are provided at regular group management meetings, and we invest in occupational health and safety equipment and training. Our comprehensive audit system was further enhanced, requiring all sites to document and evaluate safety activities. Strengthened control mechanisms have improved the process for identification and resolution of emerging shortcomings. The enhanced reporting serve as basis for monthly meetings with risk management leads from each site supporting our actions and initiatives. Most of our production is ISO 45001 certified. The diversity policy is the basis for equal treatment and prevention of discrimination. The global whistleblower reporting system, available for both employees and external stakeholders, provides the opportunity to raise concerns and report any observed violations through anonymous channels.

S2 Workers in the value chain

Health and Safety, equal treatment, and labour rights

In few of the countries where Hartmann has manufacturing sites, recycled paper used in our production is partly collected by informal waste pickers. Waste pickers play a critical role in recycling and waste reduction by collecting, sorting, and selling materials that would otherwise end up in landfills or litter the streets. External research indicates that such waste pickers are often part of the informal economy, often lacking access to health and safety, legal recognition, and proper regulation.

Hartmann has engaged with suppliers and sub-suppliers as well as other external stakeholders in one of our countries of concern, giving us a comprehensive understanding of and insight into our global value chain and the people involved in this. We have initiated additional processes to enhance sustainable practices and strengthening collaboration with our suppliers. We will also expand processes and requirements for supplier contracts, screening, and audits.



Investing in people

ESRS topic

S4 Consumers and end-users

Description

Food safety

As a food packaging manufacturer, Hartmann is exposed to risks related to food safety including the potential adverse impact of harmful substances or raw material components affecting consumers' health and safety.

Regulatory changes arising from food safety concerns may be introduced on short notice, entailing negative operational and financial risks on our business.

Public well-being is at risk when consumer health and safety issues arise. This can damage our reputation, impact sales, and lead to additional costs for mitigating negative effects, potential penalties and lawsuits.

Mitigation action

Production processes and product quality are monitored, controlled, and tested in accordance with applicable requirements as well as ISO 22000 for food safety for certain production sites.



Protecting water

E2 Pollution

Pollutants in wastewater

The potential negative impact is that production wastewater contains a variety of pollutants.

This potential impact exists in Hartmann's own packaging production as well as in the downstream value chain of Hartmann Technology.

We have hired a dedicated specialist to qualify the potential impact and to work intensively with water management across all production processes.

E3 Water and marine resources

Water consumption and water discharge

The pulping production processes require large amounts of water and generate wastewater.

Some of our production facilities are located in water-stressed areas. Understanding the potential risk of future water scarcity must be assessed and is important to ensure stable production and protect people and the environment.

The risk is relevant for our own packaging operations and is also recognized in the downstream value chain of Hartmann Technology.

We continuously focus on improving water efficiency, including increasing the volume of recycled water in our production processes and reducing wastewater discharge. We have hired a dedicated specialist to qualify the potential impact and to work intensively with water management across all production processes.



Strengthening circularity

E5 Resource use and circular economy

Waste management

Resource scarcity will grow in the future, and the entire industry dependent on recycled paper must rethink circularity to the highest level possible.

Food waste concerns

A minimum food waste will reduce CO₂ emissions and ensure better access to food worldwide.

Hartmann's business model and products are based on circularity. We offer customers the opportunity to shift from single-use plastic packaging to bio-degradable moulded-fibre products based on recycled paper, enabling reduced downstream waste through packaging recycling.

Hartmann continuously develops and improves our packaging to secure the best possible food protection to meet customer demands and to reduce food waste.

Responsible governance

G1 Business conduct

Data ethics and corruption

The risks relate to potential violations of Hartmann's data ethics and anti-corruption policies as well as legal and financial consequences hereof. Some of Hartmann's factories are located in relatively high-risk countries in terms of corruption, which elevates this potential risk.

Our policy on data ethics demonstrates our commitment to responsible data management. Our anti-corruption policy is enforced across all countries of operations and is an integral part of our supplier handling process.

We maintain a whistleblower system that can be used for internals and externals to report serious offences, including bribery, corruption, and breaches of our data ethics policy, whether observed or suspected.



