

SUSTAINABILITY

REPORT

HAGS
GROUP
2024



HAGS®

TIP
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About the report

HAGS' sustainability report covers the fiscal year 2024.. Unless otherwise indicated, key figures in the report apply to the entire HAGS group. The report contains projections, assumptions, and forward-looking statements reflecting the Company's perspectives on performance, targets, commitments, or operational outcomes. These statements are based on the Company's expectations at the time of the report and may be subject to uncertainties. Readers should be aware that some statements are forward-looking, and circumstances may change as anticipated events unfold.

At HAGS, we are progressing towards implementing the EU Corporate Sustainability Reporting (CSRD). Along this journey, certain assumptions and estimates are made that carry some uncertainty. These are based on the company's current knowledge and available information and should not be assumed to fully represent impacts, risks, opportunities, or performance.

Our Sustainability report is now part of our annual reporting cycle and will be updated every 12 months to reflect new data, new insights and revised targets.





Inspiring All Generations

Our goal is to collaboratively create a sustainable society for future generations, especially for today's children. In our efforts, we adhere to the UN's Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Declaration against Corruption, and the ILO's eight core conventions. At HAGS, sustainability reflects both our history and our future. As we approach 77 years in business, we can confidently say that we have always cared for both the environment and people, even when the term "sustainability" wasn't as commonly used.

As a company, we have a responsibility to ensure that our operations are sustainable in economic, social, and environmental aspects. Our brand promise, "inspiring all generations," embodies our commitment to care and sustainability. In creating active and sustainable outdoor environments, we aim to manufacture and deliver products in the gentlest and most responsible way possible, benefiting both people and the environment throughout the entire supply chain.

While we've made significant strides in our first 76 years, we are committed to continuous improvement and development to enhance sustainability within our operations. Our planet requires strong action, and we must take it together.



**Our planet demands
that we take strong
action – together.**

Cleaner air. Healthier Environments. Equality. Improved Employment Opportunities.

These issues really matter and are important to us all. Recognizing that progress takes time and sustained effort, we must all collectively take actions to facilitate and make the changes that contribute to better lives on a healthier planet.

As we continued to provide communities with essential play, sports, and furniture solutions, in 2024, we pledged to our stakeholders and each other to accelerate our efforts in sustainability. We embarked on numerous exciting initiatives aimed at establishing us as leaders in our competitive field:

- In 2024, we continued our collaboration by engaging a Global Sustainability Consultant, whose expertise supported the development of a CSRD-compliant sustainability reporting cycle.
- We expanded our greenhouse gas (GHG) accounting to include Scope 3 emissions, in addition to the previously calculated Scope 1 and 2 emissions for the entire HAGS Group.
- As part of our circular economy strategy, in 2024 we advanced our material transition efforts by gradually replacing conventional inputs with materials containing higher recycled content. This ongoing process not only reduces our dependence on virgin resources but also supports the development of more circular product lifecycles.
- We reached a significant milestone in our circular economy efforts by obtaining Nordic Swan Ecolabel certification for selected playground and outdoor furniture products.
- We continued our work on Life Cycle Assessments (LCA) to deepen our understanding of product impacts, with the process requiring ongoing cross-functional collaboration.
- We continued to pursue our environmental goals by systematically reducing the consumption of water, energy, and heating fuel across our facilities. These reductions are the result of ongoing investments in more efficient technologies and process improvements, reinforcing our long-term commitment to resource efficiency and climate impact mitigation.

Despite these considerable achievements, we still have a long way to go before we can say we are truly sustainable. Whilst others around us are “Greenwashing” we are staying true to our commitment to real changes that make a difference and will only increase our efforts to educate both our commercial teams and customers on the complex and sometimes confusing topic.



It's an exciting time for the HAGS family and I remain immensely proud of the work our team is undertaking to address this topic in such a credible way. I eagerly anticipate our most significant investment to date: the installation of 2,328 sqm of photo voltaic panels at our production facility in Sosnowiec, Poland, which will cover over 12% of our operational energy needs and electric vehicle charging and put us on the pathway to reducing our carbon footprint even further still.

The installation of the panels was completed in 2024, and the next step is connecting them to the supplier's distribution network. In the meantime, we plan to implement a tool called the 'power guardian,' which will allow us to use the energy produced by the photovoltaic panels for internal purposes and replace the energy used from the grid with energy from the panels.

I believe that our continued integration of sustainability into our business model one step at a time will lead to a credible, authentic, and sustainable business for future generations.

Mark Hoskins
Managing Director

Sustainability Strategy

At HAGS, our core sustainability goals are shaped by aligning three key areas: our overarching ESG and CSRS frameworks, input from key stakeholders (customers, suppliers, and employees), and our own Sustainability Framework focused on Planet, Communities, People, Products and Supply Chain. This integrated approach ensures our goals reflect both internal priorities and external expectations. Fully embedded in our business strategy to drive growth and profitability, these goals are designed to be clear, actionable, and inclusive enabling all stakeholders to engage and contribute to their successful delivery.

5 FOCUS AREAS



In continuation of our Strategy, we have also ensured consistency with the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015. We act in compliance with Agenda 2030: the initiatives and actions taken by us form a part of the designated goals.

In 2024, our actions focused on:

- Investing in renewable energy sources and environmentally friendly technologies.
- Taking actions to protect the climate and reduce greenhouse gas emissions.
- Supporting sustainable urban development. Promoting responsible production and consumption.
- Taking actions to protect the climate and reduce greenhouse gas emissions.
- Supporting biodiversity conservation.
- Raising employees' environmental awareness on sustainable development, ecology, and climate change.
- Implementing policies and procedures to prevent and counteract undesirable behaviors.



HAGS 2034 Vision

People (Social):

By 2034, HAGS will be a global leader in inclusive, community-driven design, empowering play for all ages and abilities. We will foster a diverse, safe, and equitable workplace, and actively support the wellbeing of the communities we serve through meaningful engagement, ethical sourcing, and fair labour practices across our supply chain.

Planet (Environment):

HAGS will design for circularity, using sustainable materials like thermally modified pine, increasing product recyclability, and reducing emissions across our operations. We aim for measurable progress in our environmental impact targeting carbon neutrality, full product LCA assessments and ecolabeling across 100% of our core range.

Profit (Economic):

We aim to reach \$200 million in annual revenue by 2034, delivering greater than 15% EBITDA through operational excellence, strategic market expansion, and innovation leadership in play and park solutions. Our profitability will fuel reinvestment into sustainability, social initiatives, and continued customer value.



We are HAGS

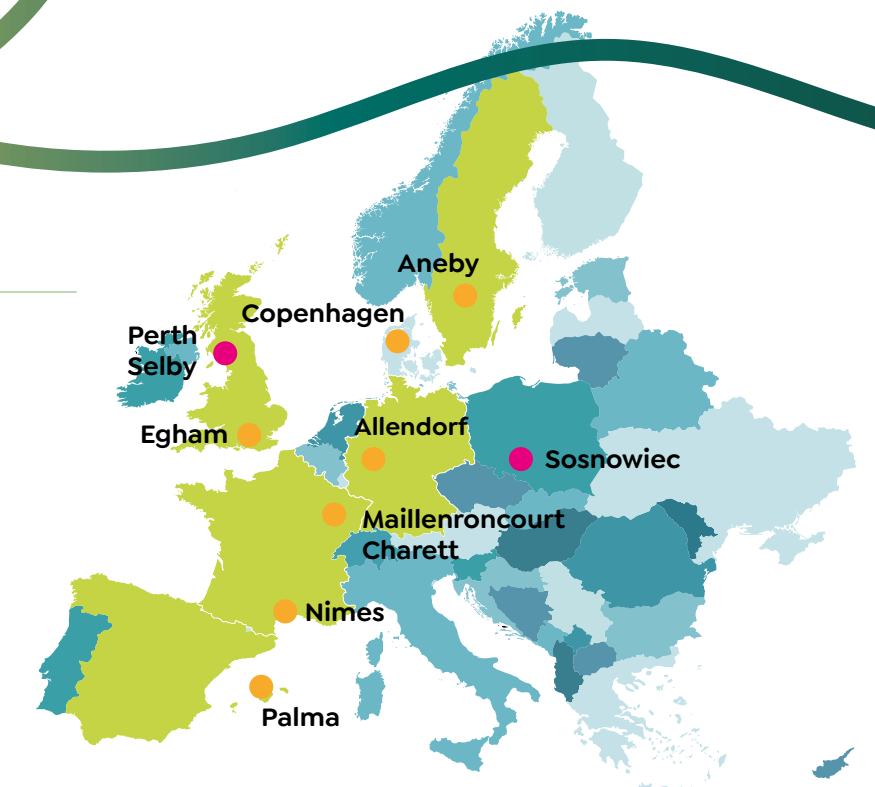
Organization

- 

HAGS COMPANIES
Sweden, Denmark, United Kingdom, France, Germany, Spain.
- 

PRODUCTION
Poland Sosnowiec
United Kingdom Perth and Selby
- 

SALES COMPANIES



HAGS are part of PlayPower. A harmonised group of companies selling recreational solutions in multiple markets globally.

www.playpower.com

GENERAL INFORMATION

Market Trends

The playground, furniture and fitness equipment market is experiencing several notable trends that reflect changing societal needs.

Inclusive Playgrounds

There is a strong focus on inclusivity, ensuring playgrounds are accessible to children of all abilities. This includes incorporating ramps, sensory panels, and wheelchair-accessible equipment throughout the play area to foster social interaction and inclusivity.

Natural and Eco-Friendly Designs

Incorporating the natural environment into a play space whilst minimising maintenance implications continues to be common, promoting imaginative play and a connection to nature. Additionally, there is a growing emphasis on using sustainable materials and eco-friendly designs to minimize environmental impact.

Outdoor Learning and Educational Play

Playgrounds are evolving into educational spaces where children can engage in play-based learning. Features like interactive games, puzzles, and themed play structures that teach science, technology, engineering, and math (STEM) concepts are becoming popular.

Multi-Generational Play Spaces

Recreational spaces are being designed to cater to all age groups, with equipment that encourages family interaction and community bonding. This trend includes providing multi-functional facilities that incorporate multi-sports equipment, outdoor fitness equipment, park and urban furniture and walking paths that provide opportunities for a greater range of users.

Challenging and Active Play

There is a shift towards more physically engaging playgrounds with equipment that challenges children to climb, balance, and navigate obstacles. This trend aims to promote the development of physical/emotional resilience as part of an active play environment.

Covered and Shaded Areas

To protect children from sun exposure and extend playtime, many playgrounds now feature shaded areas using natural elements or fabric structures. These areas provide a safe and cool environment for children to play in various weather conditions.

These trends highlight a shift towards creating playgrounds that are not only fun but also inclusive, educational, and environmentally friendly, catering to the diverse needs of communities and enhancing the overall play experience for children and families.

Business Strategy

HAGS designs, manufactures, supplies, installs, and maintains playground equipment for both public and private sectors, with most of our business coming from Local Government Authorities and Educational Institutions. Most of our playground equipment is produced in Poland.

Soon, HAGS’ sustainability strategy will become more defined and closely aligned with our corporate business strategy. This ongoing effort is informed by a double materiality analysis and the expectations of various stakeholders, including regulators, customers, employees, owners, and the financial market.

HAGS has a multifaceted business strategy that encompasses several key elements:

Product Innovation HAGS focuses on continuous product innovation to meet evolving customer needs and preferences. This typically involves developing new play equipment & furniture designs based on materials with a low carbon and environmental footprint.	Quality Assurance Ensuring high-quality products that meet safety standards is crucial for HAGS. We have extensive quality control measures throughout the manufacturing process to maintain product excellence and customer satisfaction.
Market Expansion HAGS continues to pursue strategies to expand its market presence, both geographically and across different customer segments. This typically involves targeting new regions or markets, such as educational institutions, municipalities, or commercial developments.	Customer Satisfaction Building strong relationships with customers is a significant priority for HAGS. This includes providing exceptional customer service, offering extensive customization options, and actively seeking feedback to improve products and services.
Sustainability Given the growing emphasis on sustainability, HAGS is integrating environmental considerations extensively into our business strategy. This includes but is not limited to using materials with a lower environmental footprint, reducing waste in manufacturing processes, circular design principles, and promoting the longevity of the products that we manufacture.	Partnerships and Collaborations Collaborating with other organizations, such as landscape architects, industrial designers, urban planners, and community groups, is a key part of HAGS’ strategy to create integrated outdoor recreational spaces and increase brand visibility.

Overall HAGS continues to pursue a strategy that combines product excellence, customer-centricity, sustainability, and strategic partnerships to maintain its position as **a leader in the outdoor recreational equipment industry.**

Our Engagement with Stakeholders

In 2024, through the ESG surveys, we have engaged our key stakeholders once again: customers, suppliers, and employees. The conducted analysis confirmed our previously identified material matters and also highlighted other less significant issues.

The survey results have been compiled and are presented as the percentage of respondents who want HAGS to focus on each specific topic. The answers were color-coded based on the following percentages: topics with 30-49% were highlighted in amber, and those with over 50% were highlighted in red.

The most important topics for HAGS to focus on according to Government/Customers, Employees, and Suppliers are as follows:

	ESG-Topics	Government /Customers	Employees	Suppliers
ENV	Waste	50%	53%	42%
SOC	Working conditions (such as secure employment, working time, adequate wages)	62%	92%	77%
	Equal treatment and opportunities for all (such as gender equality, training and skills)	85%	70%	73%
	Personal safety of end-users (such as health and safety, security and protection of children)	62%	57%	46%
GOV	Corporate culture	62%	84%	54%



ESG-topics result:

	ENVIRONMENTAL	ESG-topics result:			
		Total Emissions by Scope	Emission (%)	Emission (t CO ₂ eq)	Emission (t CO ₂ eq)
		Adaption to climate change	38	28	35
		Climate change mitigation	31	24	25
		Energy	27	49	46
		Pollution of Air	27	18	25
		Pollution of Water	12	8	23
		Pollution of Soil	0	6	10
		Pollution of living organisms and food resource	8	8	4
		Substances of concern	4	26	17
		Substances of very high concern	4	7	17
		Microplastics	31	13	15
		Water Consumption	4	14	10
		Water withdrawals	0	1	0
		Water discharge	8	1	4
		Water discharge in the oceans	8	2	6
		Extraction and use of marine resources	8	1	0
		Direct impact of biodiversity loss such as land-use change, direct exploitation	27	4	4
		Impacts on the state of species	0	2	4
		Impacts on the extent and contiditon ecosystems such as land degradation	0	6	4
		Impacts on dependencies on ecosystem services	0	2	4
		Resources inflows, including resources use	8	17	4
		Resources outflows related to products and services	8	13	0
		Waste	50	53	42
	SOCIAL	Working conditions (such as secure employment, working time, adequate wages	62	92	77
		Equal treatment and opportunities for all such as gender equality, traning and skills	85	70	73
		Other work-related rights (such as child labour and forced labour9	23	12	38
		Communities' economic, social and cultural rights (such as security related impacts	12	22	21
		Communities' civil and political rights	12	9	6
		Rights of indigenous peoples (such as cultural rights and self-determination)	8	1	10
		Information-related impacts for end-users (such as access to quality information)	0	13	10
		Personal safety of end-users	62	57	48
		Social inclusion of end-users (such as non-discrimination)	38	25	17
		Corporate Culture	62	84	54
	GOVERNMENTAL	Protection of whistle-blowers	19	9	21
		Animal welfare	23	5	25
		Political engagement and lobbying activities	12	4	10
		Management of relationships with suppliers including payment practices	38	67	48
		Incidents, detection and training	46	30	42



At HAGS, we regularly connect and engage with our stakeholders through various channels to gain insights into their expectations, needs, and concerns regarding both current and emerging environmental, social, and governance (ESG) issues. The table on next page presents examples of our stakeholder engagements and outlines the primary ESG-related topics and concerns identified by different stakeholder groups.

The interests and viewpoints of stakeholders have been identified in the stakeholder analysis and engagement. These insights have been used to map out the HAGS value chain and in the double materiality assessment. Work is underway to consider the results from the stakeholder analysis and dialogue activities to implement them in our strategy and business model.

