



FORCE Technology's 2024 ESG report



Table of contents

Our shared responsibility for sustainability.....3

How we work with sustainability.....4

Climate and external environment6

Social responsibility8

Leadership..... 12

FORCE Technology's ongoing commitment to sustainability 14

Our shared responsibility for sustainability

Climate change, resource scarcity, and social inequality present complex challenges that demand collective action. As expectations for accountability and transparency continue to rise, companies are under increasing pressure to contribute to the green transition and help shape a more sustainable future. Meeting these demands requires innovative solutions and a strong and coherent strategy - one that balances business growth with environmental and social responsibility.

At FORCE Technology, we have actively been working with sustainability for many years - supporting our customers in strengthening their sustainability profiles. As a Research and Technology Organisation (RTO), we play a vital role in society by conducting research and developing innovative, sustainable technological solutions that benefit the industry. We are helping to lay the foundation for future advancements and embrace the responsibility that comes with being a pioneer in our field.

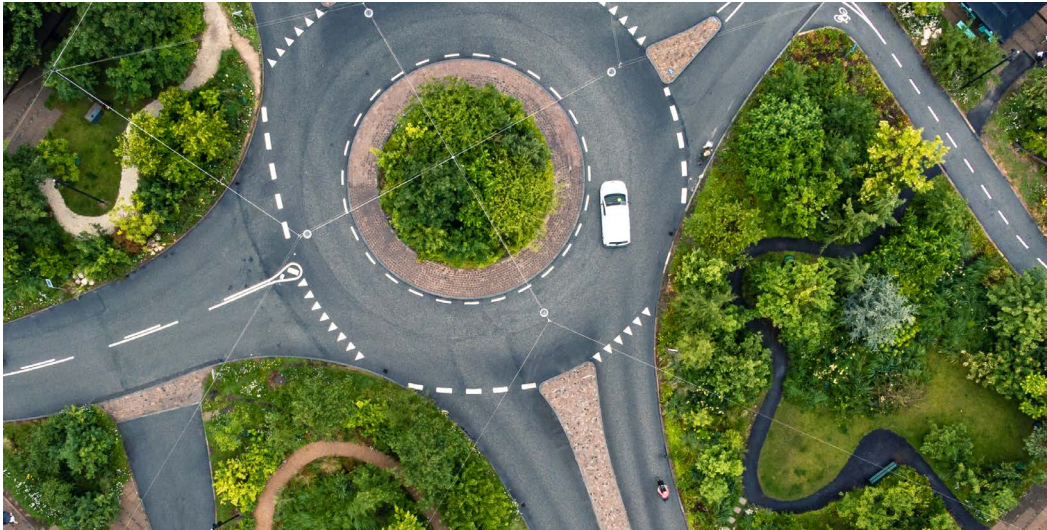
Since 2021, we have published our ESG data annually to ensure transparency in our sustainability efforts. In the light of the evolving requirements under the EU's Corporate Sustainability Reporting Directive (CSRD), we are preparing to expand our reporting to provide a more comprehensive view of our progress and the challenges we face. Although the CSRD requirements are expected to change and postponed to 2027, we remain committed to advancing our sustainability agenda through a clear strategy, strong governance, and targeted initiatives. For us, sustainability is not a matter of choice—it is a necessity, particularly in an increasingly complex and uncertain world.

In this report, we present an honest account of where we stand today—highlighting both achievements and areas for improvement—as we continue working toward a more sustainable future.



Tommy Bysted
CEO

How we work with sustainability



Since 1940, FORCE Technology has supported businesses through major technological transitions—from rivets to welding, oil exploration to wind energy, and analogue systems to digital solutions. Our experience and expertise have helped shape the technological landscape of the future, and we embrace the responsibility that follows.

As the concept of sustainability has evolved—from focusing primarily on climate and the environment to encompassing social responsibility, economic resilience, and governance—we have adapted our strategy accordingly. We see it as our responsibility not only to follow this development but to help drive it.

In 2022, we launched FORCE Technology's first dedicated sustainability strategy, with the clear objective of strengthening our social responsibility while contributing to the UN Sustainable Development Goals. The strategy is built on a holistic approach, recognising that economic, social, and environmental responsibility must go hand in hand to create long-term value.