How we work

We constantly work to reduce our environmental footprint in our entire value chain, backed by science-based targets. Development of and investment in new technologies are required to reach our ambitions.

Our climate action

We aim to drive positive climate change while strengthening our competitiveness. As part of our commitment to the Science Based Targets initiative, we have set validated near-term targets to reduce absolute Scope 1 and 2 emissions and relative Scope 3 CO₂e emissions by 50% by 2030, using 2021 as the baseline.

The manufacturing process is the primary source of CO₂e emissions, particularly the drying of products after wet-moulding, as most of our ovens are heated directly or indirectly through burning natural gas. These processes offer significant CO₂ reduction potential, forming the foundation of our carbon reduction trajectory. However, achieving this requires the development of new energy systems and technologies.

Best in class setup


Since 1936, we have refined our industry-leading moulded-fibre production technology, making significant advances in efficiency across labour, raw materials, and energy consumption. We continuously benchmark plants and production lines to identify best-in-class operations and uncover improvement opportunities. These insights drive our investments in upgrading less-efficient, energy-intensive equipment – such as drying ovens, vacuum pumps, and other manufacturing systems – as well as enhancing production processes.


Development of new energy systems and technologies

We recognize that a technological leap is essential to achieving our carbon emission reduction ambitions. Our competency centre in Denmark is responsible for exploring and advancing energy projects for implementation. Additionally, we assess how digitalization and artificial intelligence can support our goals.

For our future energy needs, we prioritize sources that do not require large-scale energy production by Hartmann, allowing us to maintain a strong focus on our core business.

Our main priorities

 Fighting climate change

 Protecting water

 Strengthening circularity

Our KPI's

GHG emissions (Scope 1-3)

