

SKY-LIGHT

2024

ESG report



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Introduction

In an era marked by accelerating climate change, increasing regulatory demands, and growing stakeholder expectations, we acknowledge our responsibility to operate with transparency and accountability. As a manufacturer of packaging solutions, we operate in sectors where sustainability is becoming a critical driver of innovation and long-term value creation.

Founded in 1960 and headquartered in Varde, Denmark, SKY-LIGHT A/S (hereafter referred to as SKY-LIGHT) is a privately-owned company specializing in advanced packaging materials, such as thermoforming and injection moulding, and co-extruded film solutions for thermoforming and form-fill-seal production. We primarily serve customers across Europe, particularly within the food industry, where product safety and quality are essential. Our production is certified to the BRC Global Standard for Packaging Materials, supporting our commitment to rigorous food safety, quality control, and occupational health and safety standards.

This ESG report marks our first structured step toward mapping and communicating the environmental, social, and governance (ESG) aspects of our business. The purpose of this report is to increase transparency around our current ESG performance and to identify opportunities for continuous improvement. It reflects our broader commitment to act responsibly, not only as a supplier, but also as an employer and partner, backed by policies, measurable targets, and ongoing initiatives.



Management summary - ESG report 2024

ENVIRONMENT

SKY-LIGHT A/S has demonstrated progress towards its environmental targets since the baseline year of 2020.

In 2024, we achieved a 53% reduction in **Scope 1** greenhouse gas (GHG) emissions, a 55% reduction in **Scope 2** emissions, and a 15% reduction in **Scope 3** emissions compared to 2020 levels. This contributed to an overall 16% decrease in total GHG emissions. These improvements resulted from lower energy consumption, reduced transport activities, increased use of recycled materials, and declining emission factors.

Despite lower production volumes in 2024 than in 2020, **operational efficiency** improved, as evidenced by a 12% reduction in CO₂e intensity per tonne of purchased raw materials, from 2.35 t CO₂e in 2020 to 2.06 t CO₂e in 2024.

Energy consumption in 2024 included significant electricity usage, which constituted approximately 95% of total energy use. 87% of all energy use came from renewable sources. In 2024, we shifted to self-sufficient heating through waste heat recovery and heat pumps, phasing out purchased district heating.

Water withdrawal remained notably low at 1,828 m³.

Reprocessed inputs from internal and external sources comprised 74.5% of total feedstock, reducing our reliance on virgin plastics, which constituted 25.5% (dropping from 33.4% in 2020).

Looking ahead, we aim for a 75% reduction in Scope 1 emissions and 80% in Scope 2 by 2030, reaching zero emissions in both scopes by 2050, alongside a 50% cut in Scope 3 by 2050. Additional targets include reducing virgin plastic per tonne of product and combustible waste by 30% by 2030. **Initiatives** encompass electrifying the vehicle fleet and finding alternatives to natural gas in drying processes for Scope 1; installing solar panels for Scope 2; and further minimizing virgin PET use while optimizing logistics and material selections for Scope 3.

SOCIAL

We prioritize a safe, inclusive workplace and community engagement.

With 99 employees in 2024, the workforce features 35% **female representation** and an 86% **collective bargaining coverage**.

Sick leave was 4.4%, below the target of under 5%, while 11 work-related accidents occurred, yielding an **accident rate** of 13.77. No severe human rights incidents were recorded, supported by our Code of Conduct.

Community involvement includes educational tours, network participation, and recycling process heat for district heating.

Future efforts aim to reduce the Total Recordable Incident Rate to zero, maintain sick leave below 5%, and ensure annual role-specific safety training, promoting ongoing well-being and collaboration.

GOVERNANCE

We uphold ethical standards with zero convictions or fines for corruption and bribery in 2024. The governance body, comprising three male board members, has a **gender diversity ratio** of 0:3, with plans to improve inclusivity in future appointments.

An **ESG strategy**, developed in 2024, guides responsible practices, including annual supplier screenings from 2026 and yearly ESG reporting from 2025, to enhance transparency and value chain integrity.



**General
information**

Basis for preparation

We have prepared this ESG report in accordance with the Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME – December 2024 draft). The reporting period covers January 1 to December 31, 2024, and the scope of reporting is limited to the operations of SKY-LIGHT A/S on an individual basis.

To provide stakeholders with a transparent and comprehensive view of our sustainability performance, we have chosen to report in line with both the Basic and Comprehensive Modules of the VSME standard. This approach reflects our ambition to go beyond minimum requirements and to align with evolving stakeholder expectations. We have omitted disclosure of revenue information due to its commercially sensitive nature.



Legal form:

Aktieselskab (A/S)
private limited company

NACE codes:

22.22 – Manufacture of plastic packing goods
22.21 – Manufacture of plastic plates,
sheets, tubes and profiles

Certificates:

BRC IoP Issue 6

Balance sheet total (EUR):

approx. 16.8 million EUR
(125,252 TDKK)

Turnover (EUR):

Omitted due to sensitivity

Number of employees:

99 (headcount as of December 31, 2024)

Address:

Tømrervej 36, 6800 Varde, Denmark

Geolocation:

55.60287° N, 8.50218° E

Site status:

Leased premises

Country of primary operations:

Denmark
(with international sales and partnerships)

ESG key performance indicators

Environment		
Energy consumption – Electricity	8,990.13	MWh
Energy consumption – District heating	213.80	MWh
Energy consumption – Petrol	4,151	l
Energy consumption – Diesel	4,095	l
Energy consumption – Natural gas	16,047	m ³
Scope 1 emissions	41.70	t CO ₂ e
Scope 2 emissions (location-based)	509.81	t CO ₂ e
Scope 3 emissions	22,330.42	t CO ₂ e
CO ₂ e intensity	2.06	t CO ₂ e/t purchased raw materials
Water withdrawal	1,828	m ³
Social		
Number of employees	99	Headcount
Sick leave rate	4.4	%
Work-related accidents with absence	11	Number
Governance		
Incidents of corruption and bribery	0	Number



C1

Strategy: Business model and sustainability

Who are we?

SKY-LIGHT is a privately owned, family-run company established in 1960 and headquartered in Varde, Denmark. With strong roots in West Jutland, we combine decades of experience with a forward-looking mindset that provides a solid foundation for continuous growth and innovation.

As far back as the 1990s, we replaced our cooling towers with an innovative groundwater cooling system, now a pivotal element in harnessing process heat for district heating.

Today, around 99 dedicated employees ensure a yearly production of more than 15,000 tonnes of PET film and over 650 million thermoformed packaging items annually. Furthermore, in 2024 we produced more than 9 million injection-molded components. Our operations run 24/7, enabling high flexibility and reliable responsiveness to customer needs.

SKY-LIGHT holds a key position in the value chain as we produce PET films, which are both used internally in our thermoforming production and sold to other packaging manufacturers. This position in the value chain enables us to source production residuals from our PET film customers,

which can be incorporated into the production of new PET film.

In 2024, reprocessed input from both internal and external sources accounted for 65% of the total feedstock used in the extruder.

We place great emphasis on environmental responsibility and resource efficiency. In close collaboration with selected partners, we collect and process production residuals that are reintroduced into our manufacturing cycle.

At SKY-LIGHT, delivering on our promises is fundamental. We provide an honest service: delivering exactly as agreed, in the specified quality and on the agreed date. We design and develop new products in partnership with our customers, as we believe collaboration strengthens their business as well as ours, creating long-term value for both parties. This is how we build trust and lasting relationships with our customers and suppliers.

