



PINDSTRUP

**Corporate Social Responsibility
Report for
Pindstrup Mosebrug A/S
2024/25**

Statutory Statement of CSR
February 2026

Corporate Social Responsibility Report for Pindstrup Mosebrug A/S 2024/25

This is the statutory Corporate Social Responsibility (CSR) Report, pursuant to section 99a of the Danish Financial Statements Act. The report is a supplement to the Annual Report for Pindstrup Mosebrug A/S, covering the 2024/25 financial year (1 October 2024-30 September 2025).

About the company

Pindstrup provides growing media solutions for professional growers all over the world. With more than 60 years of experience in this business, the company is a leading supplier to the horticultural and agricultural industries. Our high-quality products are designed, developed and tested in close collaboration with customers as well as researchers. Growing media from Pindstrup are therefore a strong foundation for healthy plants.

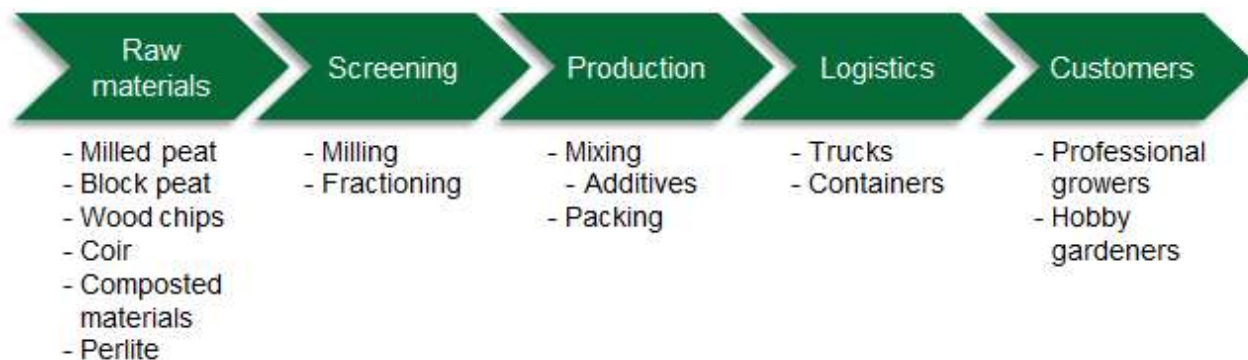
Originally based on peat, our product portfolio today offers a variety of peat-free and peat-reduced mixes, reflecting our ambition and dedication to create sustainable solutions, and to lead the way towards a greener and more responsible world through the use of renewables and alternatives to peat.

Pindstrup was founded in 1905 and continues to be a 100% Danish, family-owned business. Preserving the values of our founder, Pindstrup is a professional company that takes responsibility for creating an attractive work life for our employees by focusing on their wellbeing, development and safety.

Head-quartered in Denmark, we also have production facilities in Brazil, Estonia, Latvia, Spain and the UK. With sales offices in China, North and South America, Southeast Asia and many locations across Europe, Pindstrup's products are sold in more than 100 countries.

In addition to supplying professional growers, Pindstrup also produces growing media for the retail market, primarily sold through retailers in Denmark, Spain and the UK.

Business model



Important events and comments on the past financial year

CSR activities

Pindstrup's efforts within ESG are based on its 2028 strategy plan, which explicitly addresses our ambition to be a greener global company by including interlinked ESG-related elements as building blocks in our strategy. This covers activities within the development of the people of Pindstrup, product development, market-related activities, and specific targets on the share of alternative raw materials, employee engagement and development – and later also on CO₂ emissions.

This approach is in line with the “Pindstrup Compass”, which defines the WHY, HOWs and WHAT of the company. Pindstrup's WHY reads “We help grow a responsible world”, accentuating the core of our work: we aim to make a difference by acting responsibly in everything that we do. The ambition, strategy and compass of Pindstrup are all clearly linked together and guide our day-to-day activities.

