RIVAL

ESG REPORT 2025

Reporting period: 1 Jan – 31 Dec 2025. Published: 03-08-2026

RIVAL A/S | Svejstrupvej 23-25 | 8660 Skanderborg | CVR-nr. 46 29 38 19

Content

CEO statement

Jan Nielsen Økjær
CEO

At RIVAL A/S, responsibility is an important part of how we do business - towards our customers, employees, society, and the environment we operate in.

This ESG report reflects where we stand today and where we see room for improvement. It provides an overview of our climate footprint, our working environment, and how we approach responsible governance across our value chain.

"For us, ESG is not about fancy words – it's about concrete actions in everyday operations. We want to be a workplace, a business partner, and a company you can rely on."

Change in ownership
2025 has been a year of change for RIVAL A/S as we went through a change in ownership, and I stepped into the role as CEO. The new ownership provided access to new capital and has enabled investments in new machinery and future capacity. These developments are reflected in both our activity levels and our climate footprint for the year.

Our 2030 commitment
Using 2021 as our baseline, we aim to reduce Scope 1 and Scope 2 emissions by 38% and reduce Scope 3 emissions per unit of revenue by 25% by 2030.

Progress towards GHG reduction targets
We monitor our progress annually based on calculated Scope 1, Scope 2 and relevant Scope 3 emissions, and compare developments against our baseline and targets.

Based on current emissions data, we assess that we are on track towards achieving our Scope 1 and Scope 2 reduction targets, while additional measures are required to improve performance on Scope 3 emissions.

We are committed to drive sustainable change, and we look forward to sharing our progress and results in this and future ESG reports.

*Numbers are based on the market-based approach

Our decarbonisation roadmap

We have set a clear ambition to reduce our CO_2e emissions in 2030 **by 38% for scope 1 and 2**, and by **25% per unit of revenue for scope 3.** This requires decisive action, and we have already initiated several targeted measures.

2021 baseline

2022
Part of SMV:Grøn programme with consultancy support on the green transition including plans for how to become more sustainable. This was the first year of collecting structured environmental data to track our progress

2023
Switched to LED-lights and began purchasing green electricity

2024
Started waste heat recovery from compressed air, which led to reduced consumption of heating oil

2025
Improved ESG data collection through a more automated Power Query model and appointment of a dedicated ESG responsible to drive KPI follow-up, reporting and continuous improvements

2026
Publication of first ESG report and initiate LCA for our products to provide more detailed info to our customers as well as improve waste sorting to increase recycling

2027
Transition from heating oil to heat pump-based heating to support the phase-out of fossil fuels and reduce Scope 1 emissions

2028
Strengthened supplier dialogue to support more sustainable material sourcing and reduce Scope 3 emissions

2029
Integration of environmental criteria into procurement decisions to support more sustainable material sourcing and reduce Scope 3 emissions

2030 target
38% reduction in scope 1 and 2 and 25% intensity reduction in scope 3 compared to the baseline year

About RIVAL A/S

RIVAL A/S is a Danish machining company specialising in the manufacture of complex components for critical applications, typically produced in small to medium-sized series.

With more than 60 years of operational experience, we serve large European customers primarily operating within the marine, industrial, defence, and energy sectors.

We operate from a single production site in Denmark and employs 65 employees. Our activities are centred around precision machining, supported by a modern CNC machine park and close collaboration with selected suppliers for processes such as surface treatment.

RIVAL A/S is part of a group structure together with LPM Production A/S under joint ownership. The company combines a strong operational foundation with ongoing investments in technology, capacity, and sustainability initiatives.

Company facts
Head office: Svejstrupvej 23-25, 8660 Skanderborg, Denmark
Main activity: Machining of complex components
NACE sector classification code: 25.6.2 - machining
Average number of employees: 65
Operational footprint: Single production site in Denmark

Sustainable development goals

Global impact through local action
We support the United Nations Sustainable Development Goals (SDGs) as a shared framework for responsible business conduct. Our approach is focused and pragmatic, and we prioritise the goals that are most relevant to our operations and where we can document concrete actions and progress.

SDG 12 – Responsible Consumption and Production
We work to reduce the environmental impact of our operations through responsible use of energy and materials, effective waste management and compliance with environmental legislation.

