SUSTAINABILITY REPORT

2025

MOVE TO
GREEN

KJAERGROUP
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CVR NO. DK 81317216

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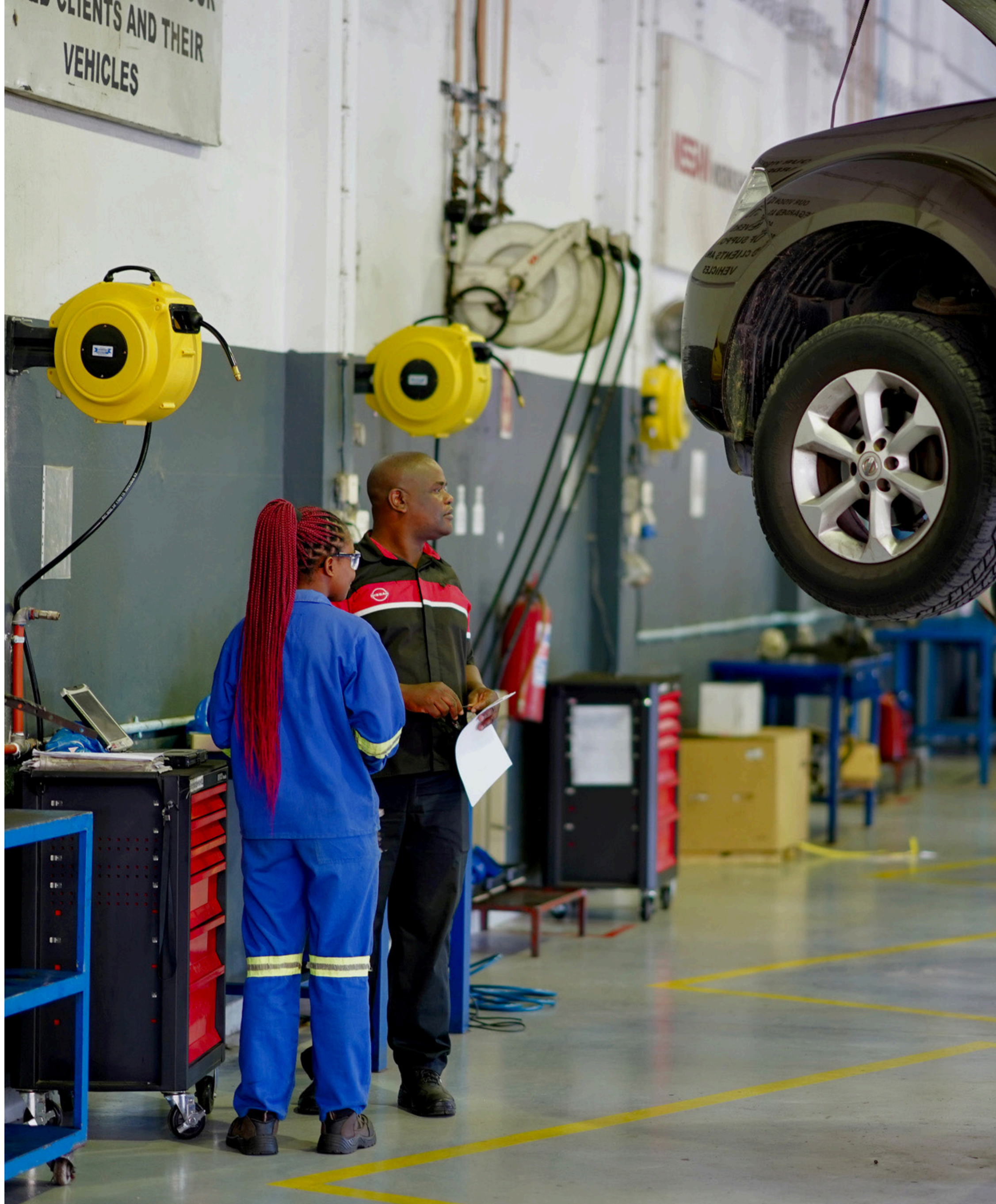


SUSTAINABILITY

KJAER GROUP's sustainability work is anchored in its strategy and long-standing commitments. The Group joined the United Nations Global Compact (UNGC) in 2003 and follows its ten principles covering human rights, labour, environment, and anti-corruption.

In 2008, this commitment was formalized through the KJAER GROUP Way of Management, built on the Triple Bottom Line principle, ensuring that social and environmental objectives are pursued alongside financial performance.