We have therefore prioritised four key areas where we can make the most meaningful impact:

- Reduction of our environmental impact by optimising our resource and energy consumption
- Promotion of sustainable solutions through collaboration with customers and partners
- Social responsibility, with a focus on diversity, compliance, safety and health
- Financially sound and responsible business practices that support sustainable growth

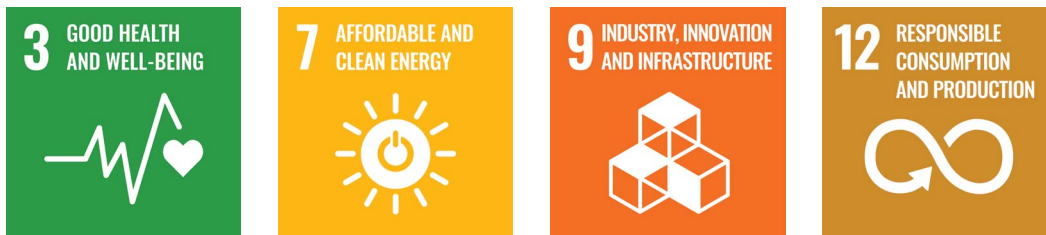
We have specifically chosen to focus on four UN Sustainable Development Goals that closely align with FORCE Technology's business and activities:

Goal 3 - Good health and well-being: Promoting health and well-being across age groups

Goal 7 - Affordable and clean energy: Investing in renewable energy and energy efficiency

Goal 9 - Industry, innovation and infrastructure: Strengthening sustainable innovation and technology

Goal 12 - Responsible consumption and production: Reducing waste and promoting circular solutions



Our sustainability efforts are firmly anchored at the executive management and board levels, ensuring strong oversight and strategic alignment. A dedicated ESG working group is responsible for driving initiatives forward and monitoring progress across the organisation.

In recent years, we have published an ESG report alongside our annual report to provide transparent documentation of our performance in areas such as environmental impact, health-related absence, waste management, diversity, and more.

As part of our preparations for CSRD reporting, we conducted a double materiality assessment in 2024 to identify the most relevant sustainability areas for our business and stakeholders.

While the formal reporting requirements are expected to change, the insights from this analysis will remain a solid foundation for our continued ESG work. It has provided clear direction, enabling us to focus our efforts where we can create positive impact.

Going forward, we will implement targeted improvement initiatives, strengthen the quality and consistency of our data, and further integrate ESG into our overall business strategy. This will ensure a robust basis for future reporting and enable a more focused and effective approach to sustainability.

All data in this report covers our Danish, Norwegian, and Swedish locations unless stated otherwise.

Climate and external environment

Climate change is one of the most pressing challenges facing society today. For this reason, we maintain a strong focus on minimising our environmental impact - particularly by reducing CO₂ emissions and optimising resource consumption.

Environment

Since 2022, FORCE Technology in Denmark has sourced the majority of our electricity from certified renewable energy provided by Energi Danmark and Ørsted. In previous ESG reports, these certificates were not included in our climate accounting, resulting in an incomplete representation of our environmental footprint.

Below, we have calculated our environmental impact with and without Renewable Energy Certificates (REC), in accordance with the GHG Protocol, using comparable figures for 2019, 2023, and 2024.

FORCE Technology's climate statement uses 2019 as the base year, with total CO₂ equivalent contribution of 9,150 tonnes. Based on this reference point, we have set a clear target to reduce our environment impact - aiming for a 25% reduction by 2024, relative to revenue development while taking inflation into account.

In 2024, our total emissions amounted to 5,097 tonnes of CO₂ equivalents, representing a 49% reduction compared to the inflation-adjusted 2019 baseline. Since 2022, the majority of our electricity in FORCE Technology in Denmark has been covered by certified renewable energy providers Energi Danmark and Ørsted.

Excluding the effect of REC, our carbon footprint has been reduced by 17% since 2019. This figure is calculated using the national grid's average emission factor and reflects the actual energy mix, without considering Renewable Energy Certifications (REC) or guarantees of origin (GO).