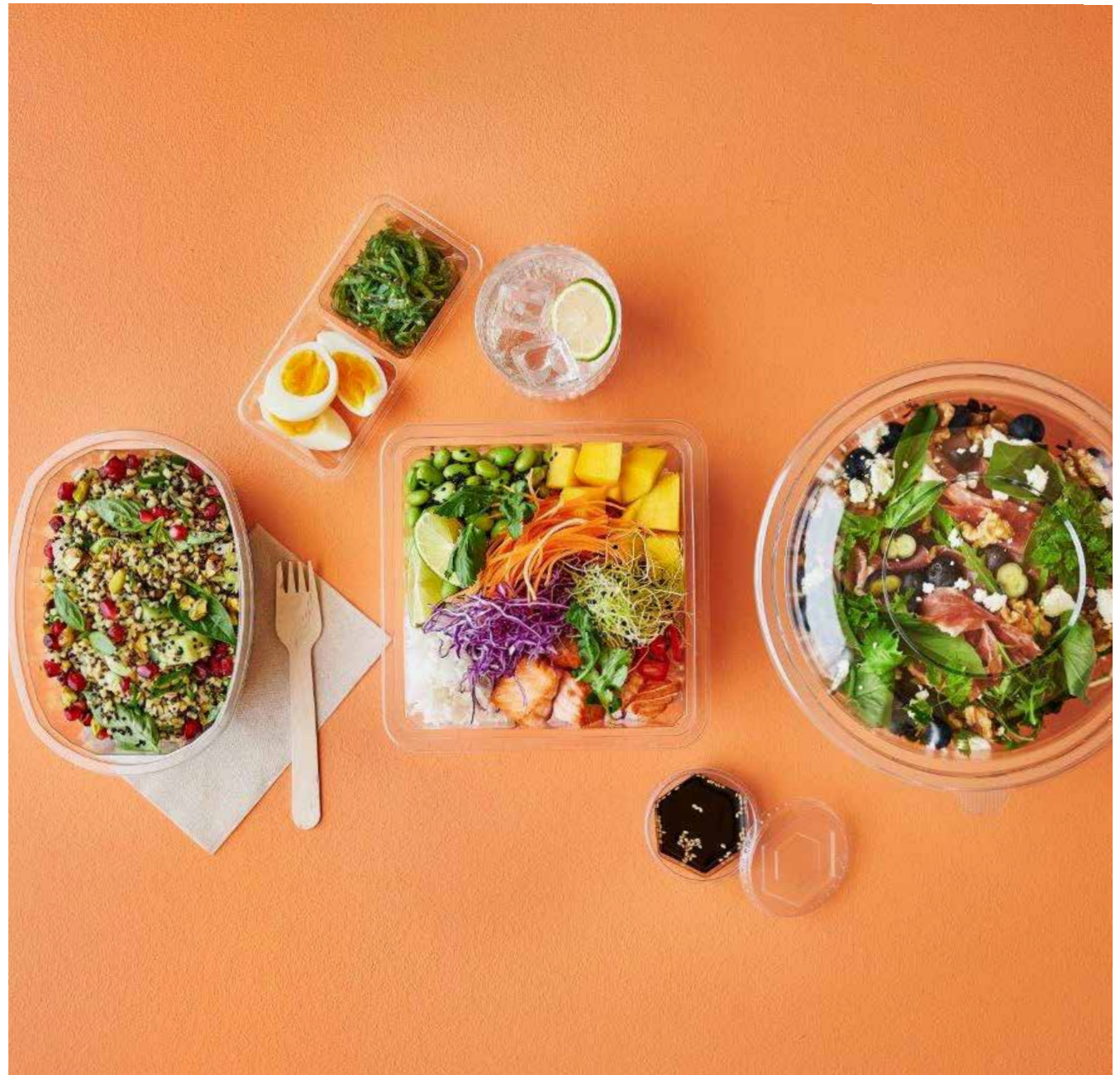
Our products and services

We focus on two main areas that characterize our production process. The first is PET film, tailored to the needs of our B2B customers and made through an extrusion process. The second key area is packaging production, created using a thermoforming process that uses PET film.

We develop and produce thermoforming films in aPET, rPET, and PET/PE, featuring customized properties such as anti-block and anti-mist. These PET film solutions are developed in close collaboration with our customers to meet specific requirements.

In the thermoforming division of our company, we manufacture ready-to-use packaging designed to protect products throughout the entire value chain, from factory to end-user. Our packaging solutions are primarily supplied to the food manufacturing industry, which places the highest demands on hygiene, quality, and product safety.

We uphold standards through rigorous process control, strict hygiene protocols, and zone-specific safety measures in our production facilities. From concept to delivery, quality and protection are at the core of everything we do.



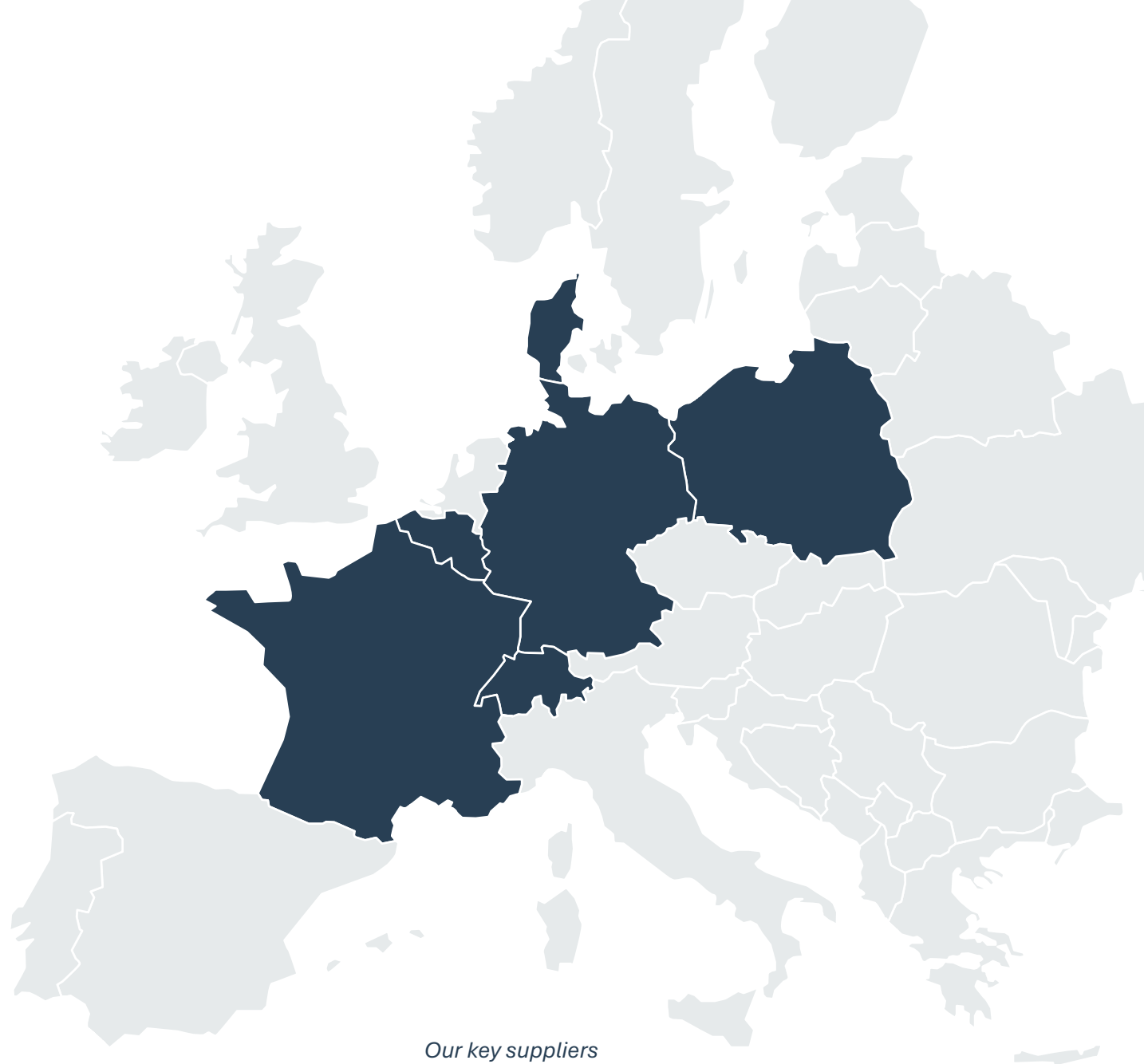
Markets and key business relationships

We operate exclusively in the B2B market, supplying manufacturers and wholesalers, particularly within the food industry, but also in selected non-food segments. Our customer base is primarily located in Denmark, Germany, and the Nordic region, and our products are integrated into both private-label and branded packaging solutions sold across Europe.