Water usage

Energy usage and mix

Share of recycled material

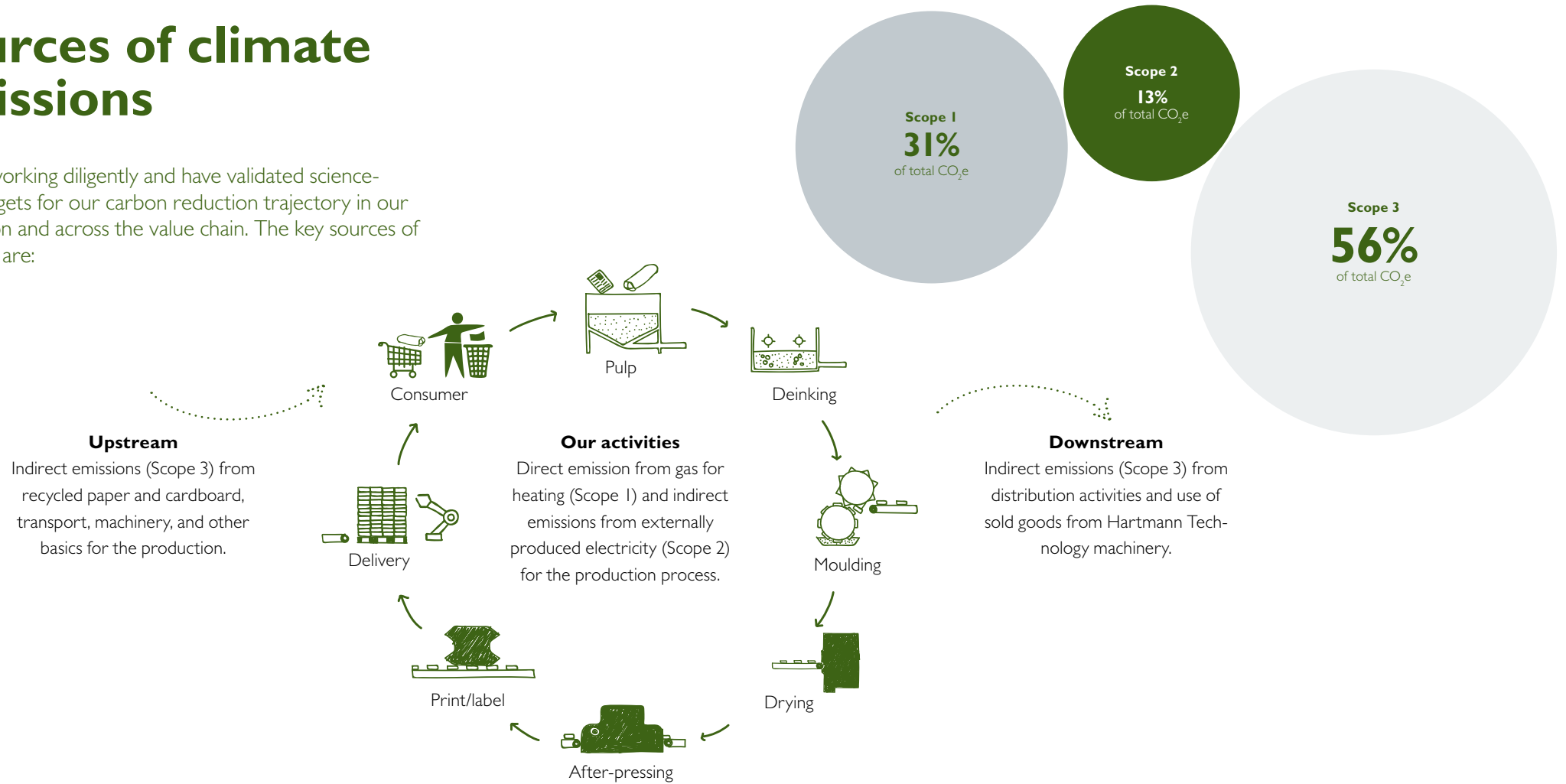
ISO 14001 and 50001 certificates

SDG's



Sources of climate emissions

We are working diligently and have validated science-based targets for our carbon reduction trajectory in our production and across the value chain. The key sources of emissions are:



Performance

Energy consumption and emissions

In 2024, we experienced a less volatile energy market. Hartmann's total CO₂e emissions (Scopes 1, 2 and 3) dropped by 3% from 2023. Scope 1 CO₂e emissions decreased by 5% from 2023 driven by changed mix in energy sources and updated emission factors for natural gas. Scope 2 CO₂e emissions increased by 15% compared to 2023 due to increased production and specifically in countries with high emission factors on electricity. Scope 3 CO₂e emissions decreased by 5%.

Among several investments in 2024, an investment in a replacement of an older machine was approved, installed, and put into operation at one of our largest factories, aiming to reduce specific energy consumption and lower CO₂ emissions. Initial results indicate a gas reduction of approximately 35%.

As basis for our development in new technology information about machinery in operation is key to understand our baseline and find the best potential for optimisation and development. During the year an important milestone was reached as one of our large machines was equipped with a large number of additional sensors in previously unmonitored

areas. This upgrade enhances our insights into energy usage and process parameters, extending the use of digitalisation and artificial intelligence to support our environmental ambitions.

We have invested in and aim to implement a new CO₂e emission calculation tool in the coming period, to develop more systematic, detailed, and accurate calculations for Scope 3 emissions.

With these initiatives, Hartmann is on track towards realising its CO₂e reduction targets by 2030.

Water usage

Hartmann's production requires water and resulting in wastewater discharges. In addition, some of our production facilities are in water-stressed areas facing the potential risk of future shortages. To address this, we have appointed a full-time specialist to assess our potential impact and implement water management improvements across all production processes, aiming to reduce water intake and wastewater discharge.

Total freshwater usage increased by 10% in 2024, solely due to higher produced volume. At one larger

plant, we have phased out the deinking process during the year and this is expected to have a positive effect on our water usage and effluents volumes.

Recycled materials

The transition from single-use plastic to bio-degradable moulded-fibre packaging continued. Most of our paper raw materials were sourced from recycled content, and in Europe, also from FSC-certified sources.

Certificates and partnerships

Our ISO 14001 certificates for environmental management and ISO 50001 certificates for energy management were renewed.