Climate account 2024

	Unit	(Base year) 2019	2023	2024
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions	tCO ₂ e	1,689	1,650	1,595
Percentage of Scope 1	%	18	21	19
Scope 2 GHG emissions				
Gross Scope 2 GHG emissions	tCO ₂ e	3,753	3,430	3,797
Gross Scope 2 GHG emissions (REC)	tCO ₂ e	3,753	1,183	1,099
Percentage of Scope 2	%	41	43	46
Percentage of Scope 2 (REC)	%	41	22	22
Significant Scope 3 GHG emissions*				
Gross Scope 3 GHG emissions	tCO ₂ e	3,707	2,872	2,877
Gross Scope 3 GHG emissions (REC)	tCO ₂ e	3,707	2,512	2,403
Percentage of Scope 3	%	41	36	35
Percentage of Scope 3 (REC)	%	41	47	47
Total GHG emissions				
Total GHG emissions	tCO ₂ e	9,149	7,952	8,269
Total GHG emissions (REC)	tCO ₂ e	9,149	5,345	5,097
Reduction relative to net turnover	%	-	14	17
Reduction relative to net turnover (REC)	%	-	42	49

REC = Renewable Energy Certificates

* Following categories are included in FORCE Technology's Scope 3:

- 3. Fuel- and energy-related activities not included in scope 1 and 2
- 6. Business travel
- 8. Upstream leased assets

Circular Economy

The circular economy is an integral part of FORCE Technology. For many years, we have worked to develop technological solutions that support a more circular approach to design, production and resource consumption. Our expertise ranges from sustainable product design and material lifetime optimisation to converting waste into new resources through reuse or recycling. This work is deeply connected to our research areas and business.

We are committed to reducing our resource consumption and increasing material recycling. In recent years, we have strengthened our waste management efforts across all sites by improving waste facilities and establishing clear procedures for correct disposal of waste. This ensures that waste is managed efficiently and with a focus on maximising recycling.

The use of hazardous substances in our operations requires strict safety measures and responsible waste management. To address this, we have established robust procedures designed to protect both our employees and the environment. Concurrently, we maintain a strong focus on the correct management of materials to increase recycling potential and facilitate their reintegration into circular processes.

Our goal was to achieve a recycling rate of minimum 70 % by the end of 2024. Our efforts resulted in a recycling rate of 74%, which clearly reflects the impact of our strategic work on waste management and resource optimisation.

Status as of December 31, 2024:

Recycling percent of total quantity

	2020	2021	2022	2023	2024
Total (kg) DK + NO	225.954	236.462	357.295	335.796	490.499
Recycling (kg) DK + NO	105.293	115.876	232.081	214.528	361.325
Recycling %	47	49	65	64	74

In 2022, FORCE Technology in Denmark achieved ISO 14001 certification, documenting our systematic and professional approach to environmental management. Our Norwegian subsidiary has held this certification since 2020, while our Swedish subsidiary is not yet certified due to its limited size.

We will continue our efforts to increase recycling and minimise resource consumption.

Social responsibility



At FORCE Technology, our employees are our most important resource. Our success depends on being an attractive workplace for all employees - regardless of role, field and background. For this reason, we are committed to fostering positive, safe and equal working conditions where everyone feels valued and respected. For us diversity is a strength and a prerequisite for innovation and sustainable growth. An inclusive work culture where employees feel safe, motivated and engaged is a key part of our social responsibility strategy.

As part of our commitment to providing attractive working conditions, FORCE Technology offers a number of schemes that support employees' well-being and a healthy work-life balance. These include an attractive parental leave policy, flexible senior policy and a family care agreement that ensures supportive conditions for different life stages. We also follow to the Danish labour market model, ensuring that union representatives can fulfil their roles and are protected by clear guidelines.

Employee satisfaction

We remain committed to promoting employee well-being and continuously improving overall job satisfaction. In 2024, our annual employee satisfaction survey reflected a positive development, with the overall well-being score increasing to 4.0 from 3.9 in previous survey. This represents a statistically significant improvement, with a response rate of 88%. While we remain slightly below the benchmark average of our peer companies, the development is still positive. Notably, trust in senior management rose markedly—from 3.2 to 3.5—reflecting greater credibility and transparency at the leadership level. In parallel, collaboration between employees and their immediate managers strengthened further, with the score increasing to 4.1 from 3.9 the previous year.

Well-being score [1 out of 5]

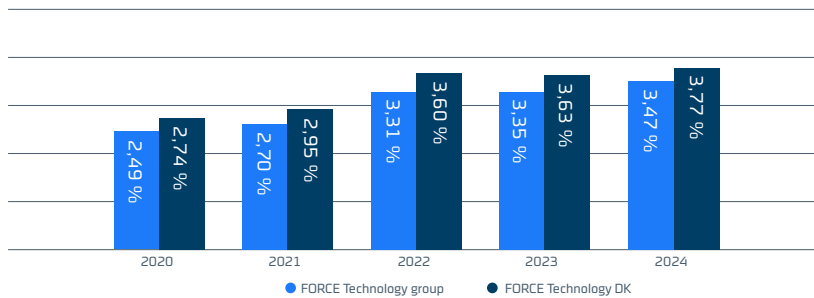


Absence from work

An important part of our social responsibility is to ensure a healthy and safe working environment with low absence rate. In 2024, the overall absence rate across the corporate group was 3.5%, while it was 3.8% for our Danish operations. In comparison, the average for private companies in Denmark was 3.4% in 2023, indicating that our rate is slightly above the national benchmark.