SDG 13 – Climate Action
We address climate impacts by calculating and monitoring greenhouse gas emissions across Scope 1, Scope 2 and relevant Scope 3 categories. We prepare an annual climate account to support transparency and continuous improvement. Defined reduction targets for Scope 1, 2 and 3 emissions form the basis of our climate efforts.

Key ESG indicators

Development in emissions and key indicators
Compared to the 2021 baseline, Scope 1 emissions have decreased significantly over the period. Scope 2 emissions remain at zero using a market-based approach due to the purchase of certified green electricity.

Total emissions increased in 2025, primarily driven by Scope 3 emissions. This reflects higher activity levels and significant investments in new machinery following access to new capital. As Scope 3 emissions dominate our footprint, year-to-year variations are strongly influenced by purchasing of new machines.

Stable energy use
Total energy consumption remains stable throughout the period. While electricity usage has increased due to new machines, heating oil has decreased significantly because of waste heat recovery from compressed air. A transition from fossil-based heating toward electrification-based heating is expected to increase electricity consumption in the coming years. However, this shift is expected to result in a net reduction in CO_2 emissions from heating.

Inaccurate data on water consumption
Changes in reported water consumption are partly explained by the correction of previously inaccurate meter readings. We continue to focus on improving data quality to ensure reliable monitoring over time.

Workforce developments
Growth in the workforce reflects continued business development in 2025. At the same time, developments in gender diversity and sick absence are acknowledged as areas requiring attention.

Governance performance
Governance performance remains stable with full attendance at board meetings throughout the period as well as zero convictions and fines related to corruption and bribery.

Environment	Unit	**2025**	2024	2023	2021 baseline
Scope 1 – direct emissions	tCO_2e	**68**	98	106	94
Scope 2 – indirect emissions (market-based)	tCO_2e	**0**	0	0	433
Scope 2 – indirect emissions (location-based)	tCO_2e	**82**	72	82	130
Scope 3 – other indirect emissions*	tCO_2e	**4,796**	2,856	2,468	4,162
Total tons CO2e-emissions*	tCO_2e	**4,864**	2,954	2,574	4,689
Total energy consumption	MWh	**1,481**	1,442	1,407	1,448
Share of electricity from renewable energy sources	%	**82**	83	79	73
Water consumption	m^3	**1,040**	1,531	2,972	1,293
Social					
Full-time workforce	FTE	**65**	61	58	50
Gender diversity (% women)	%	**13.3**	19.1	22.7	20.0
Apprentices	number	**6**	6	6	6
Sick absence rate	%	**3.7**	3.2	3.5	3.1
Workplace accidents	number	**4**	6	2	1
Workplace fatalities	number	**0**	0	0	0
Employees on social employment terms	number	**2**	4	4	5
Employee turnover	%	**17.5**	19.7	n/a	n/a
Governance					
Attendance at board meetings	**%**	**100**	100	100	100
Convictions and fines related to corruption and bribery	number	**0**	0	0	0

*Numbers are based on the market-based approach

Total emissions (CO_2e)

We map our CO_2e emissions across the value chain. This approach provides a transparent overview of our current climate footprint and supports identification of the most material emission sources.

Total emissions in 2025: 4,864-ton CO_2e

Increase driven by Scope 3 emissions
Total CO_2e emissions increased in 2025, mainly driven by higher Scope 3 emissions due to increased activity levels, machinery investments, and material-related processes.

A 28% reduction in Scope 1
The reduction is mainly driven by lower fuel consumption in company vehicles and reduced use of heating oil. The latter reflects the use of recovered excess heat for space heating.

CO_2e-emissions in tons by scope

Scope	2025	2024	2023	2021 baseline
Scope 1 – direct emissions	**68**	98	106	94
Scope 2 – indirect emissions (market based)	**0**	0	0	433
Scope 3 – other indirect emissions	**4,796**	2,856	2,468	4,162
Total (market based)	**4,864**	2,954	2,574	4,689

Distribution across scopes in 2025:

Scope 1 – Direct emissions from fuel combustion
1.4%

Scope 2 – Indirect emissions from purchased electricity (market based)
0.0%

Scope 3 – Indirect emissions from the value chain
98.6%


SAFETY
BEFORE
BUSINESS

Intensity metrics

To provide context for our overall carbon footprint, we use intensity metrics based on revenue, the number of employees and production area (m^2). These metrics help distinguish between changes driven by organisational growth.