Stakeholders

Stakeholder Group	Example of Engagement	Expectations, Concerns and Topics raised
Government customers	• Sales team day-to-day communication • Customer RFP requests and tender processes	• Customers value sustainability in products and services, support companies that communicate their practices • They want HAGS to enhance visibility of their initiatives, obtain relevant certifications, and deliver social value by protecting the environment and promoting local skills and employment.
Employees	• Employee surveys • Day-to-day communication • Staff meetings • Dialogue with union representatives	• Most employees value sustainability for cost savings, brand reputation, and compliance • Effective engagement includes workshops, incentives, and communication • Challenges are resistance, lack of resources, and limited awareness • Preferred communication methods are newsletters, social media, and workshops, focusing on local skills, businesses, and environmental protection
Shareholders and investors	• Investor dialogues • Management meetings	• Long term business, value, growth and profitability, as well as strong market position with availability to compete • Available financial reports and development strategies • Production with sustainable process, both regarding choices of material and ways of production • Credibility around sustainability claims • Return on investment in the form dividends, capital, appreciation, or interest payments. • Low warranty risk, good working conditions and great leadership
Users	• Face-to-face Consultation in a number of local Schools • Community consultations to understand needs • Product development and play tests	• A fun, exciting, enjoyable, and colourful area • Products that are dependable but challenge them physically and in all other areas of their personal development. • Innovative products • Products produced in a sustainable way by a credible and reputable organisation • Accessibility, health promoting and possibilities to interact with other children and adults.
Regulators	• Policy advocacy • External analysis • External subject experts	• Legislation covered in all areas • Compliance • Transparency • Non-greenwashing

Stakeholder Group	Example of Engagement	Expectations, Concerns and Topics raised
Ecolabel providers	• Eco-label requirements and direct communication	• Certifications
Environment	• Research and reports of environmental impact • External subject experts	• HAGS to minimize harmful impact on environment • Reduce carbon footprint • Reduce waste and pollution • Biodiversity protection • HAGS to apply modern technologies e.g. Use fossil free energy for manufacturing plants • Manage natural resources in an efficient and sustainable way
Distributor	• Discussion with HAGS Advisory Group • Sales Conference Event • Annual Feedback Survey	• Targets to be defined and set by HAGS.
Community	• Questionnaires on Social Media platforms	• Safe, fun, and good quality low maintenance products • Aesthetic and inclusive products, located at accessible and comfortable spaces • Opportunities for health promoting activities • HAGS' products to have a positive impact on the community with different equipment for all age groups to provide a long-lasting legacy within the community • Consideration of environmental parameters
Suppliers	• Direct dialog, either website or one-to-one engagement through interviews with both direct and indirect suppliers • Case meetings, survey meetings • Local supply base in each country	• Suppliers focus on sustainability by reducing environmental impact, ensuring fair labor practices, holding ISO certifications and managing waste and emissions • They support communities, enhance energy efficiency, manage sustainability risks, and set ESG objectives in areas like energy consumption, carbon footprint, waste/circularity, and working environment.
Contractors	• Meeting sessions to discuss expectations and scope of assignment	• Targets to be defined and set by HAGS

The HAGS Leadership team is updated on stakeholder engagement through monthly meetings. These updates would include but not be limited to stakeholder feedback, and progress towards sustainability goals. Additionally, HAGS emphasizes transparent communication, ensuring leadership is aware of stakeholder concerns and the company's efforts to address them. This systematic approach helps the leadership team make informed decisions that align with HAGS' commitment to sustainability and stakeholder engagement.

HAGS Value Chain

HAGS relies on materials, energy, and people, with both current and potential impacts on the environment and communities throughout our entire value chain - from upstream suppliers to our own operations and downstream partners. The illustration below offers a simplified overview of where we currently understand these impacts, risks, and opportunities to arise. Identifying and assessing these factors is an ongoing process, and HAGS is committed to continuously enhancing our policies, strategy, actions, and targets to responsibly manage our key issues and uphold ethical business practices.

IMPACT AREAS		UPSTREAM VALUE CHAIN	OWN OPERATIONS	DOWNSTREAM VALUE CHAIN			
HAGS focus areas	Material ESRS topics	Suppliers	HAGS own operations	Sales & Distribution	Customers	End Users	End-of-Life
Maintain respect for our PLANET	Climate change						
Design PRODUCTS that support a circular economy	Resource use and circular economy						
Build a better business around our PEOPLE	Own workforce						
Work with a SUPPLY CHAIN we believe in	Governance and business conduct						
HAGS Geographical Scope		• Most direct suppliers are European based. • Countries around the world have varying interpretations and priorities when it comes to sustainability. We emphasize our commitment to a circular economy, prioritizing reuse, reduction, and repair first, and turning to recycling only as a last resort.	• Manufacturing in Poland & UK. • Warehouses in Poland & Sweden. Subsidiaries in Poland, UK, Sweden, France, Spain and Germany.	• Currently selling in approx. 80 countries worldwide. • 85% customers within municipalities, contractors and house builders. • 15% customers within education, leisure, hospitality and retail.	• Users in approx. 80 countries worldwide. • Countries around the world have varying interpretations and priorities when it comes to sustainability. We emphasize our commitment to a circular economy, prioritizing reuse, reduction, and repair first, and turning to recycling only as a last resort.		
HAGS Industry Environment context		• The majority of our procurement focuses primarily on materials, components, logistics, and energy. • Major focus on systematic risk assessment of suppliers.	• HAGS designs, manufactures, supplies, installs and maintains playgrounds and outdoor equipment to private and public sector. • Provides spare parts as part of warranties. • Direct marketing and sales.	• Sales through approx. 95 third party distributors. • Public procurement is common because of the customer segment.	• Technical product lifespan minimum 25+ years. • End-of-life product components made of materials e.g. Wood, HPL, HDPE, steel, aluminum and concrete. • HAGS products are designed and documented for simplified repairability.		

Double Materially Assessment / DMA - analysis

In 2023, HAGS began preparations for the upcoming EU reporting requirements under the Corporate Sustainability Reporting Directive (CSRD) and carried out our first Double Materiality Assessment (DMA), covering both impact materiality and financial materiality. We established the methodologies, assumptions, and process steps for conducting the DMA for each type of materiality.

In 2024, a DMA review was conducted, including workshops with consultants and employees from various locations and departments. These workshops facilitated in-depth discussions on the key sustainability issues facing our company and helped identify priority areas for action. The outcomes of the DMA review highlighted the most critical environmental, social, and governance (ESG) factors that could impact our business and stakeholders.

As a result of the DMA review, we have refined our sustainability strategy to focus on these priority areas. This includes setting more ambitious targets for reducing our carbon foot-print, enhancing our supply chain sustainability, and improving our social impact initiatives. The insights gained from the DMA review will guide our efforts to meet the CSRD requirements and ensure that our sustainability practices are aligned with the expectations of our stakeholders



We followed the key steps below:



We identified the sustainability topics outlined in the ESRS and defined the scope of our assessment accordingly. This process was enhanced by incorporating sustainability expertise from selected external experts and insights from industry peers.



A comprehensive value chain was established, serving as a crucial foundation for identifying stakeholders who can influence or be impacted by our business, as well as pinpointing where impacts, risks, and opportunities are present or may arise.



We conducted a stakeholder analysis to identify groups whose interests are, or could be, directly or indirectly impacted – either positively or negatively – by our business activities. With input from external experts, we explored potential stakeholder groups and held a series of workshops to define the relevant stakeholders for HAGS and determine how we engage with each group.



An initial assessment of impacts, risks, and opportunities has been conducted. HAGS’ current understanding is informed by the available information and data, including permits, research on product environmental impacts, ongoing stakeholder engagement, and customer requirements. The materiality analysis is an ongoing process that will be refined as we engage further with stakeholders and gather more qualitative and quantitative data.

We have aimed to incorporate best practices and have closely followed EFRAG guidelines for the double materiality assessment. Currently, the thresholds applied in this assessment are primarily qualitative, with the determination of material sustainability topics largely based on subjective judgment from our internal experts and external sustainability specialists.

Based on the materiality assessment, HAGS has identified, mapped, and analyzed where our company has the greatest impact and which sustainability risks and opportunities that are connected to our business:



The company’s board of directors and executive management team will receive a presentation and regular updates on the double materiality assessment.



We aim to validate our materiality assessment with stakeholder groups as part of our ongoing materiality analysis process. This will help ensure we’re on the right track and allow us to gather additional insights and input from our key stakeholders.

ENVIRONMENT

GOV-3

Respect our planet

We recognize the importance of conserving the Earth's resources and utilizing them sustainably to ensure future generations can enjoy a healthy and balanced environment. While we have made progress, we acknowledge there is still much work to be done. Our goal is to strategically plan and work towards achieving climate neutrality, outlining our journey as we move forward.



Integration of sustainability-related performance in incentive schemes

Sustainability issues have not been considered in the remuneration of members of the supervisory or management boards in the past.

Impacts, risks and opportunities

HAGS has identified significant climate change-related impacts across its value chain, particularly concerning energy usage in manufacturing, fuels for transportation, and product lifecycle. Climate change presents both risks and opportunities for HAGS. The risks primarily arise from changes in policies and regulations that can lead to higher costs due to carbon pricing and fluctuating energy prices.

Additionally, physical risks include severe weather events that could affect the availability and cost of materials needed for our products and components. On the other hand, opportunities lie in the growing demand for playgrounds and outdoor equipment with a low carbon footprint, such as solutions for shading to mitigate heat stress in urban areas.

SBM-3**Material impacts, risks and opportunities and their interaction with strategy and business model**

In 2023, the HAGS Group conducted a climate change risk analysis in collaboration with a specialist external consulting firm. The study identified physical and transformational risks related to climate change and sustainable development across short, medium, and long-term timeframes. It examined both threats and opportunities, assessing risks based on three dimensions: the likelihood of occurrence, the magnitude of impact, and the time horizon.



Probability means the possibility that a given threat/opportunity may occur with a given influence.

Impact represents the significance of the effects of a given threat/opportunity, if it occurs.

The time horizon is in advance determined by the validity date of the materiality assessment. The horizon was assessed on a point scale containing three time intervals: Short – Medium – Long.

Identified significant risks:

- Infrastructure related problems such as transportation of raw materials, products, and energy supply. E.g., increased energy consumption and costs due to cooling requirements
- Supply chain problems such as availability and costs of raw material
- Policy and legal risk. Increase of GHG/CO₂eq-market price. Lack of internal carbon pricing as a mechanism can create unexpected increase in cost of fossil energy (increase in cost of emissions in the future.)
- Policy and legal risk. More sectors covered by EU ETS and other regulations such as CBAM increases GHG/CO₂eq-market price.
- Market risk. Non-ability to meet client requirements and demand can have negative impact on business and financial performance.
- Market risk if suppliers do not reduce their emissions and are not able to meet HAGS or market needs (Scope 3 emissions).
- Transition risk. Non-available fossil-free energy and fuels in HAGS operations and distribution geographies.
- Market Risk. Non-ability to transit to fossil-free business.
- Technology risk such as possessing assets that are/will be outdated (old fossil-fuel operations and production technology)

Opportunities in relation to the risks:

- Adapting operations and products to changing climate. Creating resilience regarding own productions sites and material
- New market opportunities and competitive advantages by developing and offering products and services that support climate change mitigation and adaptation.
- Preparedness to meet new and tougher regulations, policies and client requirements and demands.
- Solid transition plan to decarbonization can bring competitive advantage against market competitors.
- Building supply chain ready to meet future requirements and demands.

Strategy and policies**E1-2****Policies in place to manage its material impacts, risks and opportunities related to climate change mitigation and adaptation.**

The HAGS Group has implemented an Integrated Management System Policy and a Sustainability Policy, which outline the Group's key priorities, particularly in maintaining a balance between natural and socio-economic factors. These policies ensure that both the Group's operations and its business partners are subject to continuous monitoring and evaluation of environmental and social impacts.

HAGS is also developing a climate change mitigation strategy, with components such as the Sustainability Policy and Climate Transport Policy. These focus on resource management, minimizing environmental impact, and improving transportation processes, including the delivery of products from manufacturing to clients. These policies will soon be updated and applied across the entire Group.

The HAGS Group's business model is committed to supporting and actively contributing to the development of a zero-emission economy. Ambitious, measurable goals have been established, with the highest priority placed on sustainability initiatives. Through systematic and focused sustainability efforts, we aim to help build a sustainable future for the next generation, today's children.

In 2022, HAGS adopted a Climate Policy for transportation in Sweden, which will be expanded globally by the end of the year. Since HAGS does not own its transport fleet, it is critical that our business partners are fully engaged in climate action. This policy helps reduce fossil fuel emissions from transportation and aligns the organization with global climate targets.

The Agenda 2030 and Paris Agreement serve as guiding frameworks, and HAGS is committed to contributing to the relevant goals and addressing the climate crisis. The main objective of the Climate Policy for transportation is to align with both global and local climate targets, while also supporting our partners, including municipalities and suppliers, in achieving their sustainability goals.

All HAGS transport suppliers are required to set climate targets that aim to reduce emissions by at least 70% by 2030, compared to 2010 levels. It is HAGS' responsibility to select transport suppliers that meet these standards.

Additionally, HAGS has a policy governing business travel, emphasizing that meetings must be both cost-effective and conducted in a way that minimizes environmental impact.

Targets

E1-4 Targets related to climate change mitigation and adaptation.

As part of the HAGS Sustainable Development Strategy, three operational goals related to climate change mitigation have been established for 2024.

- Reduction of electricity consumption by 15% in 2024 compared to 2023.
- Reduction of gas consumption by 5% in 2024 compared to 2023.
- Reduction of carbon footprint in Scope 1, 2, and 3 by 5% through CO2 offsetting.



**100%
2045**



Metrics

The HAGS Group reports Scope 1, Scope 2 and Scope 3 emissions according to the GHG Protocol methodology. The base year for this calculation is set as 2023.

Direct emissions- Scope 1 arise from the combustion of fuels at site or mobile sources owned or supervised by the company. These emissions also include emissions resulting from technological processes or escaping refrigerants.

Indirect emissions- Scope 2 arise from the consumption of imported electricity, heat, process steam and cooling. HAGS calculates Scope-2 emissions using two methods. The location-based calculation method considers the average energy intensity of the grid to which the energy consumer is connected. The market-based calculation method, on the other hand, highlights the informed choice of energy supplier by presenting emissions calculated according to the supplier-specific intensity.

In 2023 the Scope 3 emissions were not included in our calculations due to the complexity and difficulty in obtaining accurate data from external sources. We prioritized Scope 1 and Scope 2 emissions, which are directly related to our operations and easier to monitor and reduce.

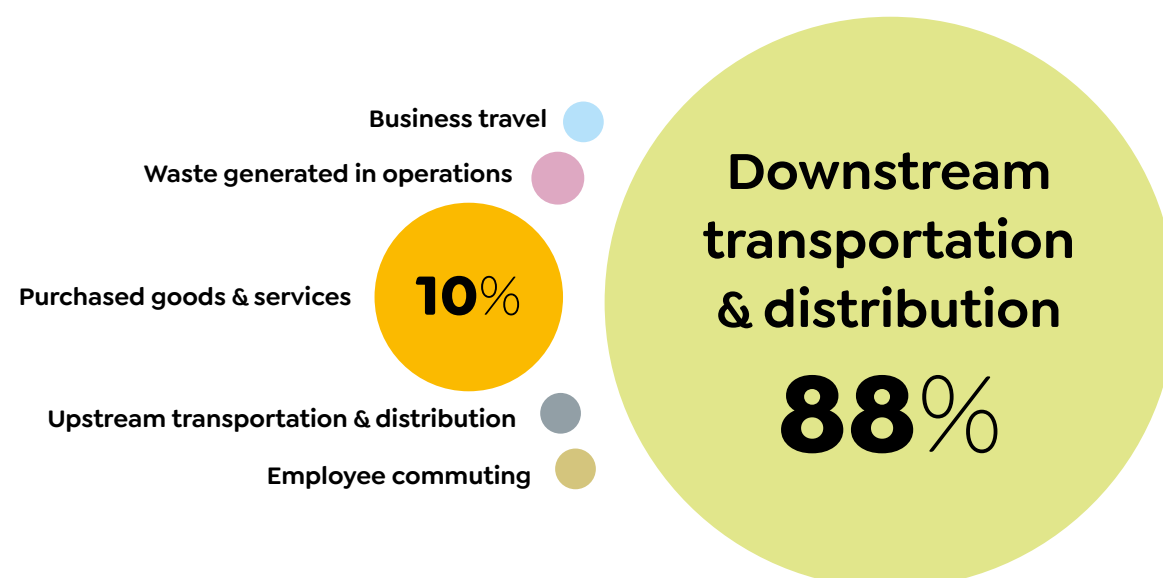
In 2024, the HAGS Group completed the process of mapping, verifying, and calculating its carbon footprint in Scope 3, taking into account data from plants in Poland, Sweden, and the UK. The period for which the company's greenhouse gas emissions were calculated is the year 2024.

This marks a significant step towards a more comprehensive understanding of our overall environmental impact.