Environmental policy

We systematically and proactively protect, respect, and safeguard the environment and climate in the daily business activities by developing production methods and products, training employees and influencing suppliers and stakeholders. We support a precautionary approach to environmental and climate challenges, take initiatives to promote greater responsibility, and encourage the development and adoption of climate-friendly technologies.





Social

How we work

Protecting our employees remains fundamental, and we continue to invest in technology, safety training, and process optimisation. We strive to leave a positive impact on people across our value chain and remain committed to promoting diversity and inclusion within our organisation.

Investing in people

Our target of zero work-related accidents across our business remains unchanged, and we have continuously improved the safety level in our plants over the past years.

Cross-regional exchanges of health and safety knowledge, as well as incident reports between site safety managers, Hartmann Technology representatives and plant directors, are crucial for ensuring site safety, fostering a shared safety mindset and behaviours, and developing technical solutions and innovations. This framework is supported by strong governance, processes, and infrastructure, including an internal audit system that requires all sites to document and evaluate safety activities.

Reports on safety performance, actions and projects are reviewed by the group management team, and health and safety items are integral to all meetings.

Hartmann's global value chain comprises hundreds of companies globally, and we therefore impact workers in our value chain both directly and indirectly. Our suppliers are critical to our business model and strategy. We prioritize the health and safety of workers in our value chain, as well as adherence to internationally recognized labor and human rights standards. Our efforts are guided by our Supplier Code of Conduct outlining our expectations to our suppliers and vendors.

Diversity and gender

Our diversity and gender equality policy outline our commitment to ensuring that Hartmann is an attractive workplace with equal treatment of applicants and employees of diverse backgrounds and genders. The policies are applied to attract, develop, and retain members of the board of directors, the group management team, other managerial levels, and employees.

Food safety

As a food packaging manufacturer, it is of critical importance that our products in no way compromise the health and safety of our customers and end-consumers. We maintain our focus on monitoring, controlling and testing our production processes and end-products in accordance with applicable requirements for food safety.

Our main priorities



Investing in people

Our KPI's

Injury rate (LTI-FR)

ISO 45001 certificates

ISO 22000 certificates

Collective bargaining coverage

Gender data

SDG's



Performance

Occupational health and safety – own workforce

The number of work-related accidents per million working hours (LTI-FR) decreased by 35% compared to 2023 and improved by 61% from baseline year 2018. This was a result of added resources, monthly training programmes, education, and more throughout auditing of safety risk.

In 2024, our comprehensive audit system was further enhanced, requiring all sites to document and evaluate safety activities. Strengthened control mechanisms have improved the process for identification and resolution of emerging shortcomings. The enhanced reporting serve as basis for monthly meetings with risk management leads from each site supporting our actions and initiatives.

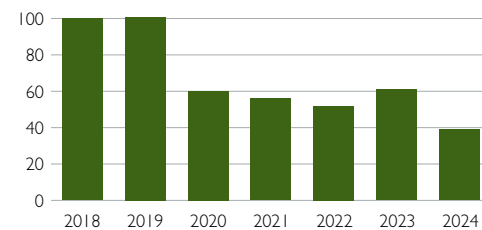
In 2024, we developed our Travel Safety procedure to monitor and notify if the risk level changes in locations where our employees are traveling on work purposes. When a higher risk is identified, we conduct an extended assessment with the assistance of external safety experts to determine whether the location meets our

accepted travel risk standards. This proactive approach enables us to respond effectively and ensure the safety of our employees at all times.

To ensure high safety standards, we have introduced a Building Code Standard that provides a foundation for physical safety at our sites. This standard ensures that all modifications are implemented at a high safety level and that critical installations are promptly brought in line with our Building Code Standard.

Accident statistics

Work-related accidents per million working hours (LTI-FR), (2018=100)



Hartmann prioritizes the well-being of our employees, tailoring initiatives to fit local circumstances. Here, we highlight examples from two of our sites.

A new production shift model was agreed at our Danish factory to enhance employee well-being by providing greater flexibility in work arrangements. This is also expected to improve employee retention, supporting our commitment to valuing and retaining our dedicated workforce.