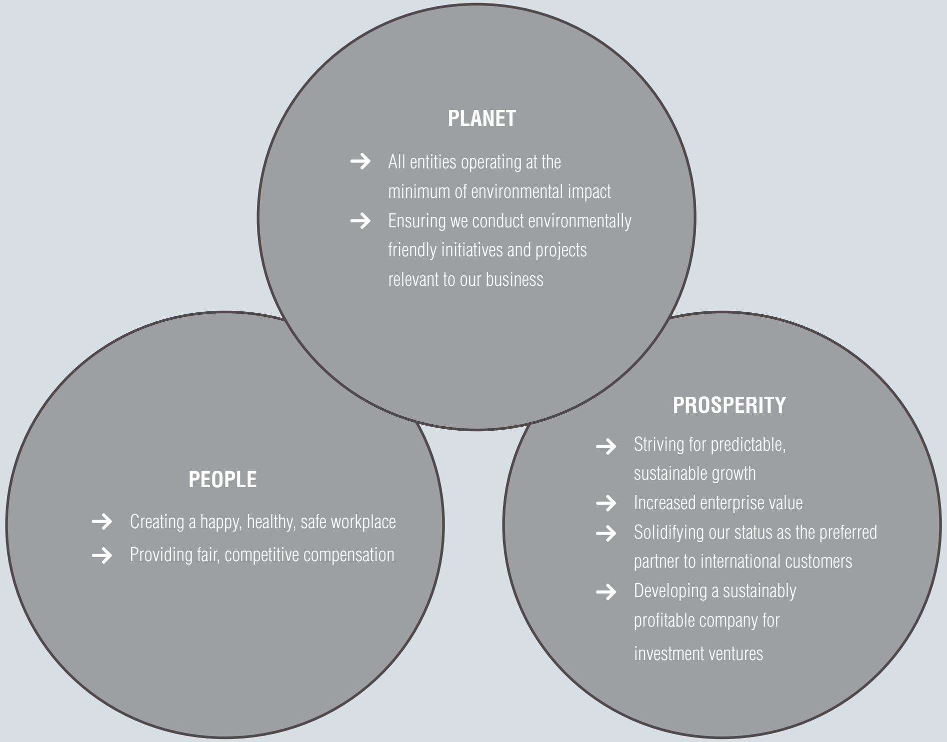
Since 2014, MOTORCARE operations have maintained internationally recognized certifications, including ISO 9001 (Quality Management), ISO 45001 (Occupational Health and Safety), and ISO 14001 (Environmental Management), reflecting a structured approach to responsible business practices.

The Group's sustainability ambition is reflected in the "Move to Green" concept, which focuses on promoting green mobility and supporting the transition towards lower-emission solutions.

In 2024–2025, the Group conducted a Double Materiality Assessment (DMA) to identify and prioritize its most significant environmental, social, and governance topics. While regulatory requirements continue to evolve, the DMA provides the foundation for the Group's ESG approach and ongoing reporting.

MOVE TO GREEN

TRIPLE BOTTOM LINE COMMMITMENTS



PLANET

- → All entities operating at the minimum of environmental impact
- → Ensuring we conduct environmentally friendly initiatives and projects relevant to our business

PEOPLE

- → Creating a happy, healthy, safe workplace
- → Providing fair, competitive compensation

PROSPERITY

- → Striving for predictable, sustainable growth
- → Increased enterprise value
- → Solidifying our status as the preferred partner to international customers
- → Developing a sustainably profitable company for investment ventures

VISION

MOVE TO GREEN

It's our ambition to be a green company and move people to green transportation solutions.

MOVE TO
GREEN

ABOUT KJAER GROUP

KJAER GROUP was established in 1962 in Svendborg as a car dealership by the late Mr. Christian Kjær. Today, the Group provides international automotive mobility solutions and employs 251 people.

The Group holds a leading position within its business segments in Mozambique and Uganda, where it operates distribution, fully owned workshops, and service facilities under the name MOTORCARE.

KJAER & KJAER delivers vehicles, motorcycles, parts and accessories to customers in the International Aid and Development sector.

Through the KJAER GROUP Way of Management, we aim to grow the business in a profitable and responsible manner. It is the company's objective to prioritize social and environmental goals equally alongside financial targets.

In 2021, we introduced the Move to Green initiative, which involves offering electric vehicles (EVs) in our customer markets and implementing measures to reduce emissions in our own operations.

Our vision is to be a green company that moves people towards more sustainable transportation.

KJAER GROUP

Is the parent company managing subsidiaries such as KJAER & KJAER, MOTORCARE in Uganda and Mozambique, and joint ventures such as GREENHUB in Uganda.

KJAER & KJAER

Delivers vehicles, motorcycles, parts, and accessories to customers in the International Aid and Development sector (NGOs, the UN, the EU, etc.).

MOTORCARE

Provides sales of vehicles, maintenance, service, and repairs as well as insurance, financial, and fleet management solutions through our dealerships in Mozambique and Uganda.

MISSION

We provide top quality automotive services
and green transportation solutions
in emerging countries.