Approximately 60% of our purchasing volume (by monetary value) is sourced from eight key suppliers located in:

- Belgium
- Denmark
- Germany
- Poland
- Switzerland
- France

This includes procurement of raw PET and PP materials (including food-grade rPET), packaging components and operational supplies among others.



Sustainability in strategy

At SKY-LIGHT, we aim to integrate environmental, social, and governance considerations across our operations, and align them with our core values and policies. Our ESG approach serves as a framework for responsible business conduct and long-term value creation.

A key strategic priority is the use of recycled and reprocessed PET, which we source from three main channels:

- Internally, through reprocessing of our own production residuals (e.g., trim waste)
- In collaboration with PET film customers and other thermoform manufacturers through “closed loop” systems, where we buy back clean production residuals
- Externally, via post-consumer PET collected through European recycling systems

This structured use of recycled and reprocessed content is central to our circular economy efforts, enabling us to reduce the use of virgin PET and support material recirculation, without compromising on quality or hygiene.

Our ESG strategy takes 2020 as the baseline year for measurement and follow-up. We aim to reduce our environmental footprint wherever possible, use resources efficiently, and apply circular principles across our operations. We are committed to providing a safe, fair, and inclusive workplace, while upholding transparent and ethical business practices throughout our value chain.

As part of preparing this ESG report, we have developed our first formal ESG strategy. While the strategy was not in effect during the reporting period (January 1 – December 31, 2024), it will serve as the foundation for our future ESG work. Progress and results will be evaluated and reported in next year’s report.



ESG Targets



GHG emissions

Reduce Scope 1 by 75% by 2030 and 100% by 2050

Reduce Scope 2 by 80% by 2030 and 100% by 2050

Reduce Scope 3 by 50% by 2050



Raw materials

Reduce the share of virgin plastic per tonnes of product produced by 30% by 2030



Waste

Reduce combustible waste by 30% by 2030



Social responsibility

Achieve and maintain a zero incident rate (TRIR=0)

Keep annual sick leave rates below 5% every year from 2025

Ensure that all employees receive safety training relevant to their role every year



Business ethics

Update and publish an ESG report and data every year from 2025

Conduct at least 3 ESG supplier screenings annually from 2026



B2

C2

Practices, policies and future initiatives for transitioning towards a more sustainable economy

We recognize that long-term value creation depends on balancing environmental responsibility, social well-being, and sound governance practices. Our approach is therefore built around policies, daily practices, and future-oriented initiatives that enable us to reduce risks, capture opportunities, and strengthen our contribution to responsible business practice.

Responsibility for ESG-related policies, actions, and future goals rests with the management team, with the CEO holding overall accountability.

	Current practices and actions	Existing policies	Future initiatives and goals
Environmental	<ul style="list-style-type: none"> • Systematic use of recycled and reprocessed PET from internal loops, customer take-back systems, and post-consumer sources • Process optimization through increased automation and robotics to reduce resource use • Waste sorting to maximize recycling and minimize residual waste • We have achieved heating self-sufficiency by utilizing surplus heat generated from production processes, supplemented by high-efficiency heat pumps 	<ul style="list-style-type: none"> • Environmental policy 	<ul style="list-style-type: none"> • Supply of excess heat to the local district heating grid from 2025 (12,000 MWh annually, equal to approx. 700 households) • A solar panel system from 2025 • Reduce CO₂ emissions through conscious material and process choices • Reduce residual waste by increasing sorting and recycling rates
Social	<ul style="list-style-type: none"> • Zero tolerance for discrimination and harassment • Strong focus on employee safety, well-being, and ongoing training • Contribution to society through packaging solutions that help reduce food waste 	<ul style="list-style-type: none"> • Diversity & inclusion policy • Employee handbook including health & safety as well as training policies • Formalized safety protocols • Absence policy 	<ul style="list-style-type: none"> • Strengthen health & safety culture through continuous training and preventive measures • Maintain annual sick leave rates below 5% • Improve gender diversity across staff and management levels
Governance	<ul style="list-style-type: none"> • Zero tolerance for corruption and unethical behavior • Whistleblower mechanism and grievance procedures to ensure accountability 	<ul style="list-style-type: none"> • Code of Conduct including anti-corruption principles • Whistleblower policy • IT security policy 	<ul style="list-style-type: none"> • Annual ESG reporting from 2025 • Increased digitalization of operational data to support investments, efficiency gains, and the green transition • ESG Screenings of selected suppliers from 2026 and forward



Environment

Energy and greenhouse gas emissions

Energy consumption

At SKY-LIGHT, energy is a critical input for our operations, from extrusion and thermoforming to lighting, office functions, and the operation of electric trucks. In 2024, our total electricity consumption was 8,990.13 MWh, of which 90% (8,046.17 MWh) came from renewable sources and the rest from non-renewable sources. Our total electricity consumption represents a 7.5% increase compared to 2023, where total electricity consumption was 8,366 MWh.

Natural gas, amounting to 16,047 m³ in 2024, is used exclusively for drying PET raw materials to maintain high product quality. Until April 2024, we also consumed 213.80 MWh of district heating, of which 42.6% (91.08 MWh) came from renewable sources. After this date, we transitioned to a combination of heat pumps and industrial waste heat recovery, enabling us to become fully self-sufficient in heating.

For cooling in the extrusion process, we have established a closed loop system, which uses groundwater of approximately 8°C to cool down the temperature in the production. The groundwater

cooling system was introduced in the 1990s as an alternative to cooling towers.

Our vehicle fleet consists of two diesel-powered cars, one gasoline-powered car, and two plug-in hybrid/gasoline cars.

In 2025, we will complete the installation of a solar panel system to generate renewable electricity on-site, further reducing our reliance on externally supplied energy. In addition, we are, in partnership with DIN Forsyning (local district heating company), establishing a facility to convert process heat from our groundwater cooling system into district heating. Once operational, this facility is expected to deliver approximately 12,000 MWh of heat annually, which is enough to meet the heating needs of around 700 households. The results and impact of these initiatives will be included in our 2025 report.



Energy Source	Renewable (MWh)	Non-Renewable (MWh)	Total consumption (MWh)
Electricity	8,046.17	943.96	8,990.13
Fuels (natural gas, diesel, and gasoline)	67.47	169.29	236.75
District heating (until April 2024)	91.08	122.72	213.80



Data behind the energy analysis

The energy data presented in this report is based on operational figures from 2024 and reflects documented supply conditions and utility-specific information.

Until April 2024, district heating for building and facility heating was supplied by the local provider, whose 2024 energy mix consisted of 42.6% renewable and 57.4% non-renewable sources. Electricity used for production, office operations, and general infrastructure was sourced from the municipal grid. In 2024, the electricity mix in Varde Municipality comprised of 90% renewable and 10% non-renewable energy, based on figures from the local electricity supplier.