The increase in sick leaves are partly due to a return to normal working conditions after the COVID-19 pandemic, during which the rate was generally lower. We are actively working to reduce the absence rate through targeted initiatives that promote employee well-being and support a healthy work environment. Our sick leave policy facilitates a safe and timely return to work, while our stress policy emphasises on prevention and support. In addition, employees have access to confidential support through an external stress line, where licensed psychologists provide professional guidance and assistance.

Short- and long-term sick leave (own illness)

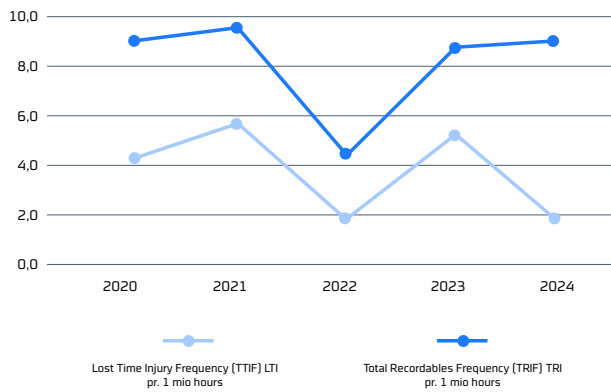


Safety in the workplace

Safety is a core value at FORCE Technology, particularly as many of our employees perform technical tasks, manage hazardous substances, and operate technical machinery and installations - all of which entail an elevated risk of work-related accidents. In response, we have sustained our safety initiatives throughout 2024, maintaining a strong focus on accident prevention and a safe working environment.

Monthly safety meetings remain a key component of our approach to systematically evaluate safety performance and identify opportunities for continuous improvement. In 2024, the accident frequency rate declined to 2.0, thereby meeting our safety target. The positive development may be attributed to a strengthened safety culture and a rise in the number of reported safety observations.

Accident frequency



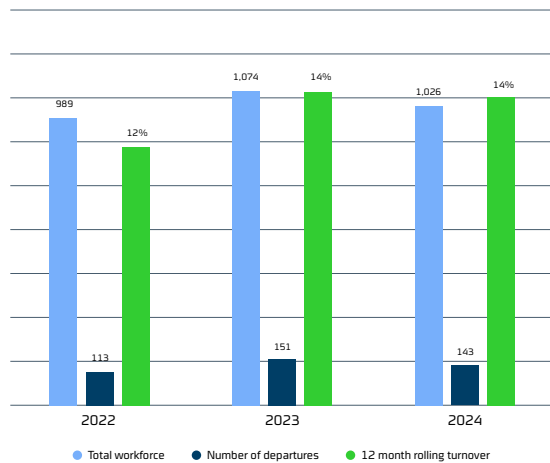
Employee turnover

At FORCE Technology, employee expertise and experience are critical to our success as a knowledge-driven organisation. High employee turnover can carry substantial costs - both financially and in terms of lost knowledge and continuity - which is why retaining and developing our people remains a strategic priority.

In 2024, the turnover rate for full-time employees was 14%, consistent with previous year. Notably, the number of voluntary resignations declined, potentially reflecting increased employee satisfaction.

Employee retention will remain a key focus area in 2025. We will continue to foster attractive working conditions and development opportunities to ensure we attract, retain, and grow the skills and capabilities essential to our long-term success.

Employee composition and turnover



Leadership



A sound leadership and a good governance structure are essential to ensuring that FORCE Technology operates professionally and sustainably. We are committed to strengthening our leadership culture through targeted development programmes, promoting ethical conduct through our Code of Conduct, and advancing diversity across the organisation.

Changes in executive leadership

In 2024, FORCE Technology appointed a new CEO to strengthening our business focus and establish a more efficient and transparent governance structure with clearly defined responsibilities. This transition contributes to improved decision-making processes and enabled more focused management of our strategic priorities, providing a stronger foundation for navigation risks and opportunities in a complex environment.