Considering availability of data, the categories indicated have been estimated:

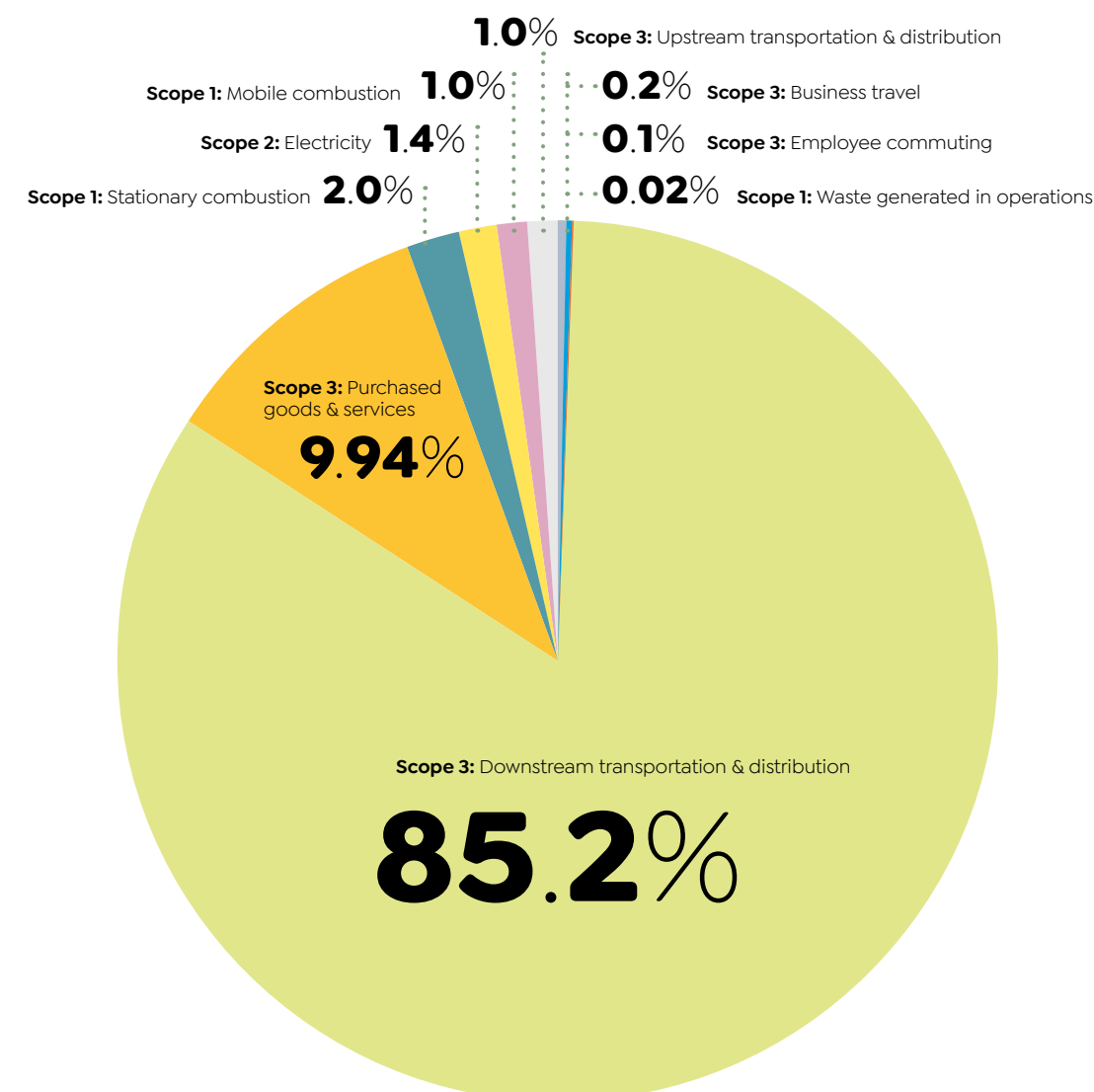
- Category 1 Purchased goods and services**
 Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 – 8.
- Category 4 Upstream transportation and distribution**
 Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company) • Transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company).
- Category 5 Waste generated in operations**
 Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company).
- Category 6 Business travel**
 Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company).
- Category 7 Employee commuting**
 Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).
- Category 9 Downstream transportation and distribution**
 Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting Company).



Main Metrics

Total Emission 83 857.2 tCO2eq	Emission per employee* 14 tCO2eq	Emission per income** -- tCO2eq/PLN	Energy consumption 4185.8 MWh
Scope 1 1 992.2 tCO2eq	Scope 2. Market Based method 1 200.9 tCO2eq	Scope 2. Location Based method 2 604.7 tCO2eq	Scope 3. 80 663.9 tCO2eq

Total Emissions by Scope (%)

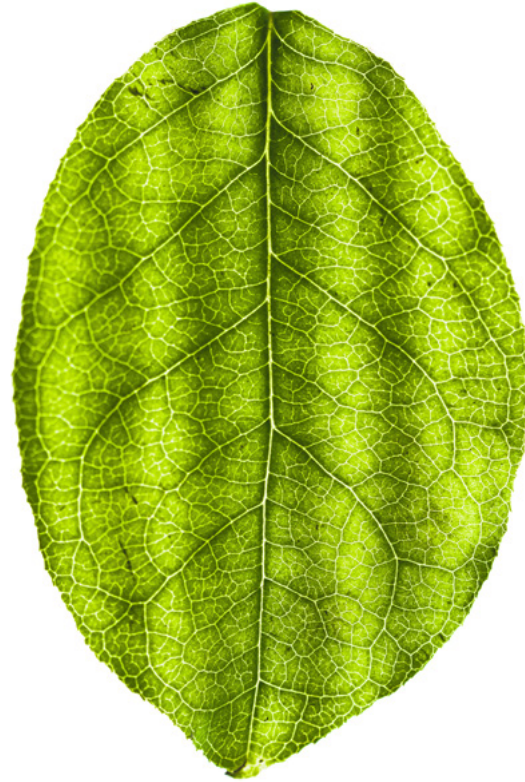


E1-5 Total energy consumption related to own operations.

The amount of greenhouse gas emissions in 2024 was calculated for all HACS Group companies whose activities are important and have a significant impact on the carbon footprint, especially in terms of direct emissions within scope 1. The carbon footprint was calculated in scope 1, scope 2 and scope 3 and included the following, decisive in terms of generating the company's carbon footprint.

The figures for 2024 show a significant increase in the consumption of natural gas at the HACS Poland (an increase by 63% year-on-year reflected in the line item Natural gas consumption for heating purposes).

The increase in gas consumption in 2024 compared to the previous year is due to higher gas usage for heating purposes. There was also a significant increase in burning oil consumption for heating purposes in the case of the Selby location, which affected the final value of fuel consumption from other fossil sources (MWh).



E1-5 Total energy consumption related to own operations	Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
Purchased electricity (MWh)	2 385	679	278	26	42	21	4	25	22	3 520	3 482	-38	-1%
Natural gas consumption in stationary combustion installations (m3)	132 472	0	444 650	0	0	0	0	0	0	519 431	577 122	+57 691	+11%
Energy from fuel combustion (natural gas) in stationary installations (MWh)	1 398	0	4 691	0	0	0	0	0	0	5 877	6 089	+212	+4%
Natural gas consumption for heating purposes (m3)	146 111	0	0	0	0	0	1 620	0	0	84 434	147 731	+63 297	+75%
Natural gas combustion for heating purposes (MWh)	1 541	0	0	0	0	0	18	0	0	955	1 560	+605	+63%
Total Natural gas consumption (MWh)	2 939	0	4 691	0	0	0	18	0	0	6 832	7 648	+816	+12%
Burning oil consumption for heating purposes (Mg)	0	0	34	0	0	0	0	0	2.1	42	36	-6	-15%
Burning oil consumption for heating purposes (MWh)	0	0	396	0	0	0	0	0	25	1	421	+420	+77 869%
Propane consumption for heating purposes (m3)	0	0	0	15	0	0	0	0	0	31	15	-15	-50%
Propane consumption for heating purposes (MWh)	0	0	0	0.4	0	0	0	0	0	1	0.4	-0.4	-50%
Energy from biomass combustion for heating purposes (MWh)	0	702	0	0	0	0	0	0	0	1 404	702	-702	-50%
Total Energy consumption (Mwh)	5 324	1 381	5 365	26	42	21	22	25	47	11 165	12 253	+1 088	+10%

E1-5 Total energy consumption from fossil sources

The table below depicts the energy consumption of the HACS Group in 2024

Energy consumption and mix (MWh)	Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
(1) Fuel consumption from coal and coal products	0	0	0	0	0	0	0	0	0	0	0	-	-
(2) Fuel consumption from crude oil and petroleum products	0	0	0	0	0	0	0	0	0	0	0	-	-
(3) Fuel consumption from natural gas	2 939	0	4 691	0	0	0	18	0	0	6 833	7 648	+815	+12%
(4) Fuel consumption from other fossil sources	0	0	396	0.4	0	0	0	0	25	0.4	421	+421	+105 258%
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	1 712	0	158	0	34	14	2	18	11	1 714	1 948	+234	+14%
(6) Total fossil energy consumption (sum of lines 1 to 5)	4 651	0	5 245	0	34	14	21	18	35	8 547	10 018	+1 471	+17%
Share of fossil sources in total energy consumption (%)	72%	0%	44%	0%	23%	43%	56%	7%	48%	77%	82%	-	+5%
(7) Consumption from nuclear sources	0	0	666	0	19	3	0.2	12	0	28.8	701	+672	+2 333%
Share of renewable sources in total energy consumption (%)	0%	0%	12.7%	0%	57%	24%	1%	65%	0%	0.26%	6%	-	+5%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc)	0	702	0	0	0	0	0	0	0	813	702	-111	-14%
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources.	673	679	120	26	8	7	2	7	11	1 778	1 534	-244	-14%
(10) The consumption of self-generated non-fuel renewable energy.	0	0	0	0	0	0	0	0	0	0	0	-	-
(11) Total renewable energy consumption (sum of lines 8-10)	673	1 381	120	26	8	7	2	7	11	2 591	2 236	-355	-14%
Share of renewable sources in total energy consumption (%)	28.22%	100%	43%	100%	20%	33%	43%	28%	52%	23%	18%	-	-5%
Total energy consumption (sum of lines 6-11)	5 324	1 381	5 365	26	42	21	22	25	47	11 166	12 253	+1 087	+10%

E1-5 Total energy consumption from nuclear sources & Percentage of energy consumption from nuclear sources in total energy consumption

Energy consumption and mix (MWh)	Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
(7) Consumption from nuclear sources	0	0	666	0	19	3	0.2	12	0	28.8	701	+672	+2 333%
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%	12.7%	0%	57%	24%	1%	65%	0%	0.26%	6%	-	+5%

E1-5 Total energy consumption from renewable sources

Energy consumption and mix (MWh)	Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc)	0	702	0	0	0	0	0	0	0	813	702	-111	-14%
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources.	673	679	120	26	8	7	2	7	11	1 778	1 534	-244	-14%
(10) The consumption of self-generated non-fuel renewable energy.	0	0	0	0	0	0	0	0	0	0	0	-	-
(11) Total renewable energy consumption (sum of lines 8-10)	673	1 381	120	26	8	7	2	7	11	2 591	2 236	-355	-14%

E1-5 Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources

Energy consumption and mix (MWh)	Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources.	673	679	120	26	8	7	2	7	11	1 778	1 534	-244	-14%

E1-5 Percentage of renewable sources in total energy consumption

Energy consumption and mix (MWh)	Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc)	0	702	0	0	0	0	0	0	0	813	702	-111	-14%
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources.	673	679	120	26	8	7	2	7	11	1 778	1 534	-244	-14%
(10) The consumption of self-generated non-fuel renewable energy.	0	0	0	0	0	0	0	0	0	0	0	-	-
(11) Total renewable energy consumption (sum of lines 8-10)	673	1 381	120	26	8	7	2	7	11	2 591	2 236	-355	-14%
Share of renewable sources in total energy consumption (%)	28.22%	100%	43%	100%	20%	33%	43%	28%	52%	23%	18%	-	-5%

E1-5 Disaggregation of total energy consumption from fossil sources & Percentage of fossil sources in total energy consumption:

- Fuel consumption from coal and coal products.
- Fuel consumption from crude oil and petroleum products.
- Fuel consumption from natural gas.
- Fuel consumption from other fossil sources.
- Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources.



Energy consumption and mix (MWh)	Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
(1) Fuel consumption from coal and coal products	0	0	0	0	0	0	0	0	0	0	0	-	-
(2) Fuel consumption from crude oil and petroleum products	0	0	0	0	0	0	0	0	0	0	0	-	-
(3) Fuel consumption from natural gas	2 939	0	4 691	0	0	0	18	0	0	6 833	7 648	+815	+12%
(4) Fuel consumption from other fossil sources	0	0	396	0.4	0	0	0	0	25	0.4	421	+421	+105 258%
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	1 712	0	158	0	34	14	2	18	11	1 714	1 948	+234	+14%
(6) Total fossil energy consumption (sum of lines 1 to 5)	4 651	0	5 245	0	34	14	21	18	35	8 547	10 018	+1 471	+17%
Share of fossil sources in total energy consumption (%)	72%	0%	44%	0%	23%	43%	56%	7%	48%	77%	82%	-	+5%

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions – GHG emissions per scope

Limits of Reported Emissions

The calculations for the controlling company, HAGS Group, include fuel and energy consumption without exclusions. The calculations for the HAGS Group of companies encompass all subsidiaries.

"In terms of Scope 3, the calculation includes subsidiaries with significant operational activities in 2024 that would materially impact emissions from this scope.

Scope of Reported Emissions

The HAGS Group reports Scope 1 and Scope 3 emissions according to the GHG Protocol methodology. The carbon footprint has been calculated according to the GHG Protocol into three scopes: Scope 1 (direct emissions), Scope 2 (indirect electricity-related emissions), and Scope 3 (value chain-related emissions).

In 2023 the Scope 3 emissions were not included in our calculations due to the complexity and difficulty in obtaining accurate data from external sources. We prioritized Scope 1 and Scope 2 emissions, which are directly related to our operations and easier to monitor and reduce. However, in 2024, we began collecting data for Scope 3 emissions, including 6 out of the 15 categories. Those are: Business travel, Downstream transportation and distribution, Employee commuting, Purchased goods and services, Upstream transportation and distribution, Waste generated in operations. This marks a significant step towards a more comprehensive understanding of our overall environmental impact.

Calculation Methodology and Assumptions

The emission calculations in Scope 1 and Scope 3 used the factors published in Greenhouse gas reporting, i.e., 2024 conversion factors Greenhouse gas reporting: conversion factors 2024. The calculations covered seven greenhouse gases: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ included in the GHG Protocol. Emission values are given in tonnes (Mg) of the standard carbon dioxide equivalent unit (CO₂e).

Detailed information on these emissions factors can be found by clicking the link granting access to comprehensive and reliable data to analyse and optimise their carbon footprint.

Data on electricity consumption, solid fuels, purchased goods and services, transport, waste, and other factors used in the calculations primarily came from the company's internal records.

The calculated categories included: Category 1: Purchased goods and services, Category 4: Upstream transport and distribution, Category 5: Waste generated from operations, Category 6: Business travel, Category 7: Employee commuting, Category 9 Downstream transportation and distribution.

The calculations have been developed using internationally recognized standards and best practices for determining a company's carbon footprint, based on operational data provided by HAGS. Responsibility for the completeness and accuracy of the data lies with the HAGS Group. The calculation tool used by HAGS Group for their calculations has received certification of methodological compliance with GHG Protocol and ISO 14064-1 standards, issued based on an independent audit by TUV Nord.

GHG emissions

GHG Emissions for HAGS in Total		Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
SCOPE	Emission Source category	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)
SCOPE 1	TOTAL	588.61	26.63	1 105.72	24.46	82.66	12.62	48.98	27.19	75.56	1619.19	1 992.43	+373	+23%
SCOPE 2 Location Based	TOTAL	1 594.65	928.54	55.98	5.04	8.87	2.52	0.3	0.76	8.08	2 048.79	2 604.73	+556	+27%
SCOPE 2 Market Based	TOTAL	1 162.54	5.11	13.90	1.76	5.65	4.82	1.0	1.01	5.07	1 532.18	1 200.86	+331	-22%
SCOPE 3	TOTAL	80 373.42	94.68	136.73	39.12	19.96	0	0	0	0	-	80 663.91	-	-



	Total Emissions by Scope	Emission (%)	Emission (t CO ₂ eq)
Scope 1:	Fugitive emissions	0	0
Scope 1:	Mobile combustion	0.450	376.8810
Scope 1:	Process emissions	0	0
Scope 1:	Stationary combustion	1.927	1615.546
Scope 2:	Cooling	0	0
Scope 2:	Electricity	1.432	1200.858
Scope 2:	Heat	0	0
Scope 2:	Steam	0	0
Scope 3:	Business travel	0.238	199.717
Scope 3:	Capital goods	0	0
Scope 3:	Downstream leased assets	0	0
Scope 3:	Downstream transportation and distribution	85.2	71431.581
Scope 3:	Employee commuting	0.085	71.264
Scope 3:	End of life treatment of sold products	0	0
Scope 3:	Franchises 0.000 0	0	0
Scope 3:	Investments 0.000 0	0	0
Scope 3:	Other Fuel and Energy	0	0
Scope 3:	Processing of sold products	0	0
Scope 3:	Purchased goods and services	0.946	8338.332
Scope 3:	Upstream leased assets	0	0
Scope 3:	Upstream transportation and distribution	0	0.235
Scope 3:	Use of sold products	0	0
Scope 3:	Waste generated in operations	0.722	605.568

E1-6 GHG emissions - by country, operating segments, economic activity, subsidiary, GHG category or source type

In 2024, emissions in the SCOPE 1 category increased by 373.239 MgCO₂e. This rise was mainly due to a 48% increase in emissions from stationary processes, which now include emissions from heat that were categorized under Scope 2 in 2023. This change in methodology, along with the transition to low-emission energy providers, contributed to a 22% decrease in Scope 2 emissions compared to 2023.