Progress towards scope 3 reduction goal
To track progress towards our 2030 Scope 3 intensity target, we monitor the development of Scope 3 emissions relative to revenue. As revenue is commercially sensitive, we report this as an indexed figure with 2021 as the base year (= 100). A value below 100 indicates an improvement relative to the baseline. The index was 83 in 2025, reflecting a 17% improvement since the baseline year and indicating that we are on track towards our 2030 target of a 25% reduction in Scope 3 intensity.

More employees, same facilities
The number of employees has increased over the period, while our physical facilities have remained unchanged since 2021. Compared to the 2021 baseline, we see improvements in each metric.

CO_2e intensity metrics

CO_2e-intensity (ton)	**2025**	2024	2023	2021 baseline
CO_2e pr. revenue, scope 3 (index)	**83.0**	60.6	53.9	100
CO_2e pr. employee	**74.8**	48.4	44.4	93.8
CO_2e pr. M^2	**0.9**	0.8	0.7	1.3

Key sources of emissions

As a manufacturing company, we are highly dependent on materials and externally sourced processes resulting in most emissions originating from Scope 3. Scope 1 emissions are declining year on year and remains limited, while Scope 2 emissions are reported as zero under a market-based approach.

Capital goods as primary driver in 2025
In 2025, the single largest contributor to our carbon footprint was the purchase of new machinery. Emissions from capital goods increased significantly compared with previous years and explain most of the year-to-year change in total CO_2e. These investments were made possible by access to new capital following the change in ownership and reflect strategic investments in production capacity rather than changes in day-to-day operations.

Material use and development over time
Material use is a key driver of Scope 3 emissions. Aluminium remains the largest material-related source, while steel has increased steadily since the 2021 baseline. In contrast, the use of cast iron and stainless steel has declined, reflecting a shift in material composition.

Impact from surface treatment is increasing
External surface treatment is a major recurring Scope 3 contributor. Emissions have increased over time, primarily reflecting higher production volumes and more products manufactured, rather than changes in treatment processes.

Other scope 3 emissions
Total Scope 3 includes categories beyond the most relevant categories shown in the table.

Scope 1	Unit	**2025**	**tCO_2e**	2024	tCO_2e	2023	tCO_2e	2021 baseline	tCO_2e
Heating oil	litres	**19,960**	**53**	25,400	68	27,353	74	33,539	90
Diesel for company vehicles	litres	**5,921**	**15**	11,701	30	12,700	32	6,155	3
Total scope 1	CO_2e		**68**		98		106		94

Scope 2	Unit	**2025**	**tCO_2e**	2024	tCO_2e	2023	tCO_2e	2021 baseline	tCO_2e
- Electricity (market based)	MWh	**1,226**	**0**	1,073	0	1,009	0	1,053	433
- Electricity (location based)	MWh	**1,226**	**82**	1,073	72	1,009	82	1,053	130
Total scope 2 (market based)	CO_2e		**0**		0		0		433

Scope 3 – Relevant categories	Unit	**2025**	**tCO_2e**	2024	tCO_2e	2023	tCO_2e	2021 baseline	tCO_2e
Main materials									
Aluminium	ton	**236**	**1,065**	195	879	180	813	72	325
Cast iron	ton	**25**	**42**	91	151	145	238	250	412
Steel	ton	**124**	**166**	93	124	93	124	73	173
Stainless steel	ton	**9**	**28**	10	30	13	38	40	120
Purchased services									
Surface treatment	m. dkk.	**9.5**	**791**	7.4	607	6.3	481	6.5	539
Machinery									
Purchase of machinery	m. dkk.	**17**	**1,828**	1.7	183	0.1	16	16	1,801
Transport									
Transportation to RIVAL	m. dkk.	**1.7**	**95**	0.8	48	0.7	42	0.7	44
Transportation from RIVAL	m. dkk.	**0.6**	**36**	0.6	34	0.5	30	1	66
Total scope 3 (market based)	CO_2e		**4,796**		2,856		2,468		4,162

Water and waste

Total water consumption **1,040 m³**

Total waste generated **245 ton**

Water consumption and waste generation are closely linked to production activity. We monitor both indicators to understand trends and support efficient resource use over time.