Conversions between the energy units (specifically from m³ and l to MWh) were carried out automatically by the Climate Compass tool, which was used for calculating our emissions (see Accounting policy under Greenhouse gas emissions chapter).

These form the basis for classifying energy sources in our energy reporting for the 2024 accounting period.

Greenhouse gas (GHG) emissions

We prepared our GHG emissions inventory in line with the GHG Protocol Corporate Accounting and Reporting Standard. Emissions are reported across Scope 1, Scope 2 (location-based), and selected Scope 3 categories that are material to our operations.

The following Scope 3 categories were included in the calculation:

- Category 1 - Purchased goods and services
- Category 2 - Capital goods
- Category 3 - Fuel and energy-related activities (not included in Scope 1 and Scope 2)
- Category 4 - Upstream transportation and distribution
- Category 5 - Waste generated in operations
- Category 9 - Downstream transportation and distribution
- Category 12 - End-of-life treatment of sold products

The baseline year of our GHG reporting is 2020, with the first full inventory and comparison year being 2024.



			2024	2020 (baseline)	Change
Scope 1		t CO ₂ e	41.70	89.14	-53%
Scope 2	(location-based)	t CO ₂ e	509.81	1,135.85	-55%
Scope 3	Total Scope 3	t CO ₂ e	22,330.42	26,152.10	-15%
	Category 1 – Purchased goods and services	t CO ₂ e	19,723.34	21,960.05	-10%
	Category 2 – Capital goods	t CO ₂ e	693.88	1,074.40	-35%
	Category 3 - Fuel and energy-related activities	t CO ₂ e	38.79	63.39	-39%
	Category 4 - Upstream transportation and distribution	t CO ₂ e	1,022.36	1,630.94	-37%
	Category 5 - Waste generated in operations	t CO ₂ e	0.02 (-132.09)*	0 (-301.02)*	n/a (-56%)*
	Category 9 - Downstream transportation and distribution	t CO ₂ e	852.02	1,417.33	-40%
	Category 12 – End-of-life treatment of sold products	t CO ₂ e	(-18,225.76)*	(-25,520.57)*	(-29%)*
Total GHG emissions		t CO ₂ e	22,881.92	27,377.09	-16%
CO₂e intensity		t CO ₂ e/t purchased raw material	2.06	2.35	-12%

* Outside of scope emissions as per Climate Compass' methodology

In 2024, our total GHG emissions (excluding out-of-scope emissions) amounted to 22,881.92 t CO₂e, representing a 16% reduction compared to our 2020 baseline year. This decrease can be explained by lower energy consumption, reduced upstream and downstream transport, changes in raw material sourcing (including more recycled content and less amount of purchased virgin PET), and lower emission factors.

More than 97% of our emissions fall within Scope 3, with the largest contributor being the purchase of virgin PET, which alone accounts for 73% of total emissions. From an efficiency perspective, we achieved a 12% reduction in CO₂e intensity compared to 2020, reflecting continuous improvements in our operational and manufacturing processes.



Accounting policy for carbon emissions

We collected activity- and monetary data and prepared our GHG inventory following the operational control approach outlined in the GHG Protocol.

We calculated our emissions using the Climate Compass tool (Klimakompasset) provided by the Danish Business Authority (Erhvervsstyrelsen). The electricity emission factor for Varde Municipality was obtained from Energinet, applying the location-based 125% method. The district heating emission factor was sourced from the environmental declarations (Fjernvarmedeklaration) of the utility company Din Forsyning. For 2020, the 2022 environmental declaration was used, as this was the oldest available data from the supplier. Emission factor for PET-Bottle flakes and regranulated PET was sourced from the EcolInvent 3.11 database. All other emission factors were taken directly from the Climate Compass tool using the emission factors available in the tool at the time of calculation (these emission factors related to year 2023).

For Categories 4 and 9 – Up- and downstream transportation, the following assumptions were made. For transportation within Europe, it is assumed that all shipments are carried out by diesel trucks. Shipments to America are assumed to be transported by container ships with an unspecified fuel source. Transport distances were calculated between SKY-LIGHT headquarters and the relevant country of origin or destination. Distances were estimated using Google Maps (shortest road routes) and Sea-Distances.org (maritime routes). It is further assumed that transport routes and distances remain identical for each shipment between SKY-LIGHT and the respective supplier or customer. For simplification, multiple customers within the same country were consolidated and treated as one destination.

For Category 5 – Waste, the following assumptions were made. Waste in the “metal” category is assumed to consist of steel and iron. Mixed bottles and glass packaging are considered to be 100% glass. All plastic waste, whether clean PP or mixed with other materials, is treated as a single plastic waste stream. This includes multiple types of plastics such as PP, PET, and LDPE. Battery waste

is assumed to consist of alkaline AA batteries. Batteries and other hazardous waste are considered to have an unknown end-of-life treatment. General waste (and waste in “other” category) is assumed to be sent to incineration. Gravel is assumed to be disposed of in landfill, whereas all other waste is assumed to be sent for recycling.

For Category 12- End-of-life treatment, the following assumptions were applied. All sold products were assumed to be PET, with an end-of-life treatment of recycling. Transportation packaging was assumed to consist of wooden pallets (EURO-pallet size, 25 kg each) and wire cages (85 kg each, consisting of 100% metal), both with an end-of-life treatment of recycling. Transportation packaging of cardboard and plastic were not included in the analysis due to their minimal (less than 2%) contribution to the Category 12 outside of scope emissions.

We calculate our GHG intensity by dividing the total emissions (in t CO₂e) by the total weight of purchased raw materials (including packaging) in the reporting year.

C3

GHG reduction and climate transition

We have set GHG reduction targets for 2050, with intermediate targets for 2030.