GHG Emissions for HACS in Total		Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
SCOPE	Emission Source category	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)
SCOPE 1	TOTAL	588.613	26.631	1105.722	24.459	82.661	12.617	48.981	27.185	75.558	1619.188	1992.43	+373	+23%
SCOPE 1	Stationary Combustion	569.870	0	1011.114	23.964	0.213	0	3.328	0	7.057	1089.523	1615.546	+526	+48%
SCOPE 1	Process Sources	0	0	0	0	0	0	0	0	0	0	0	-	-
SCOPE 1	Mobile Combustion	18.743	26.631	94.608	0.495	82.448	12.617	45.652	27.185	65.501	509.855	376.88	-133	-26%
SCOPE 1	Fugitive Emissions	0	0	0	0	0	0	0	0	0	19.810	0	-20	-100%
SCOPE 2 Market Based	TOTAL	1162.54	5.106	13.903	1.76	5.648	4.824	0.998	1.011	5.068	1532.183	1200.858	-331	-22%
SCOPE 2 Market Based	Purchased Electricity	1162.54	5.106	13.903	1.76	5.648	4.824	0.998	1.011	5.068	1209.304	1200.858	-8	-1%
SCOPE 2 Market Based	Heat	0	0	0	0	0	0	0	0	0	322.879	0	-323	-100%
SCOPE 2 Market Based	Steam	0	0	0	0	0	0	0	0	0	0	0	-	-
SCOPE 2 Market Based	Cooling	0	0	0	0	0	0	0	0	0	0	0	-	-
SCOPE 3	TOTAL	80373.418	94.682	136.73	39.119	19.961	0	0	0	0	-	80663.91	-	-
SCOPE 3	Business Travel	19.745	4.731	123.380	36.279	15.583	0	0	0	0	-	199.718	-	-
SCOPE 3	Capital Goods	0	0	0	0	0	0	0	0	0	-	0	-	-
SCOPE 3	Downstream leased assets	0	0	0	0	0	0	0	0	0	-	0	-	-
SCOPE 3	Downstream Transportation and Distribution	71351.574	80.007	0	0	0	0	0	0	0	-	71431.581	-	-
SCOPE 3	Employee Commuting	41.574	9.121	13.351	2.804	4.378	0	0	0	0	-	71.264	-	-
SCOPE 3	End of life treatment of sold products	0	0	0	0	0	0	0	0	0	-	0	-	-
SCOPE 3	Franchises	0	0	0	0	0	0	0	0	0	-	0	-	-
SCOPE 3	Investments	0	0	0	0	0	0	0	0	0	-	0	-	-
SCOPE 3	Other Fuel and Energy	0	0	0	0	0	0	0	0	0	-	0	-	-
SCOPE 3	Processing of sold products	0	0	0	0	0	0	0	0	0	-	0	-	-
SCOPE 3	Purchase goods and services	8338.332	0	0	0	0	0	0	0	0	-	8338.332	-	-
SCOPE 3	Upstream leased assets	0	0	0	0	0	0	0	0	0	-	0	-	-
SCOPE 3	Upstream Transportation and Distribution	17.214	0.235	0	0	0	0	0	0	0	-	17.449	-	-
SCOPE 3	Use of sold products	0	0	0	0	0	0	0	0	0	-	0	-	-
SCOPE 3	Waste generated in operations	604.980	0.589	0	0	0	0	0	0	0	-	605.569	-	-

E1-6 Gross Scope 1 greenhouse gas emissions

E1-6 Gross location-based Scope 2 greenhouse gas emissions

E1-6 Gross market-based Scope 2 greenhouse gas emissions

GHG Emissions for HACS in Total		Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
SCOPE	Emission Source category	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)
SCOPE 1	TOTAL	588.61	26.63	1105.72	24.46	82.66	12.62	48.98	27.19	75.56	1619.19	1992.43	+373	+23%
SCOPE 2 Location Based	TOTAL	1594.65	928.54	55.98	5.04	8.87	2.52	0.3	0.76	8.08	2048.79	2604.73	+556	+27%
SCOPE 2 Market Based	TOTAL	1162.54	5.11	13.90	1.76	5.65	4.82	1.0	1.01	5.07	1532.18	1200.86	+331	-22%

E1-6 Scope 2 Location-based

GHG Emissions for HACS in Total		Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
SCOPE	Emission Source category	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)
SCOPE 2 Market Based	TOTAL	1594.65	928.54	55.98	5.04	8.87	2.52	0.3	0.76	8.08	2048.79	2604.73	+556	+27%

E1-6 Scope 2 Market-based

GHG Emissions for HACS in Total		Poland	Sweden	UK Selby	UK Tayplay	UK Egham	Spain	Denmark	France	Germany	2023	2024	Change y/y	Change y/y %
SCOPE	Emission Source category	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)	(MgCO ₂ e)
SCOPE 2 Market Based	TOTAL	1162.54	5.11	13.90	1.76	5.65	4.82	1.0	1.01	5.07	1532.18	1200.86	+331	-22%

Some examples of activities we are doing connected with SDG to contribute to achieving the SDGs

- Reducing waste, water and energy consumption
- Promoting recycling efforts
- Increasing the use of electric vehicles in our warehouses
- Installing charging stations at our office
- Utilizing 100% fossil-free electricity and district heating
- Upgrading office and warehouse lighting to LED and reducing electricity usage with motion sensor installations
- Minimizing printing
- Supporting afforestation and biodiversity
- Establishing a business travel policy focused on cost-effective and environmentally conscious meetings





RESOURCE USE AND CIRCULAR ECONOMY

E5 Resource use and circular economy

IRO-1 Management approach and governance

Design products that support a circular economy

Our sustainability principles stem from our long-held belief in integrating nature and the great outdoors with everyday life. Our products are designed to last for many years and are easy to maintain, so you have less need to replace equipment in your outdoor area.

- Flexible and modular design
- High quality and durable materials
- Carefully selected materials
- Packaging materials consisting largely of recycled material

Impact, Risks and Opportunities

A circular economy focuses on maximizing the efficient use of resources and materials across the entire value chain. By designing products using fewer or alternative materials, HAGS can reduce its dependence on raw resources. This approach not only cuts waste but also helps lower the environmental impact of HAGS, its suppliers, and its clients.

As regulations on product eco-design and waste management become more stringent, adopting circular economy and eco-design principles early on will position HAGS to comply with these requirements.

Implementing circular economy models throughout the value chain can also result in cost savings and improved margins. By minimizing waste and optimizing resource use, HAGS can reduce operational costs for both itself and its clients.

9

INDUSTRY, INNOVATION
AND INFRASTRUCTURE

11

SUSTAINABLE CITIES
AND COMMUNITIES

12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION

13

CLIMATE
ACTION

15

LIFE
ON LAND

Our activities support the achievement of Sustainable Development Goals (SDGs)

Strategy and policies

E5-1. Policies to manage its material impacts, risks and opportunities related to resource use and circular economy.

The HAGS Group does not have a uniform circularity policy, the issues of the circular economy are addressed in the following policies and procedures:

- Sustainability Policy for HAGS Group
- Integrated Management System Policy
- Environment Management System, with one of its procedures being the Waste Procedure.

Sustainability Policy

At the end of 2024, HAGS updated its Sustainability Policy where we are committed to minimizing our impact on the environment, and to addressing critical issues, including climate change and the responsible use of natural resources.

HAGS prioritizes materials that not only minimize our environmental footprint but also empower customers to make more sustainable choices. Therefore we are committed to maintaining transparent communication with our material suppliers to propose collaboration in the circular transformation.

Our sustainability principles stem from our long-held belief in integrating nature and the great outdoors with everyday life. Our products are designed to last for many years and are easy to maintain, so you have less need to replace equipment in your outdoor area.

We commit to:

- Flexible and modular designing play ground equipment that is durable, easy to maintain, repairable, and upgradeable to extend its lifespan.
- Continuous product innovation to meet evolving customer needs and preferences, this involves developing new play equipment & furniture designs based on materials with a low carbon and environmental footprint.
- Using high-quality, sustainable materials that can withstand environmental conditions and heavy use.
- Streamlining material flow and forecast to limit waste.



Waste Management Procedure

HAGS Poland has a Waste Management Procedure. Its aim is to ensure lawful, efficient and sustainable waste management. The procedure takes into account the requirements of the Waste Act of 14 December 2012, aiming to minimise waste, maximise the use of secondary materials and handle waste safely at each stage of operations. The procedure regulates the areas of generation, procedure and responsibilities in waste management. If necessary, waste is initially stored and then transferred to authorised entities for further treatment.

Integrated Management System Policy

In order to ensure full customer satisfaction and the company's successful, continuous development, Top Management undertakes, among other things, to:

- Maintain continuous development and improvement of the environmental system, aimed at minimizing the impact of our processes on the environment, by analyzing what happens in these processes.
- Reducing the harmful impact on the environment, including preventing pollution and improving the environmental effects of operations, by: minimizing environmentally harmful substances used in our processes and by our suppliers, manufacturing elements from wood obtained from FSC certified suppliers and using environmentally safe technologies.



COMBUSTABLE



PLASTIC



WOOD



CORRUGATED CARDBOARD



OFFICE PAPER



METAL



E5-2 Actions and resources in relation to resource use and circular economy

Efforts on implementing detailed principles of circular economy are scheduled for 2025. It is worthy of note that the HAGS Group exercises the utmost care and takes constant measures to improve its management systems in order to minimise its environmental impact.

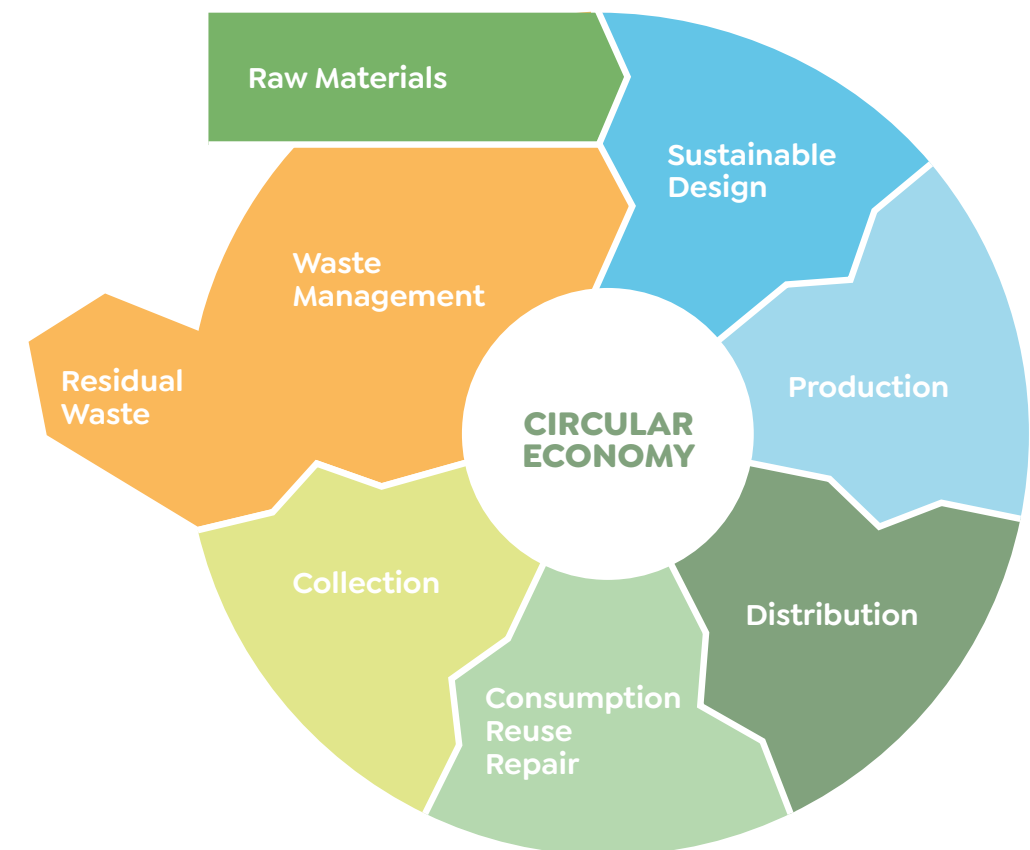
HAGS aims to implement a production and consumption model that prioritizes reusing, repairing, refurbishing, and recycling materials and products for as long as possible. This approach extends product lifecycles and minimizes waste.

Our operations are grounded in the principle of optimal resource use, and we design products that contribute to a circular economy. Modularity plays a central role in ensuring sustainable practices within our Product Design process, allowing for functional, easy-to-install products that are durable and can have individual components easily repaired, refurbished, or replaced.

Transitioning to a circular economy involves several key actions and resources aimed at optimizing resource use and minimizing waste. HAGS focuses on resource optimization by implementing strategies to use resources more efficiently, such as reducing material use, increasing the use of recycled materials, and designing products for longevity. Waste reduction is achieved through better waste management practices and promoting reuse and recycling. Innovation in design is crucial, with products designed for modularity, reparability, and recyclability.

We remain committed to continuous improvement, meeting stakeholder expectations, and contributing to the fight against the global climate crisis.

Through above activities, HAGS contributes to a more sustainable and resilient economy, delivering environmental, economic and social benefits.



E5-2**The Power of Repair, Replacement and Refurbishment**

HAGS has been creating flexible and modular products for over seventy years, placing a strong emphasis on supporting circular design principles. By utilizing modular designs, our playgrounds and furniture products provide flexibility, adaptability, and sustainability, transforming our approach to maintenance and longevity.

Examples of Inspirational Revitalization Projects

Here is an excellent example of repair, replacement, and refurbishment. This project in Stuttgart, Germany demonstrates how our products contribute to a circular society. In this instance, the customer opted to replace old components with new ones without removing any of the anchoring or foundations to provide this community with a highly sustainable and cost-efficient solution.



Before

Baden-Wuerttemberg Stuttgart



After

Baden-Wuerttemberg Stuttgart

The 7R's model opts for a circular economy rather than a linear one. While the linear involves obtaining raw material each time a new product needs to be manufactured, the circular changes this concept by introducing the keys to the 7Rs.

The continuity of these actions promotes the use of the resources that we currently have manufactured, significantly reducing our environmental impact on the planet. Thus, the 7Rs for the environment (Redesign, Reduce, Reuse, Repair, Renew, Recover and Recycle) are keys that allow us to collaborate in caring for the planet. Promotes the continuity of these actions live in a responsible society with the environment and with a fundamental objective, the sustainability.

THE 7R	Rethink HAGS regularly reflects on the type of business we aspire to be and considers how we manufacture our products and their environmental impact.
	Refuse HAGS refuses to: - Purchase excess materials - Use materials that are harmful to the environment or people - Use materials with a short lifespan Our investments and partnerships are guided by environmental, quality, and economic considerations. HAGS playgrounds are designed for longevity, with many generations enjoying the same playgrounds for 30 to 40 years or more, reflecting the durability of our products.
Reuse HAGS designs products with interchangeable parts that can be easily replaced or upgraded, extending their lifespan and reducing the need for new materials. Through modular designs, our playgrounds provide flexibility, adaptability, and sustainability, transforming how we approach maintenance and product longevity. When components are replaced, they can often be repurposed for a new function, giving them a second life. We also ensure that our products are designed for easy disassembly.	Reduce HAGS utilizes materials efficiently throughout the manufacturing process and designs products to optimize material use without sacrificing quality. We achieve this by optimizing sizes to minimize waste during production. Additionally, we prioritize reducing energy consumption in our production processes by employing energy-efficient manufacturing techniques and designing products that require less energy to manufacture.
	Repair We assist our customers with technical inquiries and provide a maintenance guide. Our products can be easily refreshed, for example, by applying a new coat of paint. Currently, we have a dedicated team in the UK that helps rejuvenate our durable products at the request of customers. We also ensure that our products are designed for easy disassembly.
Recover Wood and wood-based materials, along with most of our plastic materials, can be easily disassembled and redirected for energy recovery.	Recycle HAGS selects materials that are recyclable and have a lower environmental impact, including the use of recycled materials in our initial designs. We undertake projects aimed at staying ahead of the market as new recycled materials become available, continually working to minimize the reliance on virgin materials.

E5-3 Targets Related to Resource Use and Circular Economy

Actions related to resource use and the circular economy are being implemented in accordance with the Sustainability Policy. To achieve the ambition of improving the circular economy in production, the HAGS Group has set corresponding targets:

- Reduction of electricity consumption by 15% in 2024 compared to 2023
- Reduction of gas consumption by 5% in 2024 compared to 2023
- Reduction of paper consumption by 5% = Reduction of paper waste
- Reduction of wood waste (03 01 05, 15 01 03) by 10%
- Reduction of water consumption by 10%

E5-4 Disclosure of information on material resource inflows

The products that are introduced into the organization are raw materials such as wood, steel, HPL boards, semi-finished products, chemical substances like paints, packaging materials (wood, cardboard, foam) as well as electricity, gas and water used in production processes.