Water consumption
In 2025, our total water consumption amounted to 1,040 m³. In 2023, our water supplier encountered an error in their monitoring system, which resulted in an incorrectly high consumption reading. This was corrected in 2025, leading to an unusually low reading that year. A four-year average of 1,835 m³ gives a more accurate picture of our actual water consumption.

The four-year average shows a gradual increase in water consumption, which is primarily driven by higher production volumes.

Waste generation
Our total waste generation in 2025 decreased significantly, primarily driven by lower production-related waste volumes, particularly within aluminium, steel, and iron.

Water consumption (m³)	**2025**	2024	2023	Baseline 2021
Water consumption	**1,040**	1,531	2,972	1,293

Waste (ton)	**2025**	2024	2023	Baseline 2021
Total waste generated	**245**	348	311	278
- Hazardous waste	**30**	26	21	18
- Waste sent for recycling and reuse	**181**	282	253	219

Energy consumption

Energy consumption	Unit	2025	2024	2023	2021 baseline
Electricity	MWh	**1,226**	1,073	1,009	1,053
- Share of electricity from renewable energy sources	%	**82**	83	79	73
- Share of electricity from non-renewable energy sources	%	**18**	17	21	27
Heating oil	litres	**19,960**	25,400	27,353	33,539
- Heating oil converted to MWh	MWh	**197**	254	274	335
Diesel for company cars	litres	**5,921**	11,701	12,700	6,155
- Diesel converted to MWh	MWh	**58**	115	125	60
Total energy consumption	MWh	**1,481**	1,442	1,407	1,448

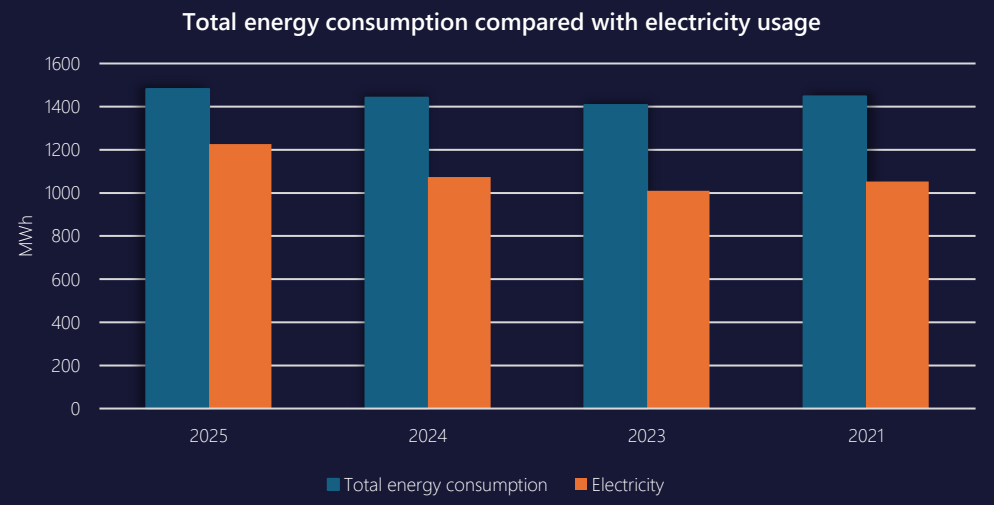
Operating a manufacturing facility requires a significant amount of energy, with some machines running both day and night.

Green electricity to support renewable energy
In 2022, we started to purchase electricity backed by renewable energy certificates. While the electricity consumed remains the same as part of the shared grid, this supports the development of renewable energy and is reflected in our market-based emissions reporting.

Increase in electricity due to new machines
A significant portion of our energy consumption is associated with our production operations. Electricity usage increased from 1,073 MWh to 1,226 MWh in 2025, primarily due to the addition of new production machinery.