As part of our continued commitment to transparency, we disclose the total remuneration of the executive board and the board of directors in our annual financial statements. In 2024, total remuneration increased from DKK 5.6 million in 2023 to DKK 9.2 million, primarily due to one-off costs associated with newly appointed CEO.

Management development

In 2022, FORCE Technology achieved ISO 9001 certification, formally recognising our structured and professional approach to quality management. In 2024, the certification was successfully renewed following an independent audit, reaffirming our ongoing focus on quality and efficiency.

In the same year, we completed the first module of a joint leadership development programme, involving approximately 110 managers across the organisation. The programme is designed to enhance managers' competencies in key areas such as goal setting, delegation, psychological safety, and change management. The second module was completed in early 2025.

This is part of an ongoing process rooted in the belief that employee well-being begins with strong leadership. As stewards of organisational culture, our leaders play a key role in shaping a positive and healthy work environment.

Ethical behaviour

Our Code of Conduct continues to serve as a common foundation for decision-making and sets high standards for how we operate as a business. It provides clear guidance on acting responsibly and ethically across key areas such as sustainability, quality, diversity, anti-corruption and data security. The Code of Conduct supports a culture of integrity and accountability, ensuring that we meet our obligations to customers, business partners, and society as a whole.

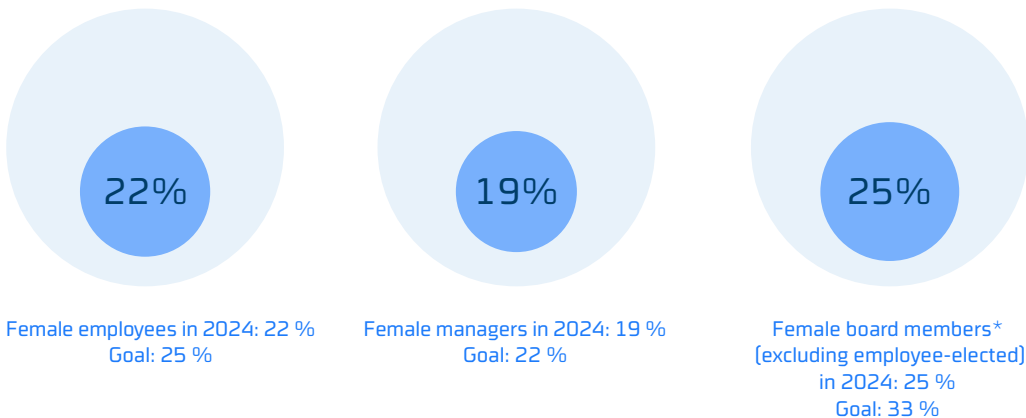
Gender diversity

We are actively strengthening gender diversity as part of our social responsibility strategy. Diverse perspectives and competencies contribute to better decision-making and drive innovation. In 2024, we continued our efforts to attract, retain, and develop talent - regardless of gender, background, etc. - by improving key internal processes such as recruitment, pay review, and career development.

As part of this commitment, we implemented an equality plan and introduced a leadership development programme in which diversity is a key focus area. A significant milestone in 2024 was closing the gender pay gap among female managers, ensuring parity with their male counterparts. However, a minor gap remains among some female employees, which we are actively working to eliminate.

While the proportion of female employees decreased to 22% in 2024, the share of women in management roles rose to 19%. At the board level (excluding employee-elected members), women accounted for 25% of members at year-end—a decrease primarily due to two board vacancies at the end of the financial year.

Representation of women in the organisation



*The proportion of female board members, including employee-elected members, is 29%

FORCE Technology's ongoing commitment to sustainability



Sustainability remains an integral part of FORCE Technology's strategy and business model. We are committed to reducing our environmental impact while delivering technological solutions that support our customers' green transition journey. Our approach is grounded in social responsibility and guided by strong ethical principles in financial management, governance, and overall conduct.

In 2025, we will prioritise the further development of our ESG reporting, informed by the outcomes of our double materiality assessment - focusing on areas most relevant to our business. Our aim is to gradually expand reporting coverage and prepare for compliance with the Corporate Sustainability Reporting Directive (CSRD), expected to take effect in 2027. The goal with this approach is to ensure that ESG is embedded across the organisation through concrete initiatives, a stronger data foundation, and a systematic integration of ESG into our business strategy.

To ensure an effective implementation process of these initiatives, we will leverage insights from peer companies and align with recognised best practices in sustainability and ESG reporting. This will reinforce our position as a responsible and future-oriented organisation that meets both internal ambitions and external expectations.

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