E5-5 Resource outflows

E5-5 Description of the key products and materials that come out of the undertaking's production process

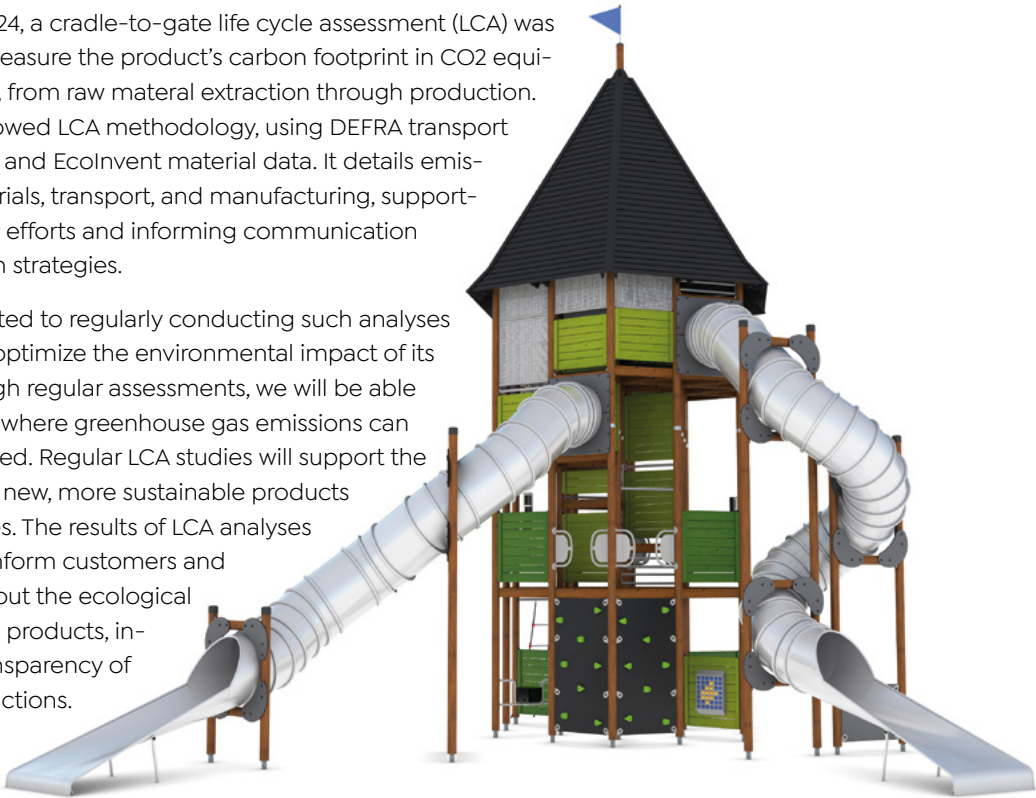
Products

HAGS designs and manufactures commercial play, sports, fitness, and furniture products to enable our customers to develop inspirational indoor and outdoor spaces that people want to use. The key materials we use in the process are described below.

These materials include high-quality, durable components that are sourced sustainably and incorporate recycled content wherever possible.

At the end of 2024, a cradle-to-gate life cycle assessment (LCA) was conducted to measure the product's carbon footprint in CO2 equivalent (kg CO2e), from raw material extraction through production. The analysis followed LCA methodology, using DEFRA transport emission factors and Ecoinvent material data. It details emissions from materials, transport, and manufacturing, supporting sustainability efforts and informing communication and optimization strategies.

HAGS is committed to regularly conducting such analyses to monitor and optimize the environmental impact of its products. Through regular assessments, we will be able to identify areas where greenhouse gas emissions can be further reduced. Regular LCA studies will support the development of new, more sustainable products and technologies. The results of LCA analyses will be used to inform customers and stakeholders about the ecological aspects of HAGS products, increasing the transparency of the company's actions.



MATERIALS

HAGS

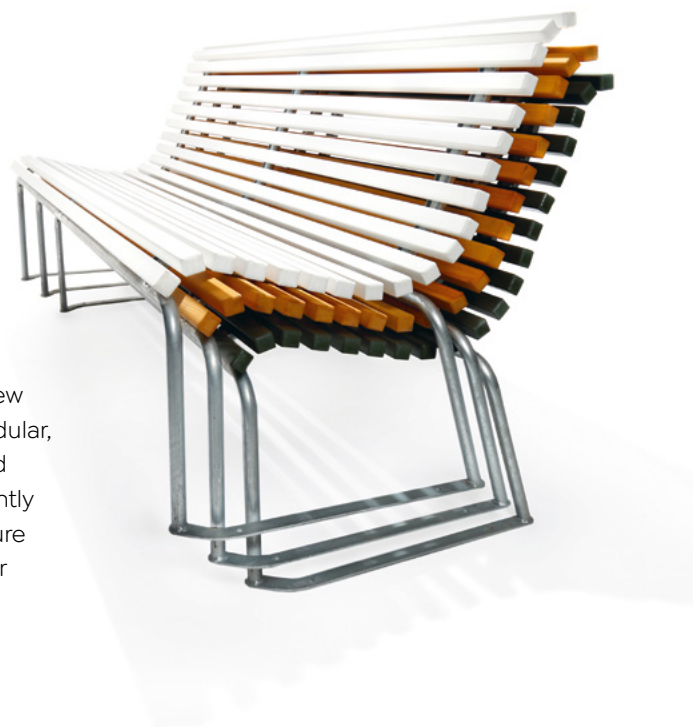
Materials

We prioritize materials that not only minimize our environmental footprint but also empower customers to make more sustainable choices. Rooted in Nordic design, our carefully selected materials include wood, steel (with 82% recycled content), and HPL—a composition of 70% cellulose and 30% resins. Our Nordic Pine is responsibly sourced from Scandinavian forests and certified by FSC or PEFC, ensuring that the materials and products come from sustainably managed forests that offer environmental, social, and economic benefits.

While wood is one of the most renewable materials we use, steel is an excellent recyclable option. Currently, 82% of the steel in our products is recycled. Steel is durable, long-lasting, and infinitely recyclable. Click the link to learn more about all the materials we incorporate into our production.

Flexible & modular design

With a flexible and modular design, customers can easily sort different components at the end of their lifecycle and replace individual parts rather than purchasing an entirely new product. Our play systems, Uniplay and UniMini, are fully modular, allowing components to be easily disassembled, reused, and refurbished. It's also simple to move or replace more frequently used parts, thereby extending the lifespan of the play structure for additional years. This approach helps reduce the need for newly manufactured products and virgin materials.



Targets

When establishing targets for the organization, we consider the expectations of our customers and shareholders, European legislation, and contractual obligations, including our internal environmental requirements for products. In this context:

- The HDPE we use must contain at least 30% recycled content.
- Our untreated steel must have a minimum of 20% recycled content.
- All wood and wood-based materials must be certified by FSC or PEFC.
- All our HPL can be reused, recycled, or utilized for energy recovery.

Over the next three years, we will gradually increase the minimum recycled content levels in collaboration with our suppliers.

Our Approach

HAGS typically selects materials that are widely available from various suppliers. The most commonly used materials include steel, wood, and HPL.

Different suppliers are evaluated based on several criteria to ensure they meet HAGS' requirements. We generally establish supply partnerships with at least two suppliers for each material to avoid reliance on a single source.

During the product design process, HAGS engineers optimize solutions to ensure a long and durable product lifespan. Our products are designed for installation in public spaces, with the expectation that they will create a lasting community legacy to be enjoyed for many years. As part of our product support, we provide information on maintenance, repair, and potential future upgrades or enhancements. We encourage operators to take pride in facilities that feature HAGS products. With the combined care of operators and HAGS, it is not uncommon for our products to remain in service for over 40 years.

E5-5. Description of the key products and materials that come out of the undertaking's production process

HAGS designs and manufactures commercial play, sports, fitness, and furniture products to help our customers create inspiring indoor and outdoor spaces that attract people. We provide solutions for municipalities, schools, housing, retail, hospitality, and infrastructure, as well as various other market segments where high-quality and visually appealing equipment is essential.

From themed playgrounds that ignite the imagination to adventurous environments where children can explore freely, we bring playground dreams to life.

We craft spaces that inspire wonder and fun for all children, creating memorable experiences that last a lifetime.

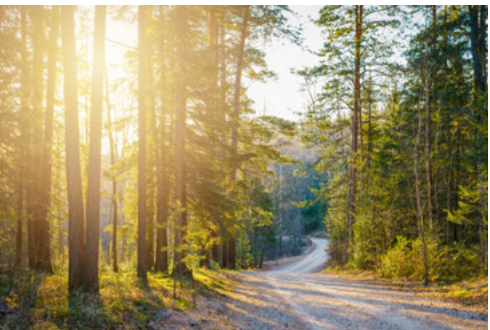




Wood

Our pine is sourced from Scandinavian forests, where the trees grow slowly and develop a dense, compact quality. We procure high-quality materials from our long-term, experienced suppliers, producing high-value products from pine, oak, and tropical hardwoods.

Committed to environmental and social responsibility, all the wood used in HAGS products is FSC® certified and comes from verified sources. We grade all materials according to our customers’ specifications. Our pine is resilient and can withstand challenging weather conditions, including long, cold winters and humid environments. Depending on the product and requirements, we use a variety of high-quality woods, with Scandinavian dense pine being the most predominant due to its natural resistance to rot and fungal attacks. This material has proven to be an excellent building material and has been successfully utilized in our UniPlay and UniMini play systems for over 50 years.



Wood is recognized as one of the most sustainable materials, given its low carbon footprint. It is 100% renewable, can be reused, and can also be sent for energy recovery. Our wood-cutting process is fully computerized, minimizing waste. We use triple-laminated timber poles made from three joined sections, enhancing strength and reducing the risk of cracking. The timber is treated with preservative and wood stain coatings, providing additional protection and a smooth finish.

We exclusively use water-based biodegradable coatings that have no negative impact on the environment. As a naturally renewable material, wood has a low environmental impact. It is normal for wood to develop cracks and some deformation as it adapts to varying environmental conditions.

All our supplied wood is certified according to FSC or PEFC. HAGS is continually reviewing its wood species and supply chain to ensure we continue to use the most sustainable reserves.

Other types of wood used in some of our products include:

Accoya, a fast-growing sustainable wood with excellent properties such as high rot resistance and stability despite temperature changes.

Robinia, a fast-growing sustainable wood with excellent properties such as high rot resistance and stability despite temperature changes.

Jatoba and Bilinga are durable tropical hardwoods used sparingly in a few components to meet specific customer needs. However, we do not use or sell tropical hardwood or products containing tropical hardwood in Sweden or the Nordic countries.

HPL (High Pressure Laminate)

HPL, as defined by EN 438-6, is composed of over 65% paper, with the remaining 30% consisting of phenol formaldehyde resin (a thermosetting plastic), compressed under high heat and pressure. Our HPL not only adheres to this standard but also meets the E1 formaldehyde emission requirements. We make it a priority to ensure that we use suppliers that produce HPL with a 65% certified recycled material content.

This strong, dimensionally stable material offers excellent durability. HPL is resistant to moisture, scratches, and other forms of wear, requiring minimal maintenance, and is easy to clean. It also has a long lifespan, even in outdoor conditions. The top layer is made of melamine with a UV-protective film to minimize colour fading from outdoor exposure. Some surfaces may feature an embossed texture for aesthetic reasons or to enhance safety by reducing slipping risks.



Plywood

Plywood is a layered wood board made from multiple veneers, with each layer placed alternately across the grain and bonded with phenol-formaldehyde glue, which provides strength, durability, and moisture resistance. We use multilayer birch plywood, which may have a phenol coating (thermosetting plastic) to further shield the board from moisture, impacts, and wear. In some cases, the surface may feature an embossed texture to reduce the risk of slipping. When the plywood lacks an additional surface layer or includes milled edges, the entire plywood piece is painted to protect against moisture. However, we are currently phasing out plywood components and replacing them with HPL due to its superior durability. All our plywood can be reused, recycled, or used for energy recovery. It contains 89.3% recycled content in FSC/PEFC-certified birch logs, with 0% recycled content in the phenol layer.

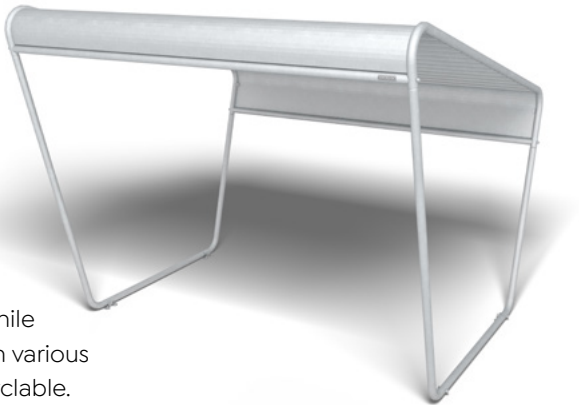


STEEL

Steel

Steel contains a significant amount of recycled material – up to 69.5% in untreated steel – and is 100% recyclable, resulting in a relatively low environmental impact. It also benefits from well-established recycling systems in most countries.

Stainless steel. We primarily use stainless steel of EN1-4301 (304) grade. For certain parts of playground slides, we use pattern-rolled sheets, which provide added strength while allowing for a thinner material. Our stainless steel, sourced from various suppliers, contains up to 90% recycled content and is fully recyclable.



Mild Steel. Steel can be shaped through two processes: hot-rolling and cold-rolling. Hot-rolled steel is shaped at high temperatures, resulting in a surface layer known as scale, which can be removed through blasting or pickling. Cold-rolled steel, on the other hand, is formed at room temperature after the scale has already been removed, giving it higher strength, better formability, and a smooth surface.

HAGS selects the appropriate type of steel based on the product’s required size and strength. We use steel with a yield strength of 220–600 N/mm², carefully choosing the right quality for each application. To ensure our products meet strength and durability standards, we exclusively use steel with excellent weldability. Additionally, we control the silicon and phosphorus content to achieve the desired surface finish and thickness.

Cast iron and cast steel. Cast iron and cast steel are used when they offer the best production and functional benefits. We select the appropriate material grade based on its intended use, employing gray iron, ductile iron, and cast stainless steel where necessary. These materials contain up to 10% recycled content and are fully recyclable.



Aluminium

Aluminium is used in various HAGS products, including ladder rungs and sliding poles. For extruded profiles, we use a new type of aluminum REDUXA, material with a lower carbon footprint, which is high-quality, certified greener low-emission aluminum with a maximum carbon footprint of 4.0 kg CO2 per 1 kg of aluminum, compared to the global average of about 16.0 kg CO2 per 1 kg of aluminum. It is produced using renewable energy and modern technologies, and it is primary aluminum, which means it has no additives in the form of post/pre-consumer waste.



CONCRETE

Concrete

The concrete components we provide are standard precast concrete. For larger products or those requiring additional strength, the concrete is reinforced. Precast concrete is available for ground foundations where applicable. When concrete needs to be cast on-site by the customer, we supply detailed instructions regarding the required volume and quality. At the end of its life, concrete can be crushed and repurposed within the construction industry, such as for building temporary roads. It contains 0% recycled content and is not directly recyclable.



PLASTIC

Plastic

Plastic is available in various types, as outlined below. HAGS typically only use plastic where comfort or safety cannot be achieved economically with other materials. To enhance the longevity of our products, all plastics used are equipped with UV protection to prevent colour fading and embrittlement from sun exposure. Some plastics are also modified to improve strength and reduce squeaking.

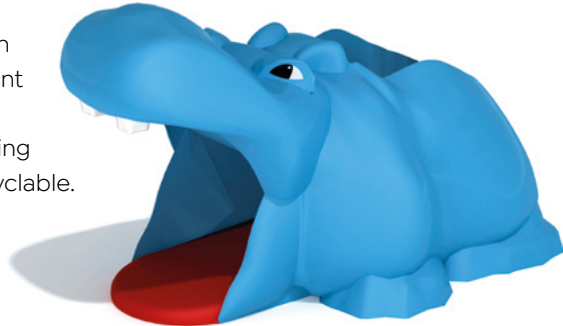
Polyethylene (PE) is the most widely used plastic and benefits from established national recycling systems. At HAGS, we categorize PE into three grades: high-density (HD), medium-density (MD), and low-density (LD). LD and MD are typically used for rotationally moulded parts, while HD is primarily used for injection-moulded parts and board materials. Our PE comes from multiple suppliers, contains up to 100% recycled content, and is fully recyclable.



Polyamide (PA) Known commercially as Nylon, polyamide is a durable plastic used in mechanically stressed areas. It is available in reinforced and non-reinforced forms, with reinforcements such as fiberglass or Teflon. In HAGS products, PA is found in cover caps, fastening details, and certain bearings. While it contains 0% recycled content, it is fully recyclable.

Polypropylene (PP) Offering a good balance between cost, manufacturability, and durability, polypropylene is available with or without reinforcement (such as fiberglass). It has excellent weather resistance and is durable under pressure, making it suitable for hinges. PP is used in HAGS' injection-moulded covers and some boards but contains 0% recycled content and is not recyclable.