Reduction in fossil fuels
We continue to reduce the use of fossil fuels in our operations. Heating oil consumption has decreased significantly from 33,539 litres in 2021 to 19,960 litres in 2025, primarily due to the use of recovered excess heat from compressed air. Diesel consumption has also been reduced, declining from 11,701 litres in 2024 to 5,921 litres in 2025, mainly driven by a reduction in the number of company vehicles.

We are replacing fossil fuels with electricity
As we plan to transition from heating oil to heat pump-based heating, electricity consumption is expected to increase. However, this represents a shift towards lower-carbon energy sources and is expected to result in an overall reduction in CO_2 emissions.



Key social indicators

We prioritise a good working environment, safe and supportive conditions, and a strong sense of community. This is an integral part of our social responsibility.

Training young talents
We actively contribute to recruitment and education within the industry. Therefore, we typically employ 6–7 apprentices, which is a high number relative to the size of our company.

Local community
We are located in Svejstrup and show consideration for our neighbours and the surrounding nature. We always keep the factory area clean and well maintained, guide trucks away from the town, and reduce noise, for example from ventilation systems.

Social inclusion
We collaborate with local job centres to support social inclusion and provide employment opportunities for refugees and individuals in flexible job arrangements.

Employee composition
In 2025, the company employed a total of 65 employees (FTE), of whom 13.3% were women and 86.7% were men.

Occupational health and safety
We work systematically to prevent workplace accidents and have maintained a consistently low level of occupational injuries. This is supported by an internal occupational health and safety committee with a focus on safety and employee well-being.

Social data

Social data	Unit	2025	2024	2023	2021 baseline
Full-time workforce	FTE	**65**	61	58	50
Gender diversity (% women)	%	**13.3**	19.1	22.7	20.0
Employee turnover	%	**17.5**	19.7	n/a	n/a
Sickness absence rate (incl. long term sick leave)	%	**3.7**	3.2	3.5	3.1
Workplace accidents	number	**4**	6	2	1
Work-related fatalities	number	**0**	0	0	0
Apprentices	number	**6**	6	6	6
Employees on social employment terms	number	**2**	4	4	5

Team RIVAL at a bike race in Horsens


We are proud of our
strong corporate culture

Strong social relations

We believe that social responsibility should be tangible and meaningful - not just reflected in formal policies but experienced in everyday work. We strive to create a workplace that embraces diversity, fosters strong relationships, and encourages long-term collaboration.

Room for new and experienced employees
We invest in young talent and newcomers – for example, Helene, who has gotten a strong start in her career, and Doluvan, a refugee from Syria who has found security and steady employment with us. At the same time, we take pride in our long-standing employees, such as Bjørn who has been with RIVAL A/S for an incredible 35 years!

Prioritising a strong community
Community is a key part of our culture. It is visible in everyday interactions and through social initiatives, such as our Thursday running club, Friday cycling team, padel tournaments and a company skiing trip.

Supporting the local community
In 2025, we decided to sponsor the following initiatives in our local community:

- Skanderborg Aarhus handball team
- Virring football club
- Padel centre in Ry
- Sports court in Dover
- The local cultural centre in Skanderborg

"It's great to be young and work at RIVAL," says our young colleague, Helene.

Doluvan fled Syria with his wife and two children and is now a permanent employee at RIVAL.

Bjørn is one of our most experienced employees with an incredible 35 years!

All smiles from our skiing trip in Obertauern, Austria.



Key governance indicators

Ownership and organisational development
Following a change in ownership in 2025, RIVAL A/S is now part of a group structure together with LPM Production A/S under joint ownership. The new ownership structure supports long-term value creation, professional governance, and continued investments in operational excellence and sustainability initiatives.

We continue to improve our work with ESG
We have a dedicated ESG employee who has the responsibility for ESG data collection, KPI follow-up and improvement initiatives with support from the management. Moving forward, we expect suppliers to support our ESG ambitions through transparency on environmental data and compliance with applicable environmental and ethical requirements.

Policies to support responsible governance
Our governance framework is supported by established policies that provide structure and clear direction. We are in an ongoing process of updating relevant policies like the environmental policy and occupational health and safety policy to reflect our current level of ambition.

Risk management
The management team works with risk management on two levels: a strategic risk assessment, focusing on long-term business and market risks, and an operational risk assessment, addressing day-to-day operational, environmental, and compliance-related risks. Based on the operational risk assessment, the management team maintains a risk matrix to support prioritisation of mitigating actions and ongoing follow-up.