In 2024, our factory in Hungary won a HR Oscar highlighting best practice and innovative approaches in employee well-being and social responsibility. This emphasized our dedicated work focusing on team activities, high quality of communication and psychical wellbeing, which successfully led to a reduction in employee turnover and number of sick days as well as an increased employee satisfaction.

Occupational health and safety – workers in the value chain

Some of Hartmann's suppliers in certain countries may be partly dependent on informal

waste pickers for collection of recycled material, who may lack access to health and safety, legal recognition, and proper regulation. In 2024, we concluded a project focusing on ESG in our value chain where we have engaged with suppliers and sub-suppliers as well as external stakeholders in one of our countries of concern. This has giving us a comprehensive understanding of and insight into our global value chain and the people involved in this. We have further initiated progress to improve sustainable practices and collaborative progress with our suppliers. More information can be found on page 24.

Resilience

Hartmann has a group reporting system for sprinklers, and investments were made in an inspection, test, and maintenance programme for sprinklers, fire pumps and firehoses. Additionally, our business continuity plan, first introduced at our European factories in 2021 to address potential business impacts, became part of a broader incident preparedness programme in 2023. A similar plan was initiated for North America in 2024 and will be developed for additional factories.

Hartmann prioritizes enhancing the resilience of our facilities against incidents that may impact operations, and significant resources have been dedicated to conducting comprehensive risk and vulnerability assessments, as well as Business Impact Analyses.

Food safety

As a food packaging manufacturer, consumer safety is a material issue, which we are continuously addressing at all factories. We continued to monitor and control production processes and test end-products in accordance with applicable requirements in 2024.

Labour rights and community engagement

During 2024, we continued our high focus on employment conditions at all production sites. The share of employee contracts governed by collective bargaining agreements at group level decreased to 72% in 2024 (2023: 76%), due to a general decrease across the group and the acquisition of plants with few or none collective bargaining agreements.

In all countries, Hartmann always strives to have a constructive dialogue with labour unions and employees. Hartmann constantly aim to maintain a position as an attractive employer and a good

corporate citizen in the local communities where our factories are located.

Diversity and gender

Hartmann's diversity policy aims to ensure a diverse workforce and an inclusive culture. The policy is applied for both internal and external searches for qualified candidates of both genders for the board of directors, other managerial levels and senior positions that can lead to a manager position. The policy provides a comprehensive framework for initiatives aimed at achieving defined targets.

The top managerial level, the shareholder-elected board of directors (parent company), comprises two men and one woman, and the aim is to maintain a gender distribution compliant with legislation, i.e. 33/67%. (2023: one woman out of three members, corresponding to 33%).

The representation of women on Hartmann's other managerial levels (parent company) was 18% (2023: 19%). Hartmann is committed to achieving a 40/60% gender distribution and has set a target of 25% women in management in 2025 and at least 40% in 2030.

Hartmann has initiatives to foster diversity and inclusion within its managerial levels. The measures comprise insistence on including at least one candi-

date from an underrepresented gender in the final pool of applicants during a recruitment process, the option to participate in networking and leadership development programs or mentorship schemes, as well as additional focus on life-balance initiatives.

Human rights

In 2024 no human rights violations were identified, and we continue our work with human rights in 2025.

Certificates

Our ISO 45001 certificates for occupational health and safety management, as well as and our ISO 22000 certificates for food safety management, were renewed in 2024.



Human and labour rights Policy

We strive to promote the conditions outlined in the UN Global Compact's human and labour rights principles at Hartmann and in companies that are part of the value chain to which the Hartmann group belongs. Hartmann supports and respects the protection of internationally proclaimed human and labour rights and ensures that the group is not complicit in human and labour rights abuses.

Our commitment is furthermore expressed in our policy on gender equality, which serves to increase the number of the underrepresented gender at Hartmann's other managerial levels, as well as our diversity policy. The policies define and describe focus areas within recruitment, performance evaluation and development as well as networking. The policies are available at www.hartmann-packaging.com.