In 2023/24, we began the work on climate accounting and established a baseline that serves as a reference. We continued this work during 2024/25 by implementing a common platform for collection of data as close to the source as possible. This leads to more ownership for reporting and improves the quality of the final report. We now have two years of climate accounting available and will continue to build on this. Please see the “Environment and Climate” section on pages 8-9 as well as the case story on pages 14-15.

2024/25 also meant preparation for two new EU regulations, the Packaging and Packaging Waste Regulation (PPWR) and the EU Deforestation Regulation (EUDR), making sure we are compliant. PPWR entered into force on 1 October 2025. Due to a recent review of the EUDR, we are no longer included under this regulation.

Under the original EU CSR Directive (CSR-D), Pindstrup was to report as from 2025. However, the EU postponed the deadline for compliance till 2027 and announced a review of the contents of the directive. This CSR Report thus follows the same reporting framework as in previous years. CSR and ESG initiatives and reporting is driven by Pindstrup's Group Sustainability Manager and carried out by an internal working group in close collaboration with an external consultancy. The postponement of CSR-D compliant reporting allows us to refocus our resources and prioritize the strategic and communicative aspects, which are equally important to Pindstrup. Most likely, we will report to the VSME standard in the future.

Throughout our CSR activities, we will continue to base our work on the UN Sustainable Development Goals with an ongoing focus on balancing the three bottom lines of people, planet, and profit. The Sustainable Development Goals that we have defined as being relevant to our business are:

Goal 2 on Zero Hunger, Goal 12 on Responsible Consumption and Production, and Goal 15 on Life on Land.



Changes to operations

Increasing the production of wood fibre

In line with our strategy plan, we are expanding our wood fibre capacity, which allows us to continuously increase the output of an important raw material that is also more sustainable than peat. In Denmark, a new wood fibre plant was inaugurated in April 2025 and now delivers large volumes, primarily used in smaller bags for the retail market, but also for professional growers. This plant runs on 100% renewable energy. Please see the case story on page 14.

Another new wood fibre plant is being installed at our facility in Northern Ireland, replacing older equipment and allowing an increase in output. The plant will open in the first half of 2026. Other such expansions in strategically important locations are underway.

This expansion underlines our dedication to wood fibre as an excellent raw material for growing media, which the Pindstrup Group has been developing and exploring for three decades. It is also a testament to our continued search for raw materials that are more sustainable than peat. With a higher output of wood fibre, we can significantly increase the share of peat alternatives in our substrates, which is a strategic objective: we want 40% of our raw materials to be non-peat in 2028.

Building a new factory in Pardinho, Brazil

In May 2025, we broke ground for a new factory near the village of Pardinho in the São Paulo province of Brazil. The need for more capacity for our operations there is a result of increasing demand. The factory will run on renewable resources to the extent possible.

Poor peat harvest in the Baltics

During the 2025 harvest season, the Baltics saw a steep decline in harvested volumes due to a very rainy summer. In Latvia alone, the total harvest is at approx. 30% of the usual volume, and while Pindstrup's harvest volume is higher, the lack of peat will have an impact on deliveries to customers in the months ahead; expectedly until the new harvest season starts around May 2026.

This situation is, however, an opportunity to drive the transition towards more sustainable raw materials, and Pindstrup has increased the share of wood fibre in all its recipes. This is fully in line with our strategic goal of reducing the share of peat, supporting our customers' green transition, and overall benefitting the climate.

Risks and action in 2024/25

The table below presents an overview of identified main risks for the company, impact, and action related to each of the policy¹ areas covered by this report.