Governance data

Governance	Unit	2025	2024	2023	2021 baseline
Attendance at board meetings	%	**100**	100	100	100
Convictions and fines related to corruption and bribery	number	**0**	0	0	0

Policies supporting our ESG approach

Our approach to sustainability is supported by a set of policies that define our commitments and guide the way we operate. These policies are publicly available and form the basis for our ongoing ESG efforts and priorities:

Please note that all our policies are in Danish

- Environmental and climate policy
- Occupational health and safety policy
- Ethics policy
- Sustainable procurement policy
- IT and Information security policy

RIVAL

Thank you for reading along – our ESG efforts are an ongoing learning process, and we are continuously developing and improving. In the following appendix, you can read more about the reporting principles behind this report.

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Accounting methodology

The GHG protocol
We prepare our carbon accounting in accordance with the GHG Protocol – the most widely used international standard for measuring and reporting greenhouse gas emissions. The protocol establishes how emissions are identified, quantified, and reported, and divides them into three scopes:

Scope 1: Direct emissions from our own operations, such as fuel consumption for heating or company vehicles.

Scope 2: Indirect emissions from purchased electricity.

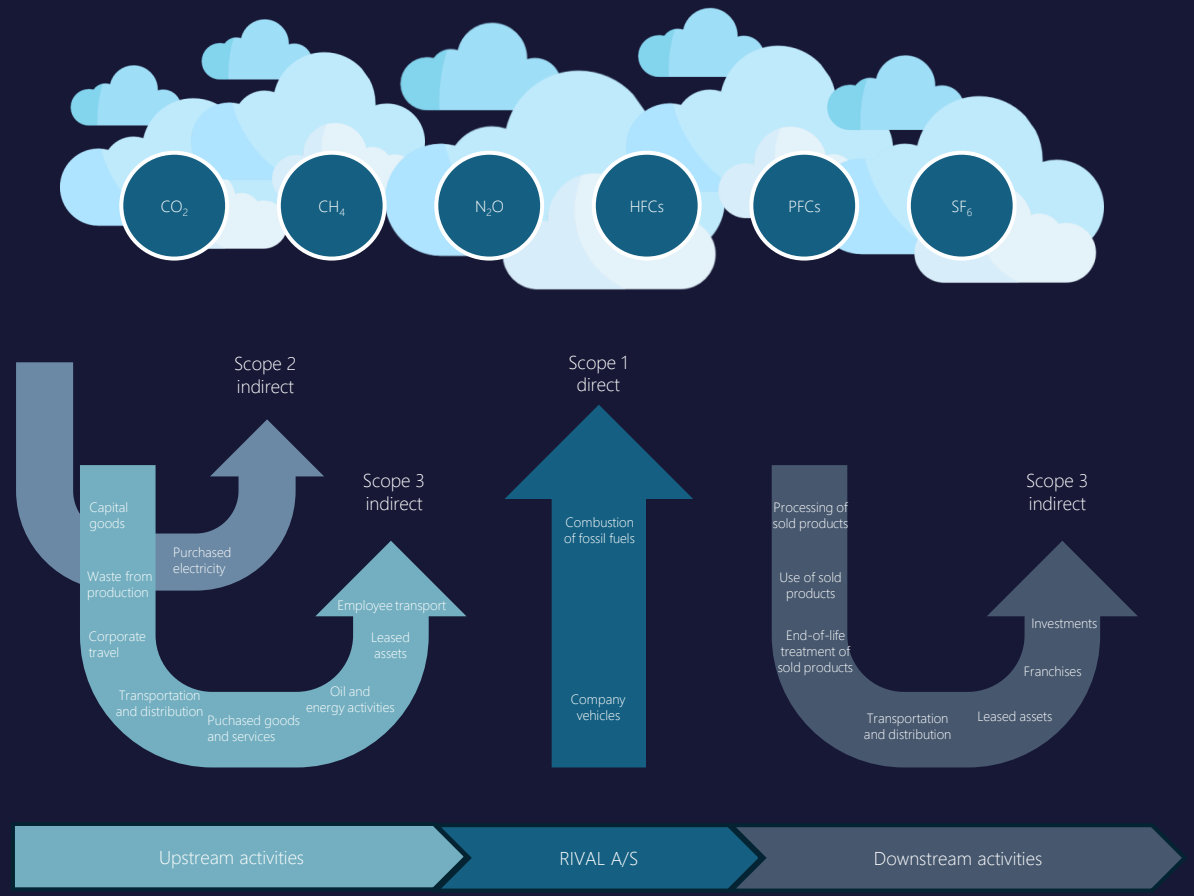
Scope 3: Other indirect emissions across the value chain, such as material procurement, transportation, and waste.