Polyurethane (PUR, solid) Polyurethane, also known as an elastomer, is a highly durable and flexible two-component plastic. It is used in areas subject to high stress, wear, and tear, such as components that dampen stress from moving parts. PUR contains 0% recycled content but is 100% recyclable.



Polyurethane (PUR, foamed) This multi-component plastic is manufactured through a fermentation process that creates air bubbles within the material, resulting in a porous core and a smooth surface. It is ideal for parts that require impact absorption and is commonly found in HAGS' seats and handles. PUR contains 0% recycled content and is fully recyclable.

Thermoplastic elastomer (TPE) A rubber-like plastic that can be injection molded and is sometimes combined with a harder polypropylene (PP) plastic. It exhibits excellent abrasion resistance and flexibility, making it suitable for applications that require shock absorption. TPE contains 0% recycled content and is 100% recyclable.

Recycled plastic (EcoGrip) An example of recycled plastic used at HAGS, EcoGrip consists of 89% recycled polyethylene with a 2mm thick layer on one side. Additionally, we utilize recycled polyethylene slats in some of our furniture range. Plastic components can be sorted and sent for recycling.



Rubber Available in both synthetic options (such as EPDM or SBR) and natural rubber, this material excels at absorbing vibrations and dampening movement, making it ideal for use as impact dampers where flexibility is essential. Some of HAGS' swing seats are crafted from recycled car tires, which consist of both natural and synthetic rubber. By utilizing recycled tires, we give them a second life. This material contains 84.4% recycled content and is fully recyclable.

To ensure our products are safe and of high quality, we exclusively select tires manufactured after January 2010, ensuring compliance with REACH regulations. These tires contain 100% recycled content and are also 100% recyclable.

E5-5 Disclosure of the expected durability of the products placed on the market, in relation to the industry average for each product group

HAGS products often serve multiple generations. Throughout their long lifespan, it may be necessary to refresh finishes or replace worn components; however, the core structure of HAGS, cherished by many, will remain intact.

We provide a lifetime warranty that covers structural steel, stainless-steel components, and HDPE panels against material or manufacturing defects. HPL panels come with a 20-year warranty for material or production issues. Our 15-year warranty safeguards against significant rot that compromises the structural integrity of engineered softwood posts, engineered hardwood, and structural steel defects in highly dynamic play components.

A 10-year warranty covers non-structural engineered softwood, galvanized metal parts, non-painted steel and metal components, Robinia wood (against severe rot), plastic parts, and static rope against material or manufacturing defects.

Additionally, we offer a 5-year warranty for springs and painted metal parts (against significant corrosion) for material or production defects. Finally, a 2-year warranty applies to movable parts, rubber components, plywood, painted softwood parts (with significant coating degradation), all other general products, and electronic components (including speakers, sound chips, and circuit boards) against material or manufacturing defects.



E5-5 Disclosure of Product Repairability

All HAGS products are designed for easy repair by any semi-skilled person, with documentation provided by HAGS to facilitate the process. To assist with repairs, HAGS is committed to supplying any necessary spare parts.

E5-5 Rates of Recyclable Content in Products

HAGS conducts periodic verification of raw materials and packaging for recyclable content.

Transparency is key for HAGS. Our materials come from various suppliers, therefore the Recycled, Recyclable, and Renewable percentages are shown as the maximum possible values used in the materials. As we source more sustainable materials, these numbers will change.

Information about the recyclable material content in products can be found on the HAGS website linked to each product.

Product Specifications					
Material					
Material Name	kg	%	Recycled	Recyclable	Renewable
FSC Hardwood	140.96	44.43	0%	100%	100%
Stainless steel	0.058	0.02	0%	0%	0%
Untreated Steel	174.017	54.85	69%	100%	0%
Zink (electro-galvanised)	0.073	0.02	0%	100%	0%
Zink (hot-galvanised)	2.14	0.67	70%	100%	0%
	317 kg	100%			
Recycled: Made from materials that have been processed and reused instead of discarded.					
Recyclable: Can be collected, processed, and turned into new products instead of becoming waste.					
Renewable: Comes from natural sources that can replenish over time such as sustainably harvested wood.					
Transparency is key for HAGS. Our materials come from various suppliers, therefore the Recycled, Recyclable, and Renewable percentages are shown as the maximum possible values used in the materials. As we source more sustainable materials, these numbers will change.					

Some products are environmentally assessed by Swedish SundaHus or BVB and we specify the recyclable content in products which is different from product to product.

Since 2019, HAGS has partnered with the Nordic Swan Ecolabel, a recognized symbol of environmental responsibility in the Nordic region, to improve the sustainability of our products. This collaboration has expanded in 2024 to include a full certification process for a number of our playground equipment and outdoor furniture, ensuring compliance with the highest environmental standards.

By actively working to increase the recyclable content in products, HAGS reduces their environmental impact, conserve natural resources, and contribute to a circular economy where waste is minimized and resources are continually reused. The certified products are clearly stated on the product pages on hags.com

The rates of recyclable content in products packaging (%) is presented below

The rates of recyclable content in products packaging (%)	Poland	Sweden
Paper and cardboard packaging	25%	75%
Plastic Packaging	66%	45%
Wooden Packaging	0%	0%
Aluminium Packaging	0%	0%
Ferrous metal Packaging	0%	0%
Glass Packaging	0%	0%
Multi-material Packaging	0%	0%
Packaging for hazarsous substances	0%	0%
Other Packaging	0%	0%

E5-5 Description of methodologies used to calculate data (resource outflows)

Data on resource outflows is collected from our internal production and inventory management systems, which track the quantities of materials used and waste generated. We obtain data from our suppliers regarding the materials provided, including their composition and recyclability.

All waste materials are weighed, this includes both hazardous and non-hazardous waste. Waste is categorized into hazardous and non-hazardous types based on regulatory definitions and material safety data sheets (MSDS). Waste is further classified by recovery operation types, such as preparation for reuse, recycling, and other recovery operations.

Waste

In the case of HACS Group’s activities, an important aspect of environmental impact is the waste generated. The creation of significant amounts of waste is associated with the production process of playgrounds and other products. In the case of three companies from the Group, they are waste producers. Therefore, they are responsible for proper waste management, including hazardous ones, and their preliminary storage.

Below table presents information related wastes generated in HACS Group dividing by below categories:

- E5-5 Total Waste generated
- E5-5 Hazardous waste diverted from disposal
- E5-5 Non-recycled waste
- E5-5 Percentage of non-recycled waste
- E5-5 Total amount of hazardous waste

Waste Manage Method	Hazardous waste in tonnes 2023	Non-hazardous waste in tonnes 2023	Hazardous waste in tonnes 2024	Non-hazardous waste in tonnes 2024	Change y/y	Change y/y %	Change y/y	Change y/y %
Preparation for reuse	0	7.75	0	7.82	-	-	0.07	+1%
Material recycling	0.135	527.57	0.465	528.7	+0.3	+244%	+1.1	0%
Chemical recycling	0	0	0	0	-	-	-	-
Composting and methane fermentation	0	0	0	0	-	-	-	-
Other recovery methods	518.46	192.3	558.28	188.98	+39.8	+8%	-3.3	-2%
Combustion	23.75	261.26	15.07	251.04	-8.7	-37%	-10.3	-4%
Burning oil consumption for heating purposes (MWh)	0	0	0	0	-	-	-	-
Propane consumption for heating purposes (m3)	0	0	0	0	-	-	-	-
Propane consumption for heating purposes (MWh)	0	0.42	0	5.99	-	-	+5.6	+1326%
Energy from biomass combustion for heating purposes (MWh)	0	0	0	0	-	-	-	-
TOTAL	542.345	989.3	573.815	982.474	+31.5	+6%	-6.8	-1%
TOTAL	1531.25		1556.29		+25	+1.6%		
Percentage of waste recycled, broken down into hazardous and non-hazardous waste	95.62%	73.84%	97.37%	73.55%				
Percentage of waste recycled, broken down into hazardous and non-hazardous waste	81.36%		82.52%					

Waste Manage Method	Hazardous waste in tonnes 2023	Non-hazardous waste in tonnes 2023	Hazardous waste in tonnes 2024	Non-hazardous waste in tonnes 2024	Change y/y	Change y/y %	Change y/y	Change y/y %
Non recycled waste	542.21	453.98	573.35	445.97	+31	+6%	-8	-1.8%
Non recycled waste (%)	99.98%	45.89%	99.92%	45.39%	-0.001	0%	-0.005	1.1%
Non recycled waste in TOTAL (%)	65%		65%		0	0%		

The amount of waste produced in 2024 is 25 tons more than in 2023, which is 1.6% more.

E5-5 Total amount of radioactive waste: 0,00 Mg
E5-5 Description of methodologies used to calculate data (waste generated)

Quantities of generated waste were calculated from transfer notes supplied by our waste collection companies.

Waste data for Polish companies is primarily sourced from the Waste Database (BDO) records. For foreign companies, data is derived from current waste reports.

Ongoing monitoring of the amounts of generated waste as well as analysis of previous years’ data help the HACS Group identify sensitive areas. All waste whose generation could not be prevented is selectively stored and transferred to companies holding appropriate licences for managing particular types of waste.



SOCIAL

S1

[SBM-3] [S1-1] [S1-6] [S1-9] [S1-14]

S1 Own workforce

Build a better business around our people

HAGS HAGS understands that our employees are our greatest asset, which is why we prioritize their well-being. We are dedicated to fostering a sustainable and health-oriented work environment where collaboration and mutual respect underpin our relationships. Our core values – action, responsibility, joy, and collaboration – guide everything we do, and we aim to ensure that our team members take pride in being part of HAGS.

To promote the well-being of our employees, we offer various health and wellness initiatives, including:

- **Educational and development opportunities**
- **Hybrid work options**
- **Health care activities**

Additionally, we systematically address both the psychological and physical aspects of our work environment to continuously enhance support for the social Sustainable Development Goals.



Giving Back to Communities

Inclusion is at the core of our company's values. We actively engage with our end-users, customers, colleagues, and local stakeholders to understand their evolving needs, ensuring that we effectively support the communities we serve. We champion ordinary individuals who do extraordinary things to create a better and more inclusive world. From neighbourhoods in Gothenburg and Manchester to those in Paris and Seville, our approach is both global and local. Here are some of the initiatives we support:

- Sponsoring Team Rynkeby in their fundraising efforts for the Children's Cancer Foundation
- Sponsor youth sports teams
- Promoting children's education and the right to schooling in Guatemala
- Assisting our Ukrainian neighbors
- Partnering with Generation Pep to enhance the health and wellbeing of young people
- Supporting Säkra Varje Unge to prevent abuse and grooming of children
- Collaborating with Aktiv Skola, which focuses on social entrepreneurship
- HAGS Poland supports the local community, including: the Sosnowiec Hospice of St. Thomas the Apostle, the Society of Friends of Children and the Słoneczko Foundation for Assistance to Disabled People.

Management Approach and Governance

Human and Labour Rights

At HAGS, we consider human rights to be fundamental principles essential for protecting individual dignity and ensuring freedom and respect within our operations, the companies we partner with, and the communities we serve.

Our commitment to upholding human rights – including labour rights and the rights of local communities – is outlined in our sustainability pledge, global human rights policy, and supplier code of conduct.

Impacts, Risks and Opportunities

HAGS directly influences the working conditions of our workforce, particularly concerning health and safety and work-life balance. In manufacturing, incidents and accidents arising from static work patterns or lifting can lead to physical injuries and subsequent sick leave. For non-manufacturing roles, the primary risks are associated with well-being and mental health, often stemming from stress and an inadequate work-life balance. These issues can adversely affect employee motivation, engagement, creativity, and productivity, ultimately impacting the business.

As an employer, HAGS has a responsibility to ensure the health and safety of our employees. We regularly engage with them to gather feedback and insights on key topics and concerns. We believe that fostering a healthier and safer workplace positively impacts the efficiency and long-term development of our organization.

Strategy and Policies

Our Approach and Policies

S1-1 Workplace Accident Prevention Policy

At HAGS, we prioritize the physical, social, and psychological safety of everyone in our workplace. We believe that personal health and well-being are essential for maintaining a balanced life, enabling individuals to reach their full potential. Therefore, having a strong health and safety management system is vital to our operations, along with cultivating a culture that supports the health and safety of our employees.

HAGS has established a workplace accident prevention policy and implemented a management system in accordance with ISO 45001 at our largest production facilities in Poland.



HAGS as an Employer

We aim to create a better business centred around our HAGS employees, who are our most valuable asset. Their well-being is paramount, and we strive to ensure that every employee has a sustainable and health-promoting work environment. This environment should be marked by a strong sense of community, inclusivity, familiarity, and a culture that values collaboration over prestige. Our core values must be evident in all our actions.



The Senior Management is committed to:

- Complying with all legal requirements and other obligations to stakeholders that HAGS is bound to meet.
- Increasing employee awareness of workplace safety through the ongoing enhancement of our integrated management system.
- Continuously developing and improving the Occupational Health and Safety (OHS) System by systematically assessing hazards, reducing risks, and eliminating safety and hygiene-related hazards.
- Ensuring safe and hygienic working conditions to prevent work-related injuries and health issues by consistently monitoring the effectiveness of preventive measures, thereby providing robust protection for employees and preventing workplace accidents and occupational diseases.

SBM-2 Stakeholder Interests and Perspectives

The HAGS Group conducts an annual, anonymous "Employee Satisfaction Survey" to assess employee satisfaction levels. This survey is available to all employees across the HAGS group and serves as a crucial indicator of our Environmental, Social, and Governance (ESG) performance, with results being shared transparently. This tool provides a formal platform for employees to share feedback, enabling the management team to analyse the data and make necessary adjustments.

Notably, in 2024, all administrative employees participated in the materiality study and identified key focus areas for the Group.

SBM-3 Overview of Employees and Non-Employees Affected by Material Impacts

HAGS, a global organization with operations in Poland, Sweden, and the UK, boasts a diverse workforce. In Poland, the company employs both blue-collar (BC) and white-collar (WC) workers. Blue-collar roles include production staff, warehouse personnel, quality controllers, and maintenance workers, while white-collar positions encompass managerial staff, unit heads, engineers, and specialists. HAGS Poland also partners with external companies to provide services such as welding, warehousing, painting, and carpentry.

In Sweden, the workforce consists of a mix of blue-collar employees and white-collar staff, with no consultants hired.

In the UK, HAGS employees are distributed across two locations: Selby in the north and Egham in the south. The workforce includes both blue-collar and white-collar employees, with some working exclusively from home, while others—such as sales representatives, engineers, and project managers—work from various locations based on their assignments. This diverse and flexible workforce structure enables HAGS to operate efficiently across different regions and meet various business needs.



S1-1 Overview of Human Rights Policy Commitments for Our Workforce

HAGS is dedicated to promoting human rights and ensuring a safe, inclusive, and respectful work environment for all employees.

In Poland, HAGS adheres to the regulations outlined in the Labor Code, Work Regulations, and Remuneration Regulations. The company has established legal standards to ensure equal treatment in employment and prohibit discrimination. HAGS has implemented procedures for recruitment, training, and employee consultation and participation. Additionally, HAGS Poland is committed to providing safe and hygienic working conditions and has instituted an Internal Anti-Mobbing Policy.

In Sweden, HAGS has developed several policies aimed at fostering a positive and attractive workplace. These policies encompass decent working conditions, collective agreements, and the promotion of equity, diversity, and inclusion. The company has also established a recruitment policy, a competency supply strategy, and measures to prevent and address victimization, sexual harassment, and discrimination. A work environment policy is in place to continually monitor and enhance both the physical and psychosocial work environment.

In the UK, HAGS has instituted policies such as Dignity at Work, Code of Conduct, Whistleblowing, and Anti-Slavery. These policies are designed to uphold employee rights and cultivate a respectful and inclusive workplace.

Together, these policies reflect HAGS's commitment to human rights and its dedication to fostering a positive and respectful environment for all employees across various regions.

S1-1 Overview of HAGS's Commitment to Human Rights and Labour Rights

HAGS is dedicated to respecting human rights, including labour rights, for all employees within its workforce. This commitment is based on several key principles:

Compliance with Local and International Laws: HAGS strictly follows local labor laws and international human rights standards. This adherence ensures that employee rights related to working hours, annual leave, and parental rights are respected.

Safe and Inclusive Work Environment: HAGS is committed to fostering a safe, respectful, and inclusive workplace. This includes implementing policies to prevent and address victimization, harassment, and discrimination.

Fair Employment Practices: HAGS directly employs workers under formal contracts, guaranteeing fair and equitable treatment. The company places particular emphasis on protecting the labor rights of women, including those who are pregnant or breastfeeding.



Collective Agreements: In certain regions, HAGS has established collective agreements with unions, which enhance local labor laws and provide additional protections for workers.

Diversity and Inclusion: HAGS actively promotes diversity and inclusion within the workplace. This effort includes implementing a recruitment policy and a skills supply strategy that guarantees equal opportunities for all individuals.

Continuous Improvement: HAGS regularly reviews and updates its policies to ensure their effectiveness and alignment with current best practices in human rights and labor rights.