	Risk	Action
Human Rights	With an international presence and production sites in several different countries, non-compliance with human rights and labour standards is a risk.	We have a strong, ongoing focus on ethical management at our own production sites and in ongoing dialogue with suppliers. We visited selected current and potential suppliers with a focus on high-risk regions.
Social and Employee Terms	The safety of our employees is a critical issue, particularly as we use heavy equipment and heavy transport in our production sites.	At management level and across locations, safety is a priority and a strong focus area. We continue our work to create a safer work environment, e.g. through traffic management in our global production sites and ongoing knowledge sharing on preventive actions and safety awareness across the entire Group.
Environment and Climate	With own production and sourcing of raw materials and application of new types of materials, negative environmental impact is a risk.	We work systematically to reduce our environmental footprint. We work on re-establishing bogs and on energy efficiency across locations. We roll out the application of alternatives to peat and work with Life Cycle Assessments to evaluate progress.
Anti-Corruption and Bribery	The risk of bribery and the reinforcement of anti-corruption legislation require an ongoing focus on compliance, especially in high-risk countries as identified by the Corruption Perception Index.	We continue our commitment to do business with a strong ethical mindset in accordance with our values and current policies.

¹ Cf. The Danish Financial Statements Act §99a.

Policies

Human Rights

Policy

Pindstrup supports and respects internationally acknowledged human rights across the company. We accept the responsibility we have towards our employees and the communities in which we operate, and we expect the same from suppliers.

In Pindstrup, we

- support and respect international agreements regarding human rights
- do not accept forced labour and/or child labour
- respect our employees' free choice of union and their right to take part in collective bargaining
- meet current, local standards regarding work hours across the Group
- comply with the laws and regulations that apply in the countries in which we operate, and we aim to ensure that Human Rights are an integral part of relevant processes.

Policy implementation and progress

Result: During this financial year, we have experienced no breaches in terms of the human rights policy. Internally, we have not identified any significant risks for policy breaches. For external partners, suppliers in particular, we have visited selected suppliers as well as potential suppliers with a particular focus on high-risk regions. Further, we have initiated the evaluation of reporting requirements towards our suppliers. Similarly, we elaborated a Code of Conduct and a Supplier Code of Conduct, which are expected to be finally approved and implemented during the coming year.

Social and Employee Terms

Policy

In Pindstrup, we

- offer a versatile and including workplace with equal opportunities for all
- create room for employees' personal development in their job
- develop leaders who inspire to bring out the best in our employees
- offer competitive terms of employment for our employees
- create a safe and healthy work environment
- engage in our communities through partnerships, donations, sponsor agreements, events or other ways of supporting
- offer work conditions that comply with legal requirements and relevant guidelines, and that acknowledge the principles of the UN Global Compact.

Policy implementation and progress

Result: During the current financial year, we have continued our focus on employee health and safety by continuing the implementation of Group guidelines for systematic safety reporting based on LTI, preventive actions and safety awareness. Our Group Safety Advisor works along with the global Safety Steering Group to improve working conditions and bring the number of accidents to an absolute minimum.

We recorded 22 incidents during 2024/25, corresponding to 13 incidents per 1 mill. working hours (LTI frequency), down from 15 last year. Note that Carolina Soil is included in the figures for 2024/25, which was not the case in previous years.

The number of incidents is not satisfying, and as mentioned above we will continue to work with safety awareness, training and learning across sites. Part of the reason for the higher number of incidents is increased attention, meaning that incidents that would previously not have been reported, are now registered, handled and used as learning. This may seem like a paradox but is a known effect from increased attention to an area.

Our target going forward is to have zero work incidents.

Environment and Climate

Policy

In Pindstrup, we acknowledge the concern for the environment and for climate changes related to human activities, and we take responsibility for reducing the climate impact from our operations.

In Pindstrup, we

- promote a sustainable approach throughout the company
- work to prevent and reduce negative impact on environment and climate
- engage in ongoing dialogue with all stakeholder groups regarding environmental challenges and opportunities
- meet current legal requirements and relevant demands from external partners.

Policy implementation and progress

Results²: The total energy consumption per produced cubic meter (m³) in 2024/25 amounted to 21.3 kWh/m³ compared to 18.5 kWh/m³ in 2023/24. This corresponds to an increase in energy consumption per m³ produced of 15%. Compared to the baseline year 2018/19, the energy consumption per m³ produced is also 15% higher.