System boundary and relevant data points
In accordance with the GHG Protocol, our greenhouse gas accounting focuses on relevant and material activities across the value chain.

Based on an assessment of our operations and impacts, we have excluded employee commuting from reporting because we have assessed it as not relevant due to its small impact. For downstream activities, transport to customers is included as the only relevant activity.

Alignment with VSME
Our ESG reporting has been inspired by the Voluntary Sustainability Reporting Standard for SMEs (VSME). While the report does not fully align with all requirements of the standard, it reflects a structured approach towards increased transparency and consistency in ESG disclosures.

Looking ahead, we will continue to align our reporting with VSME and plan to introduce a structured index of disclosures to clearly indicate where relevant data points and requirements are addressed in the report.

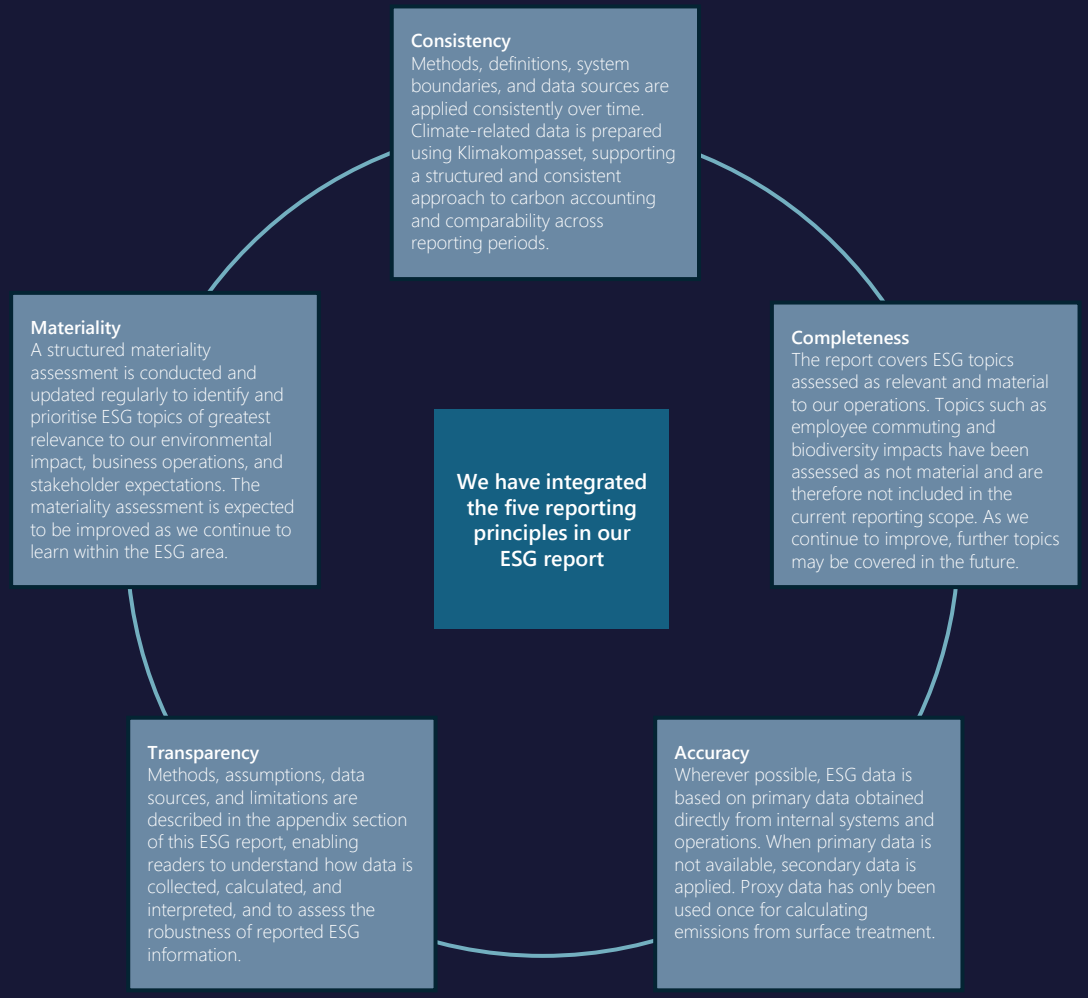


Reporting principles and data quality

Our ESG reporting is prepared in line with the same fundamental principles applied in financial reporting. Data is presented for the baseline year (2021) and the three most recent reporting years (2023–2025), enabling comparison over time while maintaining focus on the most recent performance. ESG performance and data quality are reviewed annually and used as input for improvement initiatives and future reporting.

Data basis
Consumption data is sourced directly from suppliers where possible. Material and supplier data is retrieved from our MRP system. For other purchases, transaction data is extracted from our internal finance system covering the full reporting year. Social data is collected by our HR function.

Data units
We distinguish between physical and monetary units and prioritise physical units (e.g. MWh, litres, tonnes, headcount) whenever available, as they provide the most accurate and comparable basis for ESG reporting.



Key data definitions

Environment

GHG emissions (Scope 1)
Direct emissions from RIVAL's own operations, including combustion of heating oil and diesel in company vehicles. Reported in tonnes of CO_2e.

GHG emissions (Scope 2)
Indirect emissions from purchased electricity. Reported using two methods: market-based (reflecting energy certificates/Guarantees of Origin) and location-based (reflecting grid average). RIVAL reports zero market-based Scope 2 due to purchase of certified renewable electricity.

GHG emissions (Scope 3)