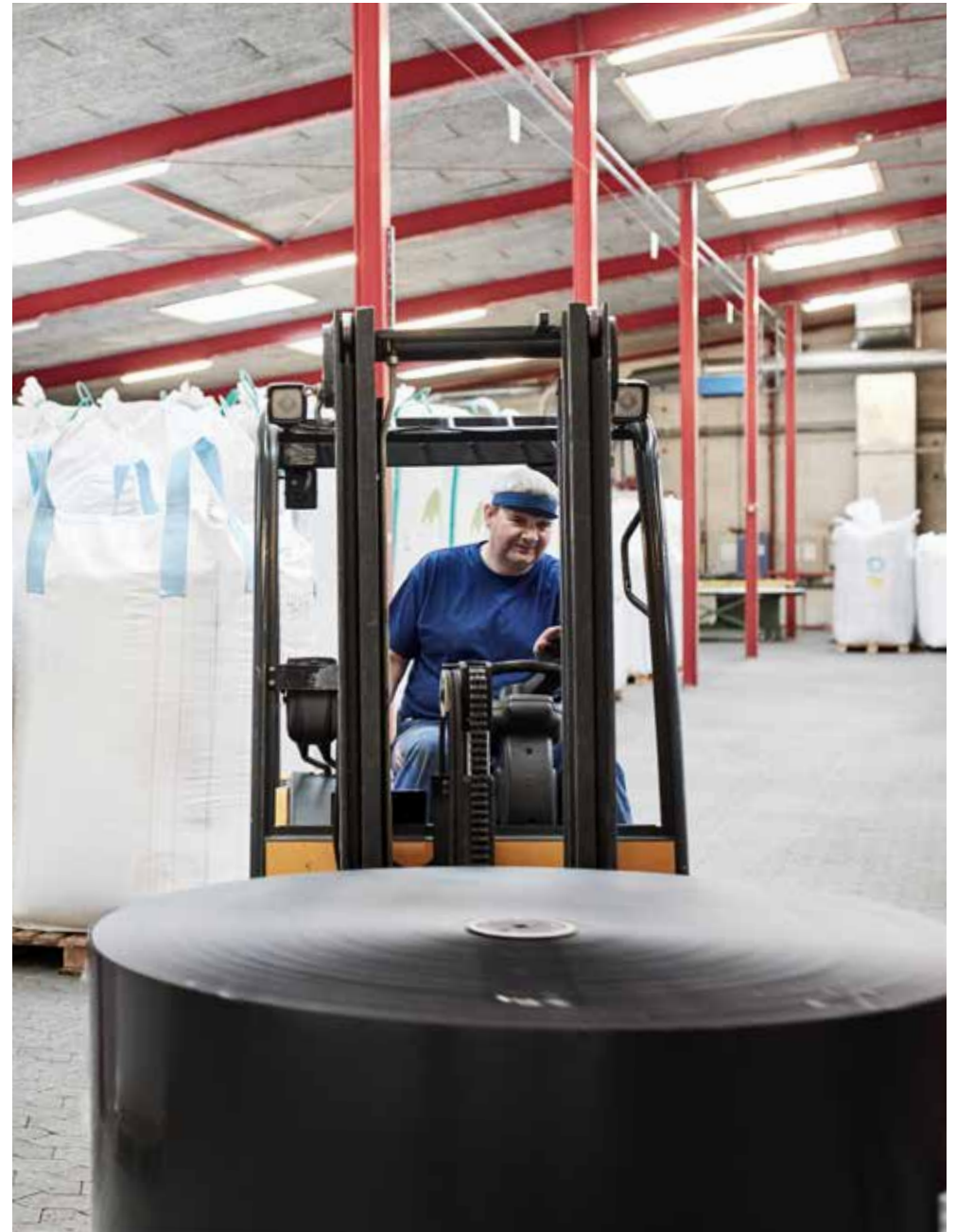
	Target year	Target value	Reduction target	Base year	Base year value
Scope 1	2030	22.29 t CO ₂ e	75% reduction	2020	89.14 t CO ₂ e
	2050	0 t CO ₂ e	100% reduction		
Scope 2	2030	227.17 t CO ₂ e	80% reduction	2020	1,135.85 t CO ₂ e
	2050	0 t CO ₂ e	100% reduction		
Scope 3	2050	13,076.05 t CO ₂ e	50% reduction	2020	26,152.10 t CO ₂ e



We aim to use a wide range of decarbonization levers and implement targeted initiatives to achieve our reduction targets.

- ★ **Scope 1 emissions:** We plan to transition our transport fleet to electric-powered vehicles and phase out natural gas in our drying processes. For the latter, we will explore the most efficient alternatives, including the introduction of biogenic gas or other suitable energy sources.
- ★ **Scope 2 emissions:** To address location-based emissions, we will install solar panels at our facility and make use of surplus heat generated from production processes, thereby reducing the need for purchased energy.
- ★ **Scope 3 emissions:** We will continue to reduce reliance on virgin PET by replacing it with lower-emission alternatives, while ensuring product quality and material performance. Conscious material and process choices will remain a key lever in reducing Scope 3 emissions, supported by ongoing efforts to optimise logistics, including both transport planning and transport packaging.

We are committed to supporting these initiatives by providing the necessary financial resources and investing in human capital, including employee upskilling. The management team is responsible for implementing these initiatives and monitoring progress through annual ESG reports, board meetings, and other governance processes. Beyond reduction targets, related initiatives, and financial planning, the management team also oversees the identification and management of climate-related risks and the corresponding actions.



Climate risks

We have evaluated climate-related risks that could potentially impact our operations, both in terms of physical hazards and transition risks. This evaluation has been carried out as part of the preparation of this report and will be further assessed when considered necessary, for example in relation to market developments, dialogue, or regulatory changes.

Physical climate risks

Our production site and head office are in Varde, Denmark, a region with relatively low exposure to extreme weather events. At present, we have not identified any material short-term (0–5 years) climate-related risks, but we will continue to reassess this on an annual basis. However, we have identified the following potential risks that may become more relevant over time (2030–2050).

Coastal flooding (low in both the short and long term)

According to DinGeo's address-specific assessment for Tømrervej 36 in Varde, our site faces low risk of flooding. The building, located 23.2 meters above sea level, is assessed as having low risk from groundwater, rainwater, coastal flooding, and watercourses. While the Aqueduct Water Risk Atlas classifies the broader region as having higher long-term coastal flood risk, DinGeo's site-specific assessment indicates that this is not material at our location. We therefore consider the risk low in both the short and long term, though we will reassess if significant changes in local conditions occur.

Groundwater table fluctuations (low)

Climate-related changes affecting the groundwater table could challenge our ability to maintain stable process cooling. Parts of our production rely on a closed-loop groundwater-based cooling system. Although the system currently functions effectively, we recognize the importance of monitoring this closely.

Flood-related supply chain disruption (low-medium)

Severe flooding events that impact regional transport infrastructure could disrupt our inbound and outbound logistics, affecting both raw material deliveries and the distribution of finished goods.

Transition risks

As a manufacturer of PET and PP packaging solutions, we operate in a sector undergoing rapid transformation due to increasing regulatory demands, environmental targets, and changing customer expectations. These shifts give rise to several transition-related risks that may impact our business over the medium to long term (2030–2050).

Another critical aspect of transition risk relates to energy reliability. As the energy system transitions toward low-emission sources, the potential for power quality issues, such as more frequent blackouts or brownouts, increases. Our production is highly sensitive to power interruptions.

To manage these risks, we monitor relevant legislation and engage with customers and suppliers. In addition, we are evaluating concrete adaptation measures, including backup power solutions for production-critical systems, supplier diversification strategies, and insurance coverage for extreme weather-related business interruptions.

While these developments represent challenges, we also view them as opportunities. By responding proactively, we aim to strengthen our position through innovation, circular product design, and more responsible sourcing practices.

Rising demand and increased competition for recycled plastics

The growing focus on circular economy and Extended Producer Responsibility (EPR) across Europe is driving a significant increase in demand for high-quality recycled plastics, especially food-grade rPET.

Stricter requirements for design, recyclability and material traceability

Our B2B customers, particularly in the food sector, are raising expectations for packaging that supports their own sustainability goals. This includes higher demands for products with higher post-consumer content, documentation of material origin, and alignment with EU and national packaging regulations.

Need for continuous adaptation to stay compliant and competitive

To remain competitive, we must continuously update our product portfolio in line with new technical standards, labelling requirements, documentation requirements and recycled content criteria.

Pollution of air, water and soil

We are currently not subject to legal obligations to monitor or report pollution under environmental regulations. However, we monitor and mitigate selected potential pollution impacts and stay updated on evolving legislation that may apply to our operations in the future.

Our production involves plastic materials, which can carry a risk of microplastic pollution. To minimize this risk, we have implemented regular cleaning routines and systematic collection of plastic waste in and around production areas. One example is our integrated central vacuum system, which is designed for the efficient collection of plastic dust and production waste. Additionally, we have installed filters in all floor drains located near production lines to prevent any plastic particles from entering the wastewater system.

We use groundwater in a closed-loop cooling system for selected production processes. Because the water is recirculated and never comes into contact with other materials, the risk of groundwater pollution is considered very low. Our primary focus is to maintain the integrity of the system and avoid any potential leaks that could lead to contamination.

While we are not currently legally required to report on pollution, we recognize the importance of this area and proactively monitor potential risks, both to protect the environment and to be prepared for future regulatory developments.

Operation Clean Sweep

We are aligned with the principles of Operation Clean Sweep (OCS) to proactively address the environmental risks associated with the loss of plastic pellets/flakes. In our daily operations, we continuously strive to reduce environmental impact by preventing plastic from entering natural ecosystems. For example, we have installed filters/sieves in our external drains to capture plastic pellets/flakes. Additionally, we require all freight carriers to sweep and clean up after themselves in the event of any plastic spillage on the site.