² Our accounting policy for the KPI on energy savings is energy consumption covering electricity, district heating, oil, diesel and peat for energy and heating from our production sites (Brazil, Denmark, Latvia, Spain and the UK) and company vehicles incl. tractors and excavators. The method for calculating the energy consumption per produced cubic meters of finished goods does not consider the effect of stock change for raw materials. The raw materials are used in the finished goods, but due to seasonal fluctuations there can be either an increase or a decrease in the raw materials in stock. Over time, the production of raw materials corresponds to the production of finished goods.

The increase in energy consumption compared to last year was due to a significant increase of wood fibre production at the factory in Latvia, a decrease in energy efficiency when producing wood fibre, and taking a new wood fibre plant at the factory in Denmark into production. Other activities show minor fluctuations in relation to energy efficiency.

We have a target of using 40% peat alternatives in our substrates by 2028. In 2024/25 the raw material mix was 66% peat and 34% alternatives, compared to 69% peat and 31% alternatives in 2023/24. We expect the increased use of peat alternatives to continue, and the 2028 goal is still realistic.

By increasing the share of alternatives to peat and by producing products that contain a higher share of wood fibre and other alternatives, we use more energy in the production. However, alternatives are and will remain an important part of the green transition as the use of alternatives lowers our customers' emissions, taking end-of-life impact into the equation. End-of-life impact from peat is significant, whereas end-of-life impact from alternatives is close to zero.

Anti-Corruption and Bribery

Policy

All employees and representatives are expected to show honesty and integrity in dealing with customers, other employees, suppliers, business partners, authorities, and organizations.

In Pindstrup, we

- have zero tolerance for all forms of corruption, whether giving or taking, and make active efforts to ensure that this does not occur
- strive for transparency in business decisions and practices
- show caution when receiving anything from business partners; the same applies when giving anything of value to business partners
- follow existing legal requirements.

Policy implementation and progress

Result: During this financial year, we have experienced no non-compliance with the anti-corruption and bribery policy.

Gender distribution in management

The statutory statement about gender distribution in management is also included in the Management Review in Pindstrup Mosebrug A/S' Annual Report. In case of differences in the wording, the text in the Management Review is valid.

Policy

An inclusive working environment is vital for Pindstrup to maintain an innovative and high-performing organization. Pindstrup wants to be an attractive employer that attracts people with high competences regardless of gender, nationality, religion, ethnic background, sexual orientation, or age. We see an inclusive culture as a prerequisite for attracting the most talented employees and developing the business positively.

The overall objective of the policy on other management levels is to ensure an inclusive and versatile workplace that promote equal opportunities regardless of gender. Similarly, it is important for everybody to have equal access to the management levels irrespective of gender. Pindstrup is committed to working towards increasing the share of the underrepresented gender (woman) in executive and managerial positions as well as in the organization in general.

Policy implementation and progress

Result: We continued our work to improve diversity and inclusion across the Group with an emphasis on managerial levels by

- endeavouring to ensure diversity on the list of relevant candidates when conducting job interviews; this also applies when we use professional recruiters
- offering professional and personal skills development with a particular focus on encouraging all relevant candidates to develop their management skills
- ensuring that female employees experience the same opportunities in their careers and in achieving managerial positions as their male counterparts.

In this financial year, we have discussed and confirmed the policy on gender diversity in the board of directors. For other managerial levels we ensured that both genders were represented in the final stages of recruitment processes.

Highest level of management (Board of Directors)

The Board of Directors of Pindstrup Mosebrug A/S consists of 5 members (1 woman, 4 men; 20% and 80%, respectively) as per 30 September 2025³. There have been no changes among the members of the Board during the financial year. It remains the objective that the underrepresented gender in the Board of Directors should constitute at least 25% of the Board.