Case

Taking responsibility and driving performance across our value chain

At Hartmann, we strive to drive positive change, and corporate responsibility is integral to our core business.

In 2023, Hartmann conducted a comprehensive double materiality assessment, which revealed that in a few of our manufacturing countries, the collection of recycled materials is partially managed by informal waste pickers within our sub-suppliers. Research indicates that these individuals often operate within the informal economy, lacking essential health and safety measures, legal recognition, and proper regulation. Recognizing this, Hartmann acknowledges the importance of understanding and addressing these potential social impacts as part of our corporate responsibility.

To tackle this issue, we joined the "ESG in the Value Chain" project initiated by the Confederation of Danish Industry and the Danish Industry

Foundation. Throughout 2024, we engaged with our suppliers, sub-suppliers, and external stakeholders, including local NGOs in one of the concerned countries, to assess the employment conditions of waste pickers in our supply chain.

This collaborative effort involved desktop research, site visits, and stakeholder consultations, providing us with valuable insights into our global value chain, particularly focusing on the waste-paper collection system. This process enhanced our understanding of the local ESG context, enabling us to identify potential impacts, risks and opportunities, and strengthening our capacity to manage them effectively.



Throughout the project, we have actively shared our experiences and practices in collaboration with the Confederation of Danish Industry, aiming to inspire other companies to enhance their ESG efforts across the entire value chain. Additionally, we have focused on fostering collaborative progress with our suppliers to promote sustainable practices.

This initiative aligns with our broader sustainability strategy, where we emphasize the importance of investing in people, ensuring responsible governance and strengthening circularity.



How we work

Our focus on business and data ethics is relentless to ensure compliance with our standards in the entire value chain.

Code of Conduct

Our Code of Conduct defines our ethical behaviour in interaction with each other, customers, suppliers, and the communities where we operate.

Transparency and anti-corruption

We uphold and promote the anti-corruption principle across all Hartmann activities through our policies, commitment to the UN Global Compact, supplier engagements, and audits.

We provide a whistleblower scheme for employees and external stakeholders as an alternative to traditional communication channels. The system can be used to report serious offenses, including corruption and data protection violations, if observed or suspected.

Data ethics

Our policy on data ethics demonstrates our commitment to responsible data management, based on principles of honesty, transparency,

and accountability. We adhere to these principles and applicable legislation, such as GDPR¹, ensuring the safety of employees, customers, suppliers, and consumers when they entrust us with their data.

Our primary data processing focuses on human resources, customer interactions, and supplier communications. We ensure that data is collected for explicit and legitimate purposes and processed lawfully and fairly, only including the data necessary to fulfil its intended purpose.

Simultaneously, we strive to ensure the collected data is adequate, relevant, and always accurate. Data-responsible employees ensure that personal data is not stored longer than necessary, that data processing respects privacy, and that stored data is protected against unlawful destruction, alteration, and disclosure. We enter into data processor agreements with IT suppliers and do not sell data.

The policy on data ethics is approved by the board of directors annually.

¹ General Data Protection Regulation

Our main priorities

Responsible governance

Our KPI's

Female representation board of directors (parent company)

Female representation other managerial levels (parent company)

Instances of whistleblowing

Performance

Supply chain

We conducted audits of selected suppliers throughout the year alongside dialogues to reinforce their commitment and responsibilities in doing business with Hartmann. Our efforts were guided by the Business Code of Conduct and our anti-bribery and anti-corruption policies. We have taken further steps to enhance sustainable practices with our suppliers, with an increased focus on ESG parameters in the supplier screening process.

The supplier audits and dialogues did not result in contract termination in 2024.

Six instances of whistleblowing were recorded during the year, leading to further investigation and minor corrective actions.

Risk management

Our comprehensive audit system was further enhanced, requiring all sites to document and evaluate safety activities. Strengthened control mechanisms have improved the process for identification and resolution of emerging shortcomings. The enhanced reporting serve as basis for monthly meetings with risk management leads from each site supporting our actions.

Additionally, we formulated updated group risk management standards based on industry experience, best practices, international guidelines, and insurance company recommendations to maintain low risk levels across all sites. Active tracking of these standards ensures uniform compliance, while progress on individual initiatives is closely monitored.