We conduct quarterly inspections to check for any plastic waste outdoors and ensure that it is promptly removed. Furthermore, we are committed to continuously improving our operational efficiency by optimizing our material handling systems, thereby preventing waste, and minimizing the risk of spillage.

Biodiversity

Our production site and headquarters are located at Tømrervej 36, 6800 Varde, Denmark, covering a total area of 47,500 m² (4.75 hectares). The site is not located in or near any biodiversity-sensitive areas, such as Natura 2000 zones, key biodiversity areas, nature reserves, or protected habitats*. While a significant portion of our site is sealed with buildings and paved surfaces, we also maintain smaller grass-covered green areas.

Although we do not engage in land-use activities that directly affect natural habitats, we remain aware of our indirect potential impact on biodiversity. As a manufacturer of plastic packaging, we recognize that improper disposal of plastic waste by end users can pose a threat to ecosystems, particularly if it enters marine or terrestrial environments.

We focus on designing packaging that is recyclable and supports the circular use of materials, integrating these considerations into our product development and material selection processes where possible and feasible

* Sources include <https://natura2000.eea.europa.eu>, <https://www.keybiodiversityareas.org/sites/search>, and <https://kort.varde.dk/eksternekort>



B6

Water

At SKY-LIGHT, water is primarily used for sanitary facilities and routine cleaning, as well as for our closed-loop groundwater cooling system.

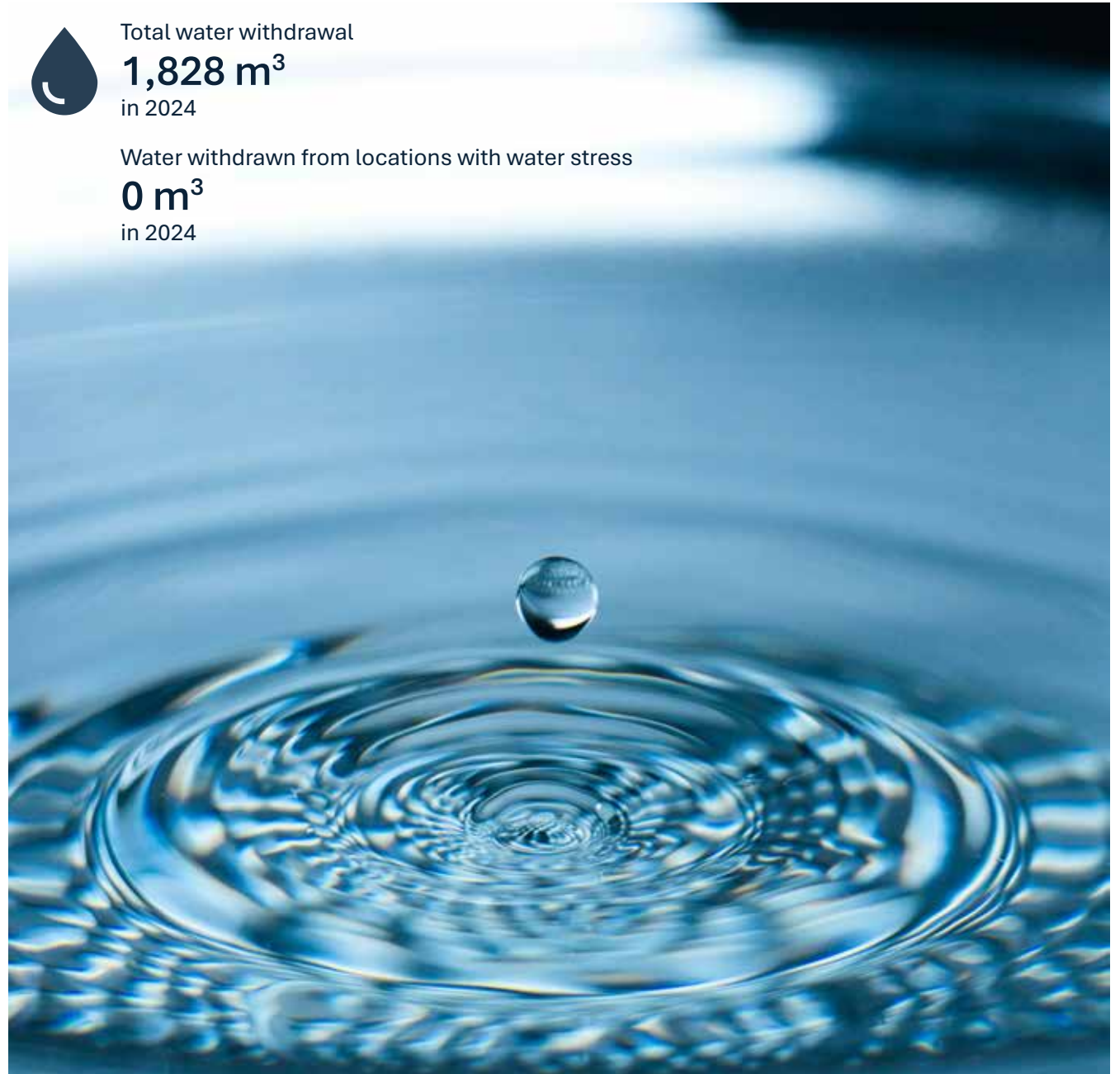
We do not discharge process water into natural waterways. Instead, all wastewater from cleaning and sanitary use is directed to the municipal wastewater treatment system. To prevent PET and PP residues from entering the drainage system, filters are installed in all floor drains, and production waste is systematically collected from production areas.

In 2024, our total water withdrawal amounted to 1,828 m³. No water was withdrawn from areas classified as being under water stress.



Total water withdrawal
1,828 m³
in 2024

Water withdrawn from locations with water stress
0 m³
in 2024



Resource use, circular economy and waste management

We specialize in producing plastic solutions primarily made from PET, a material traditionally derived from petroleum-based plastics. While the industry has long relied on fossil-based raw materials for plastic production, we are working on reducing the need for virgin PET, and thus fossil inputs, by increasing the share of recycled and reprocessed materials in our products. PET, also known as polyester, is one of the most widely used plastics worldwide, recognized for its strength, durability, and versatility. Its high recyclability is especially valuable, making it a key material in advancing circular economy practices, as it can be reused and recycled multiple times.

EREMA technology: A circular solution

Recycling PET plays an important role in reducing waste and dependence on virgin materials. We use advanced recycling technologies, particularly EREMA's system, to produce high-quality recycled PET (rPET). This technology ensures that the rPET we use meets the strict standards required for food-grade applications, making it suitable for packaging food and beverages.

EREMA's system combines several advanced steps in one unit:

- **SafeFlake® technology:** This vacuum reactor effectively removes contaminants, such as oils, dyes, and other migrating substances, ensuring that the rPET produced is free from harmful impurities and meets food safety standards.
- **Energy efficiency:** The system is designed to be energy-efficient, helping to reduce operational costs and minimize environmental impact.

Advancing circular economy practices

While our primary raw material still comes from petroleum-based plastics, we believe that integrating advanced recycling technologies like EREMA's is an essential step toward minimizing the environmental impact of plastic production. By increasing the amount of recycled content in our products, we aim to reduce the consumption of virgin plastic.

We source recycled and reprocessed PET from multiple channels, including internal production, customer take-back systems, and post-consumer

sources. All recycled and reprocessed materials must meet strict hygiene and quality standards. This commitment ensures that our products maintain a high level of safety and quality.



Material flow including recycled and reprocessed content

Our production relies heavily on PET raw materials. We are continuously working to reduce our reliance on virgin PET through increasing the proportion of recycled and reprocessed plastic, such as post-consumer PET, in our production, while maintaining high standards for food safety and product performance.