Other managerial levels (1 and 2)

The gender composition of other management levels as per 30 September 2025 is 16% women and 84% men, in total 49 members (8 women, 41 men). In 2023/24, the numbers were 18% women and 82% men. The target figure for 2024/25 was 20% and has thus not been achieved. For 2025/26, our target figure for the underrepresented gender continues to be 20%.

Other managerial levels include

Level 1: Group Management Team and persons on the same organisational management level

Level 2: persons with personnel responsibility who report to level 1.

The objective is to continuously increase the number of women in management positions throughout the Group. Please also refer to the table below.

³ Only board members elected by the General Meeting are counted when calculating the gender composition.

		2022/ 23	2023/ 24	2024/ 25	2025/ 26	2026/ 27
Highest level of management (Board of Directors)	Total number of members	4	5	5		
	Underrepresented gender in %	25%	20%	20%		
	Objective in %	25%	25%	25%	25%	
	Year for reaching compliance	2023	2025	2026		
Other managerial levels (1 and 2)	Total number of members	39	44	49		
	Underrepresented gender in %	15%	18%	16%		
	Objective in %	n/a	15%	20%	20%	
	Year for reaching compliance	n/a	2025	2026		

KPI overview

For the following policy areas, several KPIs have been set and will be measured and reported in next year's CSR Report.

Policy area	KPIs for the current financial year (2024/25)	Status	KPIs for the next financial year (2025/26)
Human Rights	Create and implement <ul style="list-style-type: none"> - Code of Conduct - Supplier Code of Conduct. 	KPI not achieved. Documents created and awaiting final approval.	Implement <ul style="list-style-type: none"> - Code of Conduct - Supplier Code of Conduct.
Social and Employee Terms	Zero work accidents.	KPI not achieved.	Zero work accidents.
Environment and Climate	2% energy savings per m ³ product produced compared to last year.	KPI not achieved.	2% energy savings per m ³ product produced compared to last year.
Anti-Corruption and Bribery	Maintain no cases of non-compliance with the anti-corruption and bribery policy.	KPI achieved.	Maintain no cases of non-compliance with the anti-corruption and bribery policy.

CSR in practice at Pindstrup

Throughout the year, Pindstrup engages in various activities that support our CSR-related efforts. Below are two cases that illustrate how CSR is an integrated element throughout the entire value chain.

Wood fibre plant in Denmark opened

In April 2025, Pindstrup celebrated the inauguration of a new wood fibre plant at the Kongerslev factory in Denmark – a 30 mill. DKK investment. Wood fibre is a strategically important raw material and peat alternative for Pindstrup, and the opening of a new plant in Kongerslev is a great milestone as it helps drive the company's green transition and ensures a steady and scalable supply going forward.

Based on PEFC-certified wood chips and produced with renewable energy, the wood fibre is used in products for the Danish retail market as well as in professional products to an increasing extent. With built-in scalability, we can easily escalate the production of wood fibre as demand grows, boosting the share of circular and more sustainable raw materials in the growing media, which is an advantage to Pindstrup as well as our customers, and ultimately benefits the climate.

The share of wood fibre and other peat alternatives was already high – up to 50% in many products – but easier access and larger raw material volumes allow us to continue the transition. Developing more peat-reduced and peat-free products is a strategic focus area. R&D activities are carried out both within Pindstrup and in cooperation with various research projects, e.g. the BioSubstrate project where Aarhus University, suppliers and growers work together to develop and test new substrate mixes.



Around 120 guests attended the opening event, including Pindstrup employees, the mayor of the municipality of Aalborg, shareholders, suppliers, partners, and those who have been involved in the construction of the plant.

Mayor Lasse Frimand Jensen and CEO René Gjerding revealed a commemorative plaque marking the inauguration and officially declared the wood fibre plant open.

Climate accounting for Pindstrup

– from baseline to continuous improvement

Pindstrup established full climate accounting during the past year, following the principles of the well-established *Greenhouse Gas Protocol*. This is an important step in our transition towards a greener approach to our business, as we now have significantly greater insight into the climate effects of our activities.