Online training

Hartmann will establish an online training system to enhance employee awareness and commitment to group policies. Implementation has been rescheduled to begin in 2025.

Data ethics

Any violation of the policy on data ethics or our internal GDPR procedures may be reported by employees and external stakeholders through our whistleblower system.

Sanctions screening and export control

Our sanctions policy guides our work, and in 2024, we continued to ensure and strengthen adherence to all procedures to comply with export control and sanctions laws governing our products. We continued the process by refining and implementing these procedures across the organization.



Structure

Day-to-day responsibility for driving the sustainability efforts resides with the group management team, which also identifies relevant issues and risks, defines overall ambitions, monitors sustainability performance and consider relevant investments and initiatives.

The group management team is supported by the Group ESG & Sustainability responsible heading Hartmann's sustainability work and coordinating with representatives from all factories to facilitate knowledge sharing and experience within areas such as environment, social and governance matters. Hartmann's finance function supports the Group ESG & Sustainability responsible in gathering, consolidating and reporting all data.

Local management teams propose relevant investment cases and report sustainability data and any issues to the Group ESG & Sustainability responsible and the group management team on a regular basis. In addition, cross regional groups focusing on health and safety as well as other relevant areas have been established.

Hartmann's sustainability ambitions, efforts, policies and reporting are approved by the board of directors, which is responsible for the overall management of the company and resolves matters relating to strategic development and risk management, among other things.

Governance structure



Governance, reports and policies

- > Remuneration policy incl. guidelines for incentive pay
- > Tax policy
- > Policy on gender equality in other management
- > Business Code of Conduct
- > Social Responsibility policy
- > Sanctions policy
- > Data ethics

A close-up photograph of several overlapping green leaves, showing the intricate vein structure. The leaves are a vibrant green color, and the lighting creates a slight gradient from left to right. The text 'ESG figures' is centered over the leaves in a large, white, sans-serif font.

ESG figures

Key ESG figures

Key Performance Indicator	Unit	2024	2023	2022
Environment				
GHG emissions (Scope 1)	tons	136,501	143,378	163,173
GHG emissions (Scope 2)	tons	55,524	48,416	47,494
GHG emissions (Scope 3)	tons	243,225	256,160	259,665
Energy usage	MWh	1,001,821	942,464	953,369
Renewable energy	MWh	153,883	140,250	108,479
Water usage	m ³	1,873,853	1,707,013	1,632,884
Share of recycled paper	%	97	97	98
Volume produced under ISO 14001	%	51	55	59
Volume produced under ISO 50001	%	42	46	39
Social				
Injury rate	LTI-FR	4.8	7.4	6.3
Collective Bargaining Protocol	%	72	76	76
Gender diversity (female/male)	%	30/70	29/71	27/73
Volume produced under ISO 45001	%	47	51	56
Volume produced under ISO 22000	%	42	46	51
Governance				
Female representation board of directors (parent company)	%	33	33	25
Female representation other managerial levels (parent company)	%	18	19	14
Instances of whistleblowing	#	7	6	0



Accounting policies

Consolidation

As a consequence of the Russian invasion of Ukraine in February 2022, Hartmann initiated a sales process for its Russian factory and its activities were classified as discontinuing operations. Hartmann's Russian operations remain for sale, but sanctions and regulations have complicated divestment and for accounting reasons they are now included in continuing operations. The approach has been followed with regards to all financial and nonfinancial data to ensure consistency between the consolidated financial statements and the Sustainability Report. Subsidiaries acquired during the year are included from the acquisition date, which is the date control is obtained. Comparative figures are not adjusted for acquisitions.

Environmental

Hartmann has calculated CO₂e emissions in accordance with the Green House Gas Protocol with a cradle to grave approach and assistance from external engineering, energy, and sustainability consultants. CO₂e emissions are divided in three categories, Scope 1-3.