We also use cardboard, bags, wooden pallets, cardboard, and protective film for transport and packaging, all of which are included in this report to give a fuller picture of our resource use.

Below is an overview of our material flow, showing the breakdown of virgin, post-consumer, and post-industrial PET, along with packaging materials used in our operations.

Material type	2024 (t)	2024 share	2020 (t)	2020 share
Virgin plastic	2,542	25.5%	3,519	33.4%
Post-consumer recycled PET	2,423	24.3%	2,042	19.4%
Post-industrial PET	4,989	50.1%	4,983	47.3%
Total PET	9,957		10,544	
Cardboard packaging	357		385	
Wooden pallets	630		666	
Plastic film packaging	21		24	

Product portfolio

Our product portfolio includes several PET-based materials including:

- **aPET:** Used for film and packaging which consist of virgin or production residuals both internal and external.
- **rPET:** Used for film and packaging which consist of a defined amount of post-consumer PET.
- **PET/PE:** Describes a PET film with an add on layer of PE to improve the sealing properties.
- **PP:** Used for injection molding

Virgin material share

The share of virgin materials in our plastic material flow **decreased** from 33.4% in 2020 to 25.5% in 2024. This shift was accompanied by an increase of post-industrial PET input.

In 2020 **33.4%** → In 2024 **25.5%** → Target in 2030 **23.4%** (-30% vs 2020)

Waste generation and management

We consider waste reduction and proper handling a key area of environmental responsibility and aim to improve both sorting precision and total waste reduction in the coming years.

We engage in dialogue with our customers, continuously working to encourage them to reduce packaging thickness where it makes sense. We also feed our own production residuals directly back into our production processes, ensuring that valuable materials do not reach the point of becoming waste.

A key initiative to further minimize waste in our production involves the management of PET scrap on the production floor. Instead of sending the floor scraps to incineration along with the small combustible fraction, we are now planning to sort and send this material for recycling. We expect this approach to reduce our small combustible fraction by 30%, while simultaneously increasing the amount of material directed towards recycling.

In 2024, we generated a total of 362 tonnes of waste. Of this, 105 t (approx. 29%) were sorted for recycling. The rest, particularly combustible waste (256 t – approximately 71%), consisted of 65% PET waste, which is primarily the waste from

the cleaning of the filters, the PET used for startup of the extruder, and dust collected by the internal automatic dust system. The rest combustible waste originated from the dustbins, which can contain waste from the floor, or other combustible waste.



29% of waste
sorted for recycling



Waste type	Total generated (t)	Recycled (t)	Disposal or unknown (t)
Non-hazardous waste	361	105	256
Hazardous waste	<1	0	<1
Total	362	105	257

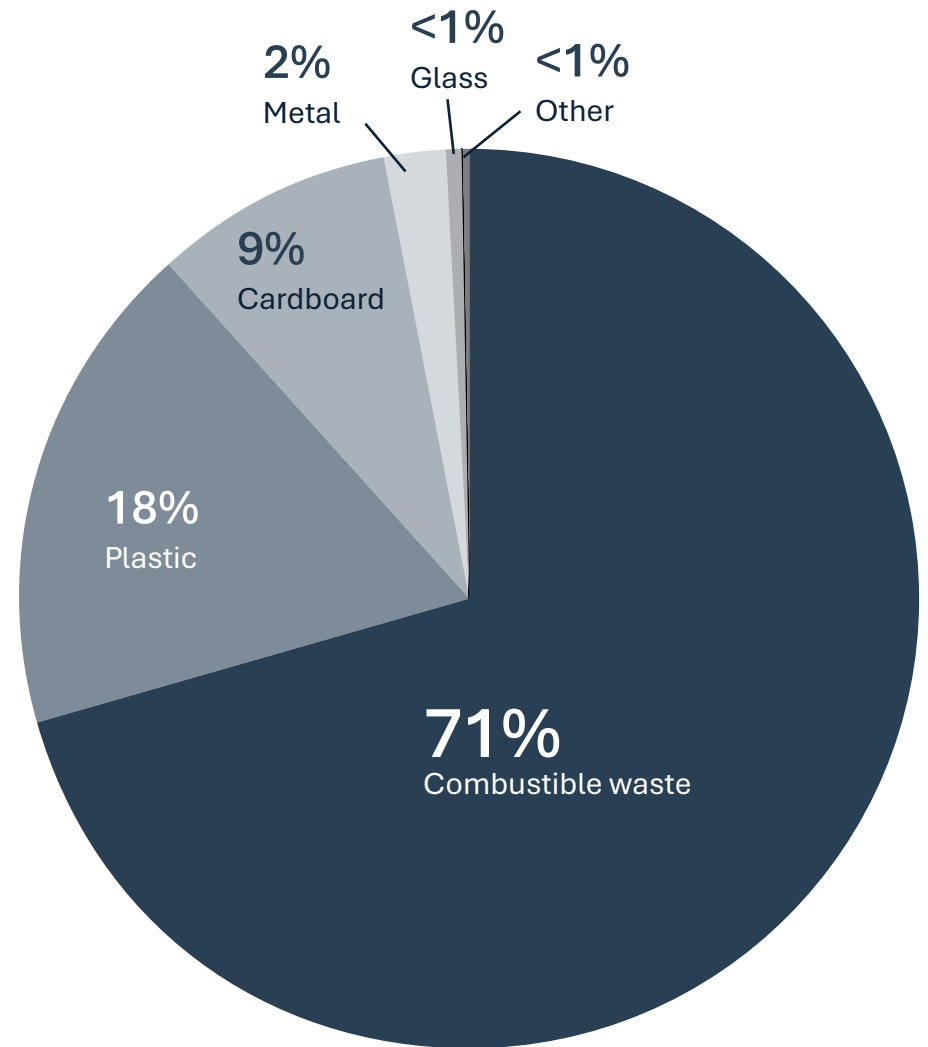
Waste breakdown 2024

Waste fraction	% of total	Quantity (t)	Treatment
General combustible	71%	256	Incineration
Plastic (PP, PET, PE, other)	18%	63	Recycling
Cardboard	9%	32	Recycling
Metal	2%	8	Recycling
Glass	<1%	1	Recycling
Electronics	<1%	<1	Recycling
Gravel/concrete	<1%	<1	Landfill
Dangerous	<1%	<1	Unknown
Total	100%	362	





Composition of waste (%)





Social

Focus on safety, inclusivity, and community engagement

We believe that a safe, fair, and inclusive workplace is essential for building a strong business. Our social responsibility goes beyond compliance. We aim to foster a culture where everyone feels valued, regardless of background, gender, age, or nationality.

We are committed to the local community through participation in local networks, offering guided tours and educational sessions for school classes, and hosting company visits for organizations such as Ældresagen (senior citizens' advocacy), Rotary, and others.

Recycling process heat for district heating is another initiative that contributes to the local community.



B8

C5

General characteristics of own workforce

At SKY-LIGHT, we are committed to being an attractive workplace. Our ambition is to be an employer of choice, offering room for both professional and personal development, regardless of background, age, gender, or nationality.

Overview of our workforce

As of December 31, 2024, we employed 99 people measured by headcount. This is an increase of 3.1% compared to 2023, where the total number of employees was 96.

Employment contract types

All employees are employed on permanent contracts.

Contract type	2024
Temporary contracts	0
Permanent contracts	99
Total employees	99

Gender distribution

The gender distribution is not evenly balanced, with 64 men (65%) and 35 women (35%) employed in 2024.