These principles collectively reflect the organization's dedication to upholding and respecting human rights and labor rights throughout its workforce. It is important to recognize that the specific approach may vary based on the local context and regulations in each region where HAGS operates.

S1-1 Specific Policies for Eliminating Discrimination

HAGS has established specific policies designed to eliminate discrimination throughout its global workforce.

In Poland, HAGS intends to expand its Anti-Mobbing Policy to include measures addressing discrimination and harassment. The company strictly adheres to the Polish Labor Code, which safeguards employees' personal rights, promotes equal treatment, and prohibits discrimination. Relevant legal standards related to equal treatment in employment are included as an annex to the Work Regulations at HAGS Poland.

In Sweden, a policy is in place to prevent and address victimization, harassment, sexual harassment, and discrimination. This policy contains provisions aimed at combating discrimination and harassment, ensuring that all employees are treated equitably and with dignity, regardless of their race, colour, religion, sex, age, national origin, disability status, genetic information, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by federal, state, or local laws.

In the UK, HAGS has implemented a Dignity at Work policy and a Grievance policy to promote a respectful and equitable workplace.

Together, these policies underscore HAGS's commitment to fostering a safe, respectful, and inclusive work environment that is free from any form of discrimination or harassment. They are regularly reviewed and updated to maintain their effectiveness and ensure compliance with current laws and best practices.



Learning and Development

At HAGS, we are dedicated to fostering and enhancing a skilled workforce. We believe that for employees to thrive, perform well, and grow, it is crucial for them to understand their role within the organization and be aware of the future opportunities that may arise.

Employee professional development is a top priority for HAGS. To support this, we provide a wide range of programs, workshops, webinars, and conferences in collaboration with both internal and external trainers.

Our white-collar employees benefit from flexible work hours that accommodate their personal needs and time zones. As a company, we maintain clear communication channels and hold regular meetings to ensure that remote employees feel connected and engaged.

The specific targets for learning and development are tailored to the nature of the work, the size of the organization, and the employees' needs. HAGS routinely reviews and adjusts these targets based on feedback and evolving circumstances.

S1-6 Characteristics of undertaking's employees - number of employees in countries with 50 or more employees representing at least 10% of total number of employees [table B]

S1-6 Number of employees (head count)

S1-6 Characteristics of undertaking's employees - number of employees by gender [table A]

S1-6 Average number of employees (head count)

S1-6 Characteristics of undertaking's employees - information on employees by region [table A]

2024	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Number of employees (head count / FTE)	218	135	72	464	425	-39	-8%
Average number of employees (head count)	218	135	72	464	425	-39	-8%
By gender							
Male	166	97	46	352	309	-43	-12%
Female	52	38	26	112	116	4	4%
Other	0	0	0	0	0	-	-
Not Reported	0	0	0	0	0	-	-

S1-6 Number of employees (head count or full-time equivalent)

S1-6 Average number of employees (head count or full-time equivalent)

Employees by contract type and gender	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Number of employees (head count /FTE)	218	135	72	464	425	-39	-8%
Number of permanent employees(head count /FTE)	218	135	72	464	425	-39	-8%
Number of temporary employees (head count /FTE)	0	0	0	0	0	-	-
Number of full-time employees (head count /FTE)	217	126	70	454	413	-41	-9%
Number of part-time employees (head count /FTE)	1	9	2	10	12	2	20%
Number of non-guaranteed hours employees (head count /FTE)	0	0	0	0	0	-	-

S1-6 Number of employees who have left undertaking

S1-6 Percentage of employee turnover

2024	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Number of employees (head count /FTE)	218	135	72	464	425	-39	-8%
Number of employees who have left undertaking	27	13	9	97	49	-48	-49%
Percentage of employee turnover	12.39%	10%	12.5%	21%	12%	9.47%	-45%

S1-9 Number of employees (head count) at top management level

2024	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Number of employees (head count) at top management level	9	14	9	33	32	-1	-3%
By gender							
Male	7	13	6	25	26	-19	4%
Female	2	1	3	8	6	-2	-25%

S1-9 Percentage of employees at top management level

2024	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Number of employees (head count /FTE)	218	135	72	464	425	-33	-8%
Number of employees (head count) at top management level	9	13	9	33	33	0	0%
Percentage of employees at top management level	4%	10%	13%	7%	8%	1%	-9%

The distribution of employees by age group under 30 years old; 30-50 years old; over 50 years old and it's percentage:

S1-9 Percentage of employees under 30 years old

S1-9 Number of employees (head count) between 30 and 50 years old

S1-9 Percentage of employees between 30 and 50 years old

S1-9 Number of employees (head count) over 50 years old

S1-9 Percentage of employees over 50 years old

The distribution of employees by age group	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Number of employees (head count) under 30 years old	35	18	2	81	55	-26	-32%
Percentage of employees under 30 years old	16%	13%	3%	17%	13%	-4%	-24%
Number of employees (head count) between 30 and 50 years old	156	65	27	275	248	-27	-10%
Percentage of employees between 30 and 50 years old	72%	48%	38%	59%	58%	-1%	-1%
Number of employees (head count) over 50 years old	27	52	43	108	122	14	13%
Percentage of employees over 50 years old	12%	39%	60%	23%	29%	6%	25%

Health and Safety

The safety of our employees is our top priority. We are committed to providing safe and hygienic working conditions while focusing on the continuous improvement of workplace safety.

HAGS Poland has implemented a comprehensive Quality, Health, Safety, and Environment (QHSE) policy that establishes standards for protecting our employees and ensuring the sustainability of our operations. This policy applies to all HAGS Poland employees, integrating quality, health, safety, and environmental considerations into every decision and action.

To ensure employee safety and well-being, we have established workplace accident prevention procedures and adhere to ISO standards, including ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety Management). These certifications help us maintain a strong management system in line with international best practices.

As we grow, we remain committed to preserving our strong health and safety record. Our ongoing efforts include safety days, internal audits, inspections, personal risk assessments, emergency drills, and safety training programs to prevent and mitigate potential risks.

Incident Reporting and Response

Since 2019, a number of incidents – situations potentially posing a safety risk – have been reported, with the majority coming from production workers. These reports are crucial in helping us identify and address health and safety risks proactively.

We are committed to safeguarding the well-being of our employees and contractors by continuously monitoring our safety performance. This enables us to implement timely and effective measures to mitigate potential hazards and maintain a safe working environment.

S1-14 Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines.

2024	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%	100%	100%	100%	100%	0	0%

S1-14 Number of fatalities in own workforce as result of work-related injuries and work-related ill health

2024	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Number of fatalities in own work-force as result of work-related injuries and work-related ill health	0	0	0	0	0	0	-
The number of total hours worked by people in its own workforce	362 830	214 175	120 769	756 812	697 774	-59 038	8%
Rate by location	0	0	0	0	0	0	-

S1-14 Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites

2024	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0	0	0	0	0	-
The number of total hours worked by people in its own workforce	362 830	214 175	120 769	756 812	697 774	-59 038	8%
Rate by location	0	0	0	0	0	0	-

S1-14 Number of recordable work-related accidents for own workforce S1-14 Rate of recordable work-related accidents for own workforce

2024	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
The respective number of cases (injuries)	3	0	0	9	3	-6	-67%
The number of total hours worked by people in its own workforce	362 830	214 175	120 769	756 812	697 774	-59 038	-8%
Rate by location	8.3	0	0	11.89	4.50	-7.59	-64%

S1-14 Number of cases of recordable work-related ill health of employees. S1-14 Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees.

2024	Poland	UK	Sweden	HAGS Group 2023	HAGS Group 2024	Change y/y	Change y/y (%)
Number of cases of recordable work-related ill health of employees	0	1	0	0	1	1	-
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	100	52	0	96	152	56	58%

Here are some of the initiatives we are actively pursuing:

At HAGS, our employees are our greatest asset, which is why their well-being is a top priority. We strive to provide a sustainable, health-focused work environment that fosters a strong sense of community, inclusivity, and a down-to-earth culture.

To support our employees' well-being, HAGS continuously invests in health-promoting initiatives, including:

- Providing tailored training and development opportunities for individuals and groups
- Offering hybrid work options, allowing for remote work where possible
- Promoting sports activities and offering a wellness allowance to encourage healthy lifestyles.



GOVERNANCE

G1 Business conduct

Business Conduct Policies and Corporate Culture

GOV-1 The role of the administrative, supervisory and management bodies

The administrative, supervisory, and management bodies play a crucial role in business conduct.

In terms of HAGS' business conduct, key governing bodies are responsible for ensuring that the organization operates ethically and in full compliance with legal standards. They play a crucial role in implementing principles of corporate social responsibility and sustainable development, ensuring that core values align with business growth. This is reinforced by internal regulations.

G1-1 Business Conduct Policies and Corporate Culture

HAGS Group is committed to ethical business practices and adherence to legal standards. Corporate social responsibility and sustainable development are central to our operations, ensuring that our values consistently guide business progress. Internal regulations support this alignment.

The cornerstone of these regulations is the Code of Conduct, which provides guidance on legal compliance, ethical behaviour, and adherence to the Group's organizational culture and widely recognized good practices. While not a step-by-step manual for every scenario, the Code of Conduct is supplemented by more detailed policies, regulations, internal procedures, and contracts, as well as relevant legal provisions.

HAGS upholds strong business ethics and integrity, guided by the HAGS Code of Conduct. Therefore, we expect all our suppliers to maintain good working conditions and ethical business practices. Suppliers are required to comply with the HAGS Code of Conduct, as well as the following international standards:

- **UN Universal Declaration of Human Rights**
- **ILO's eight fundamental conventions regarding forced labor, child labor, discrimination, freedom of association, and the right to organize (No. 29, 87, 98, 100, 105, 111, 138, and 182)**
- **UN Convention on the Rights of the Child, Article 12**
- **UN Convention against Corruption (UNCAC)**



HAGS operates production facilities, warehouses, and subsidiaries across Europe, strategically located in regions with low risks of corruption and bribery. In our supplier selection process, we rigorously assess the ethical practices of each supplier. This includes requiring them to complete and sign a comprehensive Supplier Assessment, adhere to our Code of Conduct, and meet HAGS' Environmental Requirements, which are reviewed every three years.

This system has been in place for several years, and in recent times, we've enhanced our approach to risk assessment, conducting thorough follow-ups and remaining vigilant against suspicious activities. In the future, we plan to extend these practices across our corporate structure, further embedding them into our supply chain oversight.



G1-1 Corporate Culture: Establishment, Development, Promotion, and Evaluation

HAGS fosters its corporate culture through an ongoing and evolving process:

Establishment: HAGS has defined its mission, vision, and core values, which serve as the foundation of its corporate culture.

Development: Policies, procedures, and practices are created to align with these values, including codes of conduct, training programs, and communication strategies.

Promotion: Internally, we promote our culture through regular communication, recognition programs, and leadership modelling. Externally, we convey our corporate culture through branding, marketing, and public relations efforts.

Evaluation: HAGS consistently evaluates its corporate culture through surveys, feedback, and performance metrics to ensure it is being effectively implemented and producing the desired results.

Sweden – a region known for its strong ethical standards and leadership in global anti-corruption indices – has been committed to upholding these values for over 75 years. We carefully select our suppliers to ensure alignment with international directives and ethical business practices.

Prevention and Detection of Corruption and Bribery

G1-1 Mechanisms for Identifying, Reporting, and Investigating Unlawful Behaviour

At HAGS, we have established robust mechanisms to identify, report, and investigate any behaviour that violates our Code of Conduct or other internal guidelines. Our Code of Conduct is essential as it sets clear expectations for employee conduct, promotes ethical behaviour, protects the company from legal risks, enhances our reputation, and provides a structured framework for making ethical decisions.

To strengthen our commitment to transparency, we have implemented a whistleblower service that allows employees to report serious misconduct securely and confidentially. This service plays a critical role in uncovering issues such as fraud, corruption, and other unethical actions that may otherwise go unnoticed.

Encouraging openness and accountability, the whistleblower service not only shields the company from potential legal and financial risks but also fosters a culture of integrity and trust. This ultimately contributes to a healthier and more ethical work environment.

At HAGS, employees can report concerns to our HR departments across all countries via phone, letter, email, or in-person visits. Employees can also alert safety representatives as part of their duties or involve their Union representatives. All whistleblower reports are managed in compliance with the General Data Protection Regulation (GDPR) to ensure privacy and confidentiality are maintained.



G1-1 Information on Business Conduct Training Policy

At HAGS, we maintain a strict stance against corruption and bribery, with clear policies in place across our entities. For example, in Sweden & UK, all employees are required to read, understand, and sign our anti-corruption and anti-bribery policy during their onboarding process. A signed copy is then stored in each employee's personal file.

This document, along with other relevant policies aligned with ISO 9001 and ISO 14001 standards, is accessible to all employees via our intranet Management System. These policies are reviewed and updated annually to ensure they remain current and effective.

G1-3 Communication and Training on Anti-Corruption and Anti-Bribery Policies

All HAGS policies are accessible on our intranet or Human resource systems, ensuring that all employees can review and understand them. When new policies are introduced, they are communicated during staff meetings. The whistleblower policy is also available on our website. Policy documents undergo an annual review as part of the audit process. Specifically, in Sweden, the anti-corruption and anti-bribery policy is regularly updated and available to all employees.



G1-3 Anti-Corruption and Anti-Bribery Training Programs

All employees participate in anti-corruption and anti-bribery training as part of the onboarding process. Employees are required to sign an anti-bribery statement upon joining. In 2024, training will be rolled out for both new and existing staff, addressing any identified needs.

G1-3 Coverage of Functions at Risk by Training

The training program covers 100% of employees. All staff are included in the onboarding process, ensuring they understand the anti-corruption and anti-bribery policies.

G1-3 Training for Management and Supervisory Bodies

100% of HAGS' administrative, supervisory, and management staff are required to undergo anti-corruption and anti-bribery training as part of their onboarding process.

G1-3 Training Analysis by Region and Category

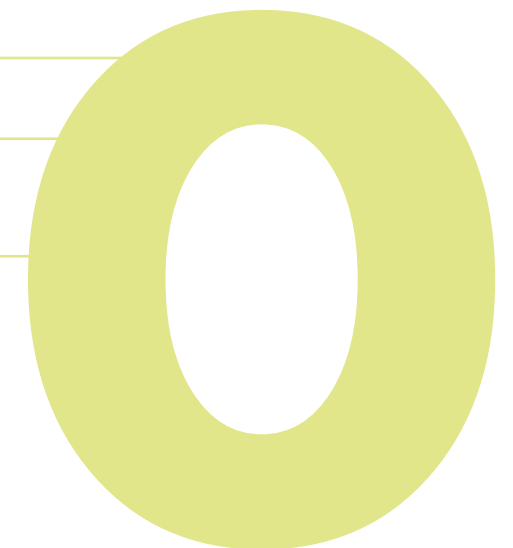
HAGS has a strategic skills development plan that is continuously monitored. Each manager discusses employee training needs during the annual performance appraisal, and training priorities are set accordingly. Senior leaders received anti-corruption training in 2023, with additional training needs identified for 2024.

G1-4 Incidents Related to Anti-Corruption and Anti-Bribery Laws

Number of convictions: 0

Number of fines: 0

Number of confirmed incidents of corruption or bribery: 0



Management of relationships with suppliers

We carefully chose our suppliers based on the values we adopted and follow. The Supplier Code of Conduct, Supplier Assessment and HAGS sustainability requirements are the documents which our suppliers must fill in and sign for us to understand how the organization is working with sustainability and quality aspects. Every 3 years we follow up our direct suppliers' efforts on different sites and this will be adopted at the global level in the organization.

Our Global Customer Support department, based in Sweden, manages all HAGS customers offers and orders, whether they be direct from the market or through our direct sales and distributor networks. This team acts as a conduit to our UK and Poland manufacturing facilities to ensure all customer requirements are clearly represented and implemented. When considering the supply chain levels, these cascade from different parts of our organisation as shown in the simplified scheme below.