Direct GHG emissions (CO₂e Scope 1)

Direct GHG emissions (CO₂e Scope 1) include emissions that derive from the combustion of fossil fuels in Hartmann's production. At most of our factories, natural gas is consumed in the process of drying moulded-fibre products and is the largest contributor to the group's Scope 1 emissions. Liquefied petroleum gas is the second greatest contributor as this fuel is consumed in the drying process at some smaller factories.

Furthermore, propane gas contributes to Scope 1 emissions to a smaller extent as this fuel is used for forklifts and other vehicles. The calculation of emission factors follows a location-based approach. The calculation takes into consideration

the gas and electricity delivered combined with aggregate and average statistical information within a relevant geographic area and period.

Indirect GHG emissions (CO₂e Scope 2)

Indirect GHG emissions (CO₂e Scope 2) include emissions that derive from the energy used to produce electricity, which Hartmann has purchased for consumption. Electricity is used in the production process where the pulping process and pumps consume the greatest amount of electricity. The calculation of emission factors follows a location-based approach.

Other indirect GHG emissions (CO₂e Scope 3)

Every year we strive to improve the data foundation for calculating the Scope 3 CO₂e emissions and work towards an activity based method for the significant Scope 3 GHG categories.

Other indirect GHG emissions (CO₂e Scope 3) include emissions that derive from new machinery and spare parts, transmission and distribution loss

for gas and electricity, chemicals and other additives used in the production.

Recycled paper is the primary raw material used in the production process, and does not contribute to the group's Scope 3 emissions as a CO₂e emission factor of 0 is applied to recycled paper under the allocation-based method. As the paper is collected and transported it has been determined to add transportation emissions for paper and cardboard raw material. A country specific calculation for each individual plant has been implemented in 2024.

Machinery and technology activities sold to external customers contribute to Scope 3 emissions with future energy consumption of the electrical component in machinery sold. The external customer decides which energy source to use for the machinery for drying, for example steam, liquefied petroleum gas, natural gas, biomass, or other energy sources. This free choice of energy source complicates Hartmann's calculation of total energy consumption of the sold machinery, hence only the electrical component is included in the calculation of Scope 3.

The calculation of Scopes 1-3 was introduced in 2021 and is continuously evaluated and adjusted as improved measurements and guidance are available.

Total energy consumption

Total energy consumption includes all energy consumed under Scope 1 and 2. The underlying data is extracted from invoices from Hartmann's energy suppliers, readings by fuel suppliers and meter readings. All figures have been converted to MWh.

Renewable energy

Renewable energy consists of energy produced from rice husk and a proportion of the electricity consumed based on data about the energy mix provided by Hartmann's energy suppliers.

Water usage

Water usage is based on specific meter readings from all Hartmann plants for the water intake.

Share of recycled raw materials

The share of recycled raw materials includes paper and cardboard used in the production of moulded-fibre egg and fruit packaging, and paper and cardboard used in the production of lids for Hartmann's hybrid egg packaging (North America) and labels.

Volume produced under ISO certificates (environmental)

The share of total manufactured volume produced at plants certified in accordance with the ISO standards listed below.

- ISO 14001 Environmental Management System
- ISO 50001 Energy Management System

Social

Injury rate (LTI-FR)

Lost Time Incidents are injuries sustained at work resulting in an employee being absent from the workplace. The injury rate is calculated as: Lost Time Incidents / Total number of working hours / 1,000,000.

Gender diversity

Gender diversity shows the share of female employees relative to male employees.

Volume produced under ISO certificates (social)

The share of total manufactured volume produced at plants certified in accordance with the ISO standards listed below.

- ISO 45001 Occupational Health and Safety Management
- ISO 22000 Food safety Management System

Governance

Instances of whistleblowing

Number of reports through Hartmann's international whistleblower program, which is available to all employees and external stakeholders.

Female representation (parent company)

Share of female representatives among the following definitions of managerial levels:

The top managerial level consists of the shareholder-elected members of the board of directors. Other managerial level consists of two layers: 1) the executive and group management team members, and 2) all leaders referring to the first level with management responsibility.

Corporate memberships

- UN Global Compact
- UN Global Compact – Caring for Climate
- Science Based Targets initiative

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