Gender	2024
Male	64
Female	35
Other	0
Not specified	0
Total employees	99

Turnover rate

In 2023, the employee turnover rate was approximately 31.9%, while in 2024 it decreased significantly to around 19.4%. This positive development reflects greater workforce stability and indicates progress in retaining employees compared to the previous year.



Management structure

At SKY-LIGHT, a manager is defined as someone with responsibility for other employees. Based on this definition, we currently have **12 managers** across various departments and functions:

 • 11 are male

 • 1 is female

In 2024, this ratio was **1:11**, which highlights the current imbalance. We are aware of this and strive to strengthen gender diversity in leadership roles going forward.

External workforce and consultants

To maintain a stable production flow, we regularly engage agency workers in our production setup. This is not related to seasonal demand but serves as a structural solution to maintain operational continuity. In addition, we collaborate with an external environmental consultant who provides specialist expertise on environmental topics and supports our ESG initiatives. External workforce and consultants are not included in the reported employee data.



Employee development and well-being

All new employees go through structured introduction and onboarding programmes as part of their internal training.

We emphasize cross-functional understanding and flexibility. Employees are encouraged not only to understand their own role but also their colleagues' functions to ensure better collaboration and resilience.

We conduct annual development dialogues with each employee, resulting in individual training plans and personal development goals. External training is supported when it is considered relevant for both the employee and SKY-LIGHT. As part of our commitment to employee well-being, we offer benefits such as massage sessions, access to a padel court and recreational facilities, health insurance, and a collective accident insurance. These initiatives support both physical and mental health, strengthen our community, and contribute to a positive working environment.

In 2024, the sickness absence rate was **4.4%**, reflecting a generally stable level of employee well-being.

Human rights policies and processes & severe negative human rights incidents

Human rights policies and processes

We are committed to respecting and promoting human rights and labor rights in all our operations, and follow the principles outlined in the Universal Declaration of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our Code of Conduct outlines expectations for all employees and covers the following areas:

- Human rights and fair treatment
- Child labor
- Forced labor, modern slavery, and human trafficking
- Fair wages and working hours
- Health and safety
- Non-discrimination and equal opportunities
- Whistleblower protection
- Anti-corruption

These principles are also supported through our employee handbook and are embedded in daily operations. We do not tolerate any form of discrimination, harassment, exploitation or

abuse. We comply with Danish labor law, including minimum age requirements, and do not engage in or accept child labor.

Employees and stakeholders have access to a grievance mechanism, including an anonymous whistleblower channel, through which concerns can be reported confidentially and without fear of retaliation. We also expect our partners and suppliers to uphold the same values and reserve the right to audit compliance when necessary.

Severe negative human rights incidents

In the reporting period, we have not experienced any confirmed incidents related to:

- ✘ Child labor
- ✘ Forced labor human trafficking
- ✘ Discrimination or harassment
- ✘ Other severe human rights violations

We are also not aware of any such incidents within our value chain.



Health and safety in own workforce

At SKY-LIGHT, we are committed to providing a safe and healthy working environment for all employees. We comply with applicable health and safety regulations and strive to prevent occupational injuries of any kind through active monitoring, employee training, and preventive maintenance of production equipment and facilities.

All employees receive safety training as a part of our onboarding procedure and are encouraged to take individual and collective responsibility for workplace safety. After six months of employment, employees are also granted access to a company-paid health insurance plan, supporting physical and mental well-being.

Work-related injuries and fatalities

In 2024, 11 work-related accidents were reported compared to the 2 accidents in 2023. The increase is mainly due to a broader definition of reportable accidents and greater awareness of reporting.

We continue to address safety risks proactively and maintain a zero-tolerance policy toward avoidable hazards.

Category	2024
Recordable work-related accidents	11
Accident rate	13.77
Work-related fatalities – injuries	0
Work-related fatalities – ill health	0



B10

Remuneration, collective bargaining and training

At SKY-LIGHT, we are committed to providing fair and responsible working conditions in accordance with Danish labor law and relevant industry collective agreements. All employees receive a salary above the minimum wage level established by the applicable collective bargaining agreement.

We respect employees' right to organize and support constructive and respectful dialogue between employees and management. As of December 31, 2024, 86% of employees (85 out of 99) were covered by a collective agreement, compared to 84% in 2023.

Employee development is also a key priority. We offer a combination of formal education and informal, on-the-job learning, tailored to operational needs and individual roles. In 2024, the estimated average number of training hours per employee was 55.2 hours. This includes both structured training and peer-to-peer learning, particularly in production departments.

We currently do not track training hours by gender, and the reported figure is partly based on estimates, particularly for informal training, which is not systematically recorded. However, formal training activities, such as education leave, are tracked for participating employees.



86%
of employees covered by a collective bargaining agreement (2024)



55.2 training hours
per employee
(in 2024)

Key indicators	2024
All employees earn above the applicable minimum wage	Yes
Share of employees covered by a collective bargaining agreement	86%
Average training hours per employee	55.2



Governance

Our workplace culture

Our internal motto is "Show timely care – it's your company too". We expect all employees to act in accordance with this mindset and to contribute actively to a collaborative and results-oriented work environment. Employees are also encouraged to recommend potential candidates who identify with our values and culture. Our values form the framework for our daily behavior and are supported by guiding principles that promote collaboration, open communication, respect, and job satisfaction. We strive to be better tomorrow than we are today, to help and take care of each other, to communicate clearly and constructively, to let common sense prevail, and to ensure that it is enjoyable to be part of our team.

Our vision is to become a leading company in the packaging industry, recognized for our responsibility, high-quality products, and our customer satisfaction.

Policies and systems

We have implemented a Code of Conduct, environmental policies, and an employee handbook that together define our ethical standards, social responsibility, and environmental commitments. Our Code of Conduct applies to all employees, and we expect all suppliers, subcontractors, and business partners to adhere to similar ethical, environmental, and social standards. It includes

strict prohibitions against child labor, forced labor, discrimination, corruption, bribery, and fraud, as well as commitments to human rights, occupational health and safety, and fair wages.

Whistleblower mechanism

To ensure compliance with our values and policies, we maintain a whistleblower mechanism that allows employees to report violations anonymously. All reports are treated confidentially and investigated thoroughly, and we guarantee that no one will face retaliation for reporting in good faith.



Commitment to the UN Sustainable Development Goals

As part of our ESG focus, we actively work with four of the 17 UN Sustainable Development Goals (SDGs) where we believe we can make the most impact.

By integrating these goals into our governance framework, we ensure that sustainability is not only part of our strategy but also embedded in our daily decision-making and long-term vision.



8 DECENT WORK AND ECONOMIC GROWTH



We strive to create a workplace that is inclusive, safe, and focused on continuous improvement, while optimizing our operations to drive sustainable growth.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We are committed to circular economy principles, working to minimize the use of virgin plastic in our production processes.

13 CLIMATE ACTION



We aim to reduce our environmental footprint through process optimization and improved energy efficiency in our operations.

17 PARTNERSHIPS FOR THE GOALS



We support societies by minimizing the risk of corruption and bribery and acting responsibly in accordance with our policies, practices, and ethical standards. We form partnerships with selected customers on take-back loops.

C9

Gender diversity ratio in the governance body

As of the reporting date, the Board of Directors at SKY-LIGHT consists of three members, all of whom are male. This results in a gender diversity ratio of 0:3 (0% female, 100% male).

We recognize the value of gender diversity at all levels of governance and decision-making. While the current composition does not reflect a gender balance, we are aware of the imbalance and acknowledge the broader societal expectation for more inclusive representation in leadership. We will continue to consider diversity and qualifications in future board appointments.

B11

Convictions and fines for corruption and bribery


We have a zero-tolerance policy towards all forms of corruption and bribery, including money laundering and fraud. We received no convictions or fines in this area in 2024.

	2024
Convictions	0
Total fine amount (DKK)	0



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