Early in the year, we created a baseline calculated from activities in 2023/24, and the climate accounts for 2024/25 are based on the same principles. This gives us a solid point of reference for the company's climate footprint and, at the same time, a solid foundation for measuring future improvements. Data is recorded via a platform from Position Green, our ESG advisor, who also assists with guidance and organisation of the ESG work. The platform ensures structure and transparency in the process. Pindstrup's organisation is involved in all aspects – data is, to the extent possible, recorded at the point where the related activity takes place – emphasising that ESG is a shared responsibility.

The climate account covers many different activities, so a mix of actual registrations, cost-based calculations and estimates has been used. The result is still valid and provides a reliable picture of Pindstrup's total emissions.

A key strength of the solution is the ability to continuously improve data quality. As processes and measurements become more precise, the accounts can be updated and provide even better insight. The climate account is therefore not only a snapshot but a dynamic tool supporting Pindstrup's ambition to reduce CO₂ emissions per cubic meter produced and create a more sustainable business.

The climate accounting has given us the following key insights:

- The total emissions in our value chain are significant.
- More than half of our Scope 1 emissions are surface emissions from areas where we harvest sphagnum.
- Less than half of our Scope 1 emissions originate from tractors and wheel loaders, energy for producing wood fibre and vermiculite, process energy at our factories, company cars, etc.
- Around 70% of our Scope 3 emissions relate to carbon released during the decomposition of sphagnum in our products.
- Only 7-8% of our Scope 3 emissions relate to transport.

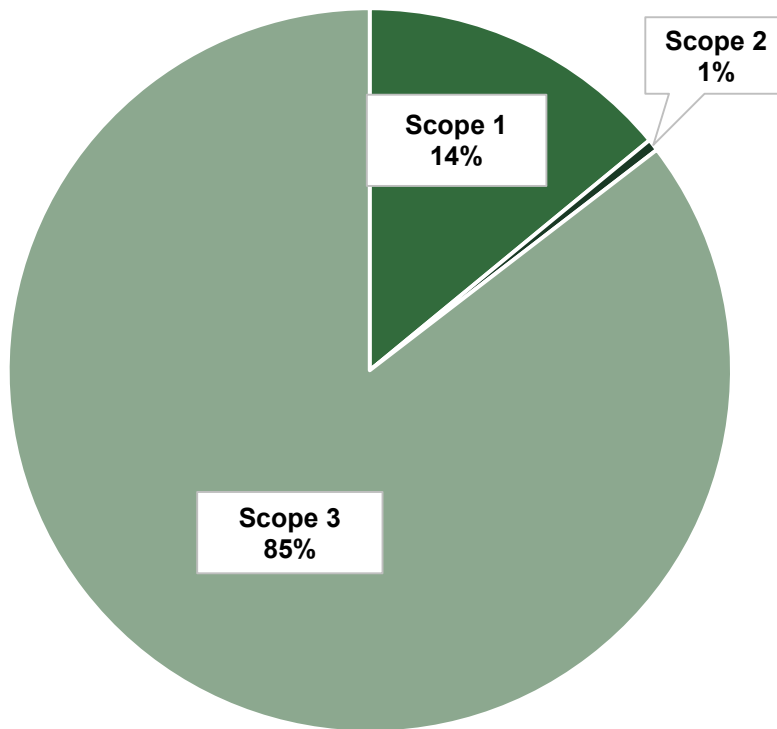
The diagram below shows the distribution across the different scopes⁴.

⁴ **Scope 1:** covers all direct emissions generated by the company from sources it owns or controls.

Scope 2: covers indirect emissions from the energy the company purchases.

Scope 3: is the large category that includes all other indirect emissions across the company's entire value chain – both upstream (suppliers) and downstream (customers).

Greenhouse Gas Emissions, Pindstrup Group, 2024-2025



The next steps in our climate accounting process are to define targets for reducing Pindstrup's emissions, develop action plans, and ensure follow-up and reporting. The work will involve all parts of Pindstrup's value chain.