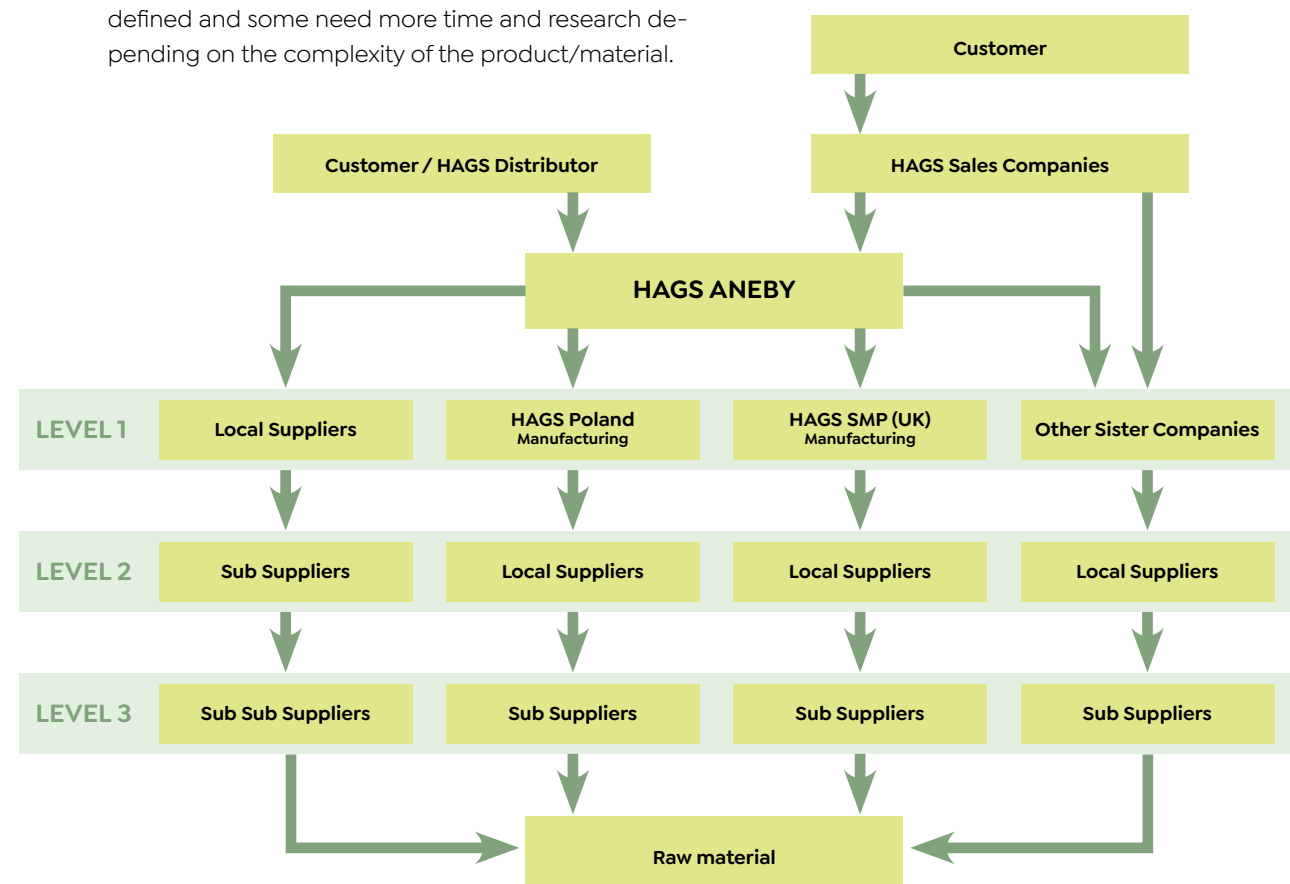
Our customers, HAGS distributors around the world and HAGS Sales companies buy products which are manufactured in UK (HAGS SMP) and in Poland (HAGS Poland) via HAGS Sweden, Global Customer Support. Rest of the products can be bought directly from the sister companies/suppliers. In this way we divide below our supply chain in different levels:

Level 1: HAGS Aneby local suppliers, HAGS SMP (UK), HAGS Poland and other sister companies

Level 2: Suppliers/local suppliers to the above companies

Level 3: Sub-suppliers to the above suppliers

We will continue to investigate our supply chain to identify how many levels can be defined towards the raw materials extraction. Some are already defined and some need more time and research depending on the complexity of the product/material.



In the initial phase, we mapped our suppliers by their country of origin and conducted a risk assessment using international frameworks, including the Corruption Perception Index, Global Rights Index, and UNICEF Child Labor data. Beginning in 2022, we established annual targets for Sweden, leading to 92.1% of our direct suppliers signing our Code of Conduct and 77.5% completing the Supplier Assessment. The table on the following page presents the 2023 results for Level 1. We are currently analysing both Level 1 and Level 2 suppliers (HAGS Poland). Our next step is to further investigate the organization's suppliers and set specific targets for different locations.

HAGS Sweden performs systematic risk assessments of local suppliers, with a structure and system designed by a dedicated working group that includes key functions from across the organization. We understand that ongoing risk analysis is essential for:

- Minimizing risks within our complex value chain
- Meeting customer and procurement requirements
- Promoting transparency to enhance our brand and credibility
- Unlocking new business opportunities and gaining competitive advantages



We follow an annual routine in which we assess our suppliers in various areas, including quality, environmental impact, economic factors, and social considerations. Risk assessments are carried out using international tools, such as Transparency International's resources, the Corruption Perceptions Index, Global Rights Index, and UNICEF child labor data. Suppliers are evaluated using a risk matrix, which scores probability on a scale from 1 to 5, where 1 indicates "unlikely" and 5 indicates "highly common" (occurring daily). The results are then classified into low-risk (R1, R2), medium-risk (R3, R4), or high-risk (R5) categories.

Corruption Perception Index: Corruption Perception Index: Countries are rated on a scale from 0 to 100, reflecting their level of corruption, where 0 indicates the highest level of corruption and 100 indicates the lowest. We categorize our suppliers based on this scale into three groups:

- 0-30: high-risk countries
- 31-65: medium-risk countries
- 66-100: low-risk countries.

In 2024, we did not record any suppliers in the countries covered (0-30).



Global Right Index: This index assesses risks based on human rights conditions in a supplier's country, rated on a scale from 0 to 5+. A score of 0 indicates no data available, 1 indicates sporadic interruptions, 2 signifies repeated interruptions, 3 represents regular interruptions, 4 denotes systematic interruptions, and 5 reflects a lack of assurance that human rights are respected. A score of 5+ indicates no assurance of human rights due to dysfunctional governance. We prioritize risks assessed as high, specifically scores of 5 and 5+, while scores of 4, 3, and 2 are considered medium risk and are reviewed every three years. Scores of 0 and 1 are categorized as low risk.

UNICEF Child Labor Data: The Excel sheet "XLS_Child-labour-database_July-2024" provides data on the percentage of child labor in various countries from 2012 to 2022, along with historical context or specific regional information. In our risk analysis, countries are assessed as follows:

- High risk: if child labor has been reported between 2012 and 2022, either nationwide or in specific areas.
- Medium risk: if the country previously had child labor issues but does not currently.
- Low risk: if there is no history or current evidence of child labor in the country.

If we identify violations of our Code of Conduct within our supply chain, we will take the following actions:

- Cease deliveries from the offending supplier.
- Engage the supplier in dialogue to develop an action plan.
- Monitor the progress of the action plan.
- Manage any deviations from the plan.
- Reestablish cooperation only if the action plan is adhered to and no risks remain.

Should the supplier fail to act or neglect to follow up on the action plan, we will terminate our cooperation or agreement with them. This process will also be implemented across the organization.

Level 1

Corruption Perception Index 2024	Origin Country	Number of suppliers
90	Denmark	2
80	Sweden	29
78	Netherlands	1
75	Germany	3
71	UK	3
65	USA	4
56	Spain	2
53	Poland	2

Level 1

Global Right Index 2024	Origin Country	Number of suppliers
5+	NA	0
5	NA	0
4	USA. UK	4
3	Poland	2
2	Netherlands. Spain	3
1	Sweden. Denmark. Germany	34

Level 2

Corruption Perception Index 2024	Origin Country	Number of suppliers
90	Denmark	5
88	Finland	3
80	Sweden	43
75	Netherlands	1
75	Germany	4
71	UK	2
65	USA	4
59	Latvia	1
53	Poland	66
43	Bulgaria	1
43	China	2
41	Hungary	1

Level 2

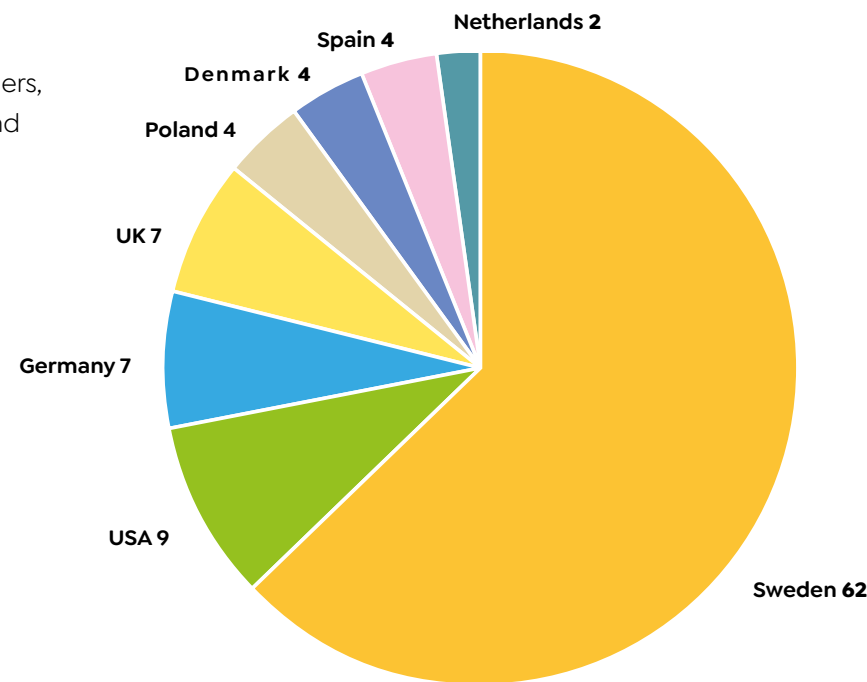
Global Right Index 2024	Origin Country	Number of suppliers
5+		0
5	China	2
4	USA. Hungary. UK	7
3	Poland. Bulgaria	67
2	Latvia. Finland. Netherlands	5
1	Sweden. Denmark. Germany	52

HAGS Suppliers

Our customers, including HAGS distributors worldwide and HAGS sales companies, purchase products manufactured in the UK (HAGS UK) and Poland (HAGS Poland) through HAGS Global Customer Support. Other products are available for direct purchase from sister companies or suppliers. Below, we outline our supply chain across different levels.

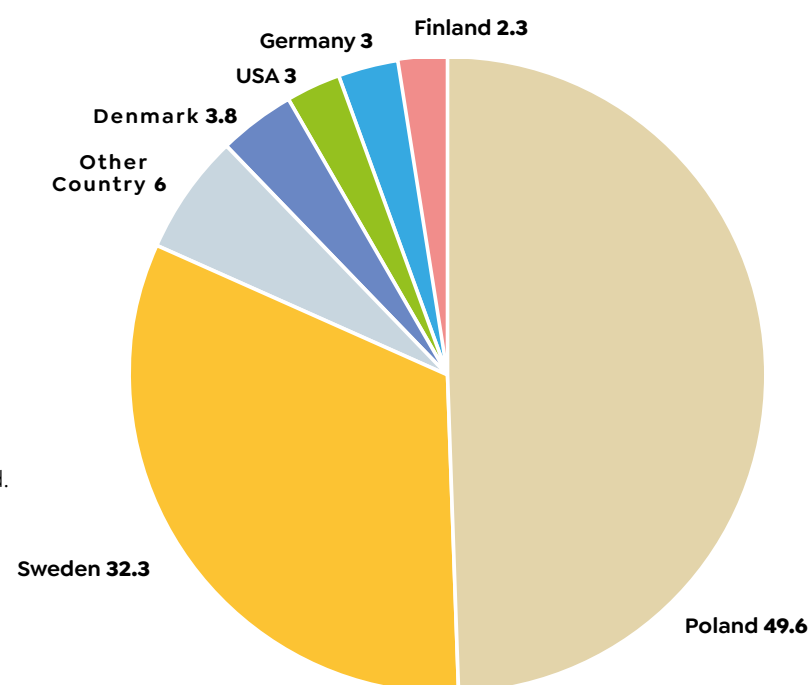
Level 1

HAGS Sweden local suppliers, HAGS UK, HAGS Poland and other sister companies.



Level 2

This level includes suppliers and local providers to the aforementioned companies. We will continue to explore our supply chain to determine how many levels can be identified leading back to raw material extraction. While some levels are already established, others will require additional time and research due to the complexity of the products and materials involved.



SundaHus & Byggvarubedömningen

(The Environmental Construction Product Assessment)

To simplify the decision-making process for our customers and meet their contractual obligations, we have our products assessed by SundaHus and Byggvarubedömningen to ensure they comply with local and European environmental standards.

SundaHus is an independent organization dedicated to sustainable development, providing opportunities to minimize environmental impact. They focus on continuous improvement in environmental aspects within the construction and property sectors.

Byggvarubedömningen promotes the selection of quality materials to enhance living conditions. They facilitate accurate documentation of installed materials for future management and encourage material producers to enhance their products from an environmental standpoint. Additionally, Byggvarubedömningen serves as an effective tool for documenting and tracking materials, products, and their components.



Customer Satisfaction Index – KPI Measurement
(Sweden & UK)

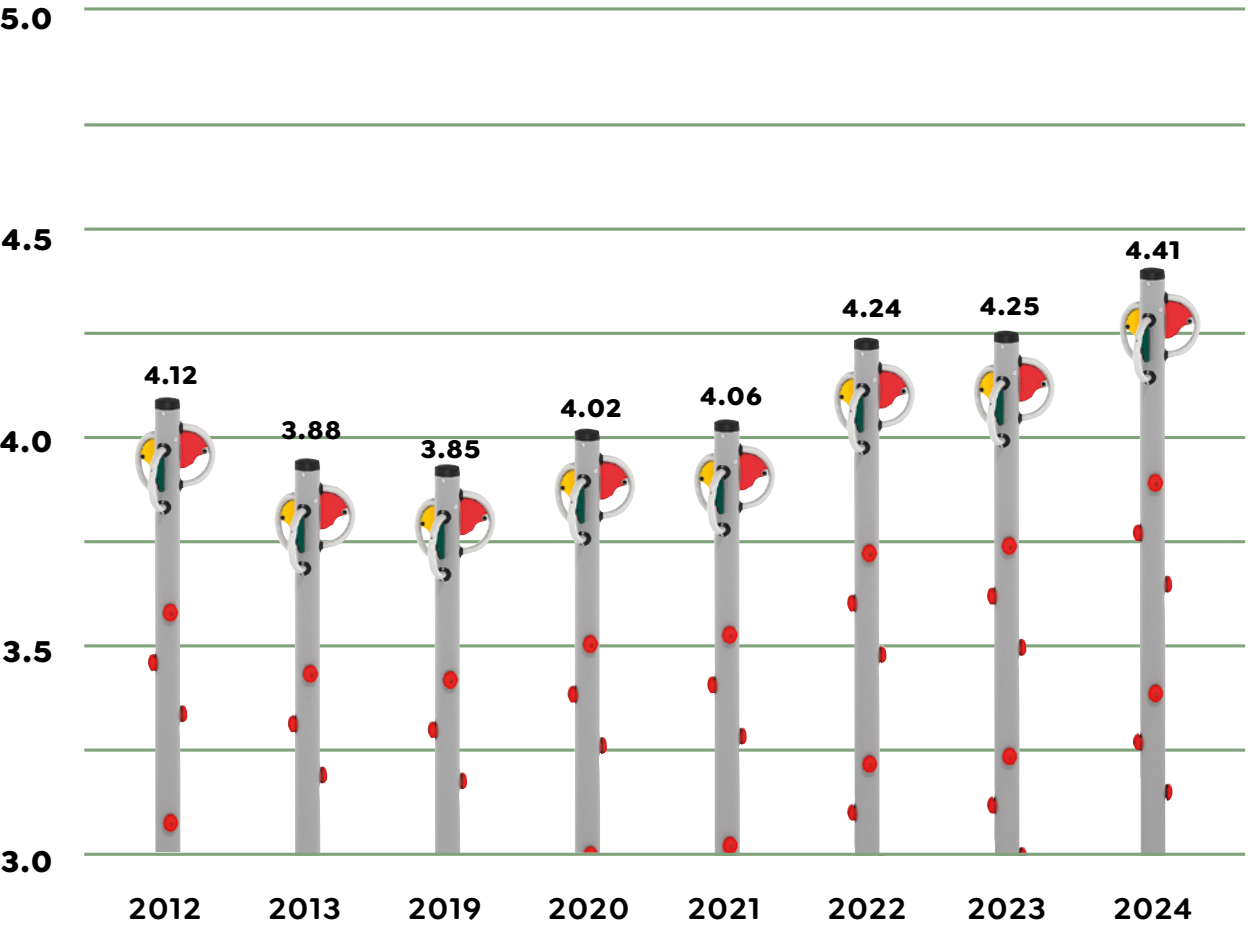
The Global Customer Support Department is committed to meeting our customers' expectations and requirements. Our strong and enduring relationships with our customers are reflected in the customer satisfaction index, which was measured for the first time in 2012.

Following 2019, we intensified our focus on monitoring customer satisfaction in preparation for establishing a new manufacturing facility in Poland. This index uses a scale from 1 (low) to 5 (high) and is based on the average responses from our Swedish customer base.

In 2023, we set a quality target for the average score to exceed 4.3. While we achieved a score of 4.25, which was just shy of our goal, we decided to maintain the same target in 2024 to reach our desired value. In 2024 we scored 4.41 which is great.



Customer Satisfaction Index result – HAGS Aneby AB



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