Other indirect emissions across the value chain, including purchased materials, capital goods, surface treatment, and transportation. Calculated in accordance with the GHG Protocol using emission factors from Klimakompasset.

Water consumption
Total net water consumption.

Total energy consumption
Sum of all energy consumed, including electricity and fuels.

Share of renewable energy
Share of electricity consumption covered by renewable sources.

CO_2e intensity – per employee
Total market-based CO_2e emissions divided by the number of full-time equivalent employees at year-end.

CO_2e intensity – per m^2
Total market-based CO_2e emissions divided by total production area in square metres.

Total waste generated
Total volume of waste arising from RIVAL's operations during the reporting period, measured in tonnes.

Hazardous waste
Waste classified as hazardous under applicable Danish waste regulations, including waste oils and chemical residues from production processes. Reported in tonnes.

Waste sent for recycling and reuse
Waste volumes directed to recycling or reuse channels rather than landfill or incineration. Reported in tonnes.

Scope 3 intensity index
Scope 3 emissions (tCO_2e) divided by net revenue (mDKK), expressed as an index with 2021 = 100. Calculated as: (Scope 3 / revenue in year X) / (Scope 3 / revenue in 2021) × 100. Revenue is not disclosed due to commercial sensitivity; only the indexed development is reported.

Social

Full-time workforce (FTE)
Total number of full-time equivalent employees.

Gender diversity (% women)
Percentage of women of total workforce (Female FTEs + female temporary workers) / total full-time workforce × 100.

Work-related accidents
Registered work-related accidents during the reporting period.

Work-related fatalities
Number of deaths resulting from work-related accidents or occupational illness during the reporting period.

Sick leave
Total sickness absence as a share of scheduled working days, incl. long-term sick leave. Calculated as: (total sick days / total scheduled working days) × 100.

Employee turnover
Number of employees who left the company during the year, expressed as a share of average workforce (number of leavers / average headcount) × 100.

Number of apprentices
Total number of apprentices employed.

Employees on supported employment terms
Employees employed under social or supported employment schemes.

Governance

Board meeting attendance
Attendance rate at board meetings.

Convictions and fines related to corruption and bribery
Number of confirmed legal convictions or regulatory fines received during the reporting period related to corruption or bribery.