OUR ESG APPROACH

VALUE CHAIN MAPPING

In preparation for the Double Materiality Assessment (DMA), KJAER GROUP carried out a comprehensive value chain mapping exercise.

The mapping covered the full value chain—from upstream activities such as vehicle production, supplier operations, and logistics, through core operations including vehicle import, distribution, sales, leasing, maintenance, and after-sales services, to downstream processes such as customer vehicle use and end-of-life vehicle handling (see value chain illustration).

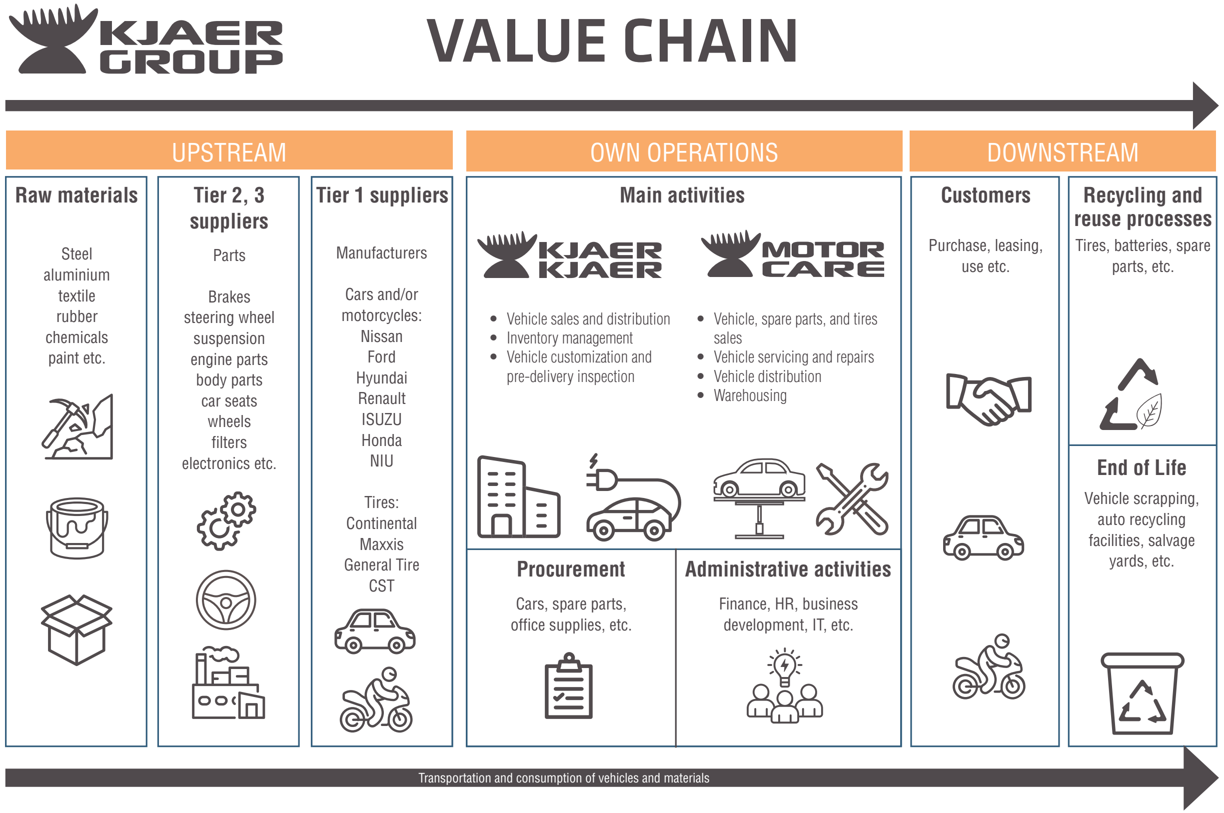
This mapping was a key step in preparing the DMA, helping to identify where sustainability impacts, risks, and opportunities (IROs) occur and where the Group has the ability to act. These insights support the understanding of key sustainability topics and responsibilities across the value chain.

STAKEHOLDER ENGAGEMENT

Understanding stakeholder perspectives is key to identifying and prioritizing material IROs.

As part of the DMA, KJAER GROUP carried out structured workshops with internal experts representing key stakeholder groups, including employees, suppliers, customers, investors, business partners, local communities, and media.

These experts—such as HR managers, the CFO, and procurement representatives—provided insights based on their ongoing stakeholder interactions and contributed to assessing the relevance of sustainability topics within the European Sustainability Reporting Standards (ESRS) framework. This approach ensures that the DMA reflects both business priorities and stakeholder expectations.



VALUE CHAIN

Raw materials

Steel
aluminium
textile
rubber
chemicals
paint etc.

Tier 2, 3 suppliers

Parts

Brakes
steering wheel
suspension
engine parts
body parts
car seats
wheels
filters
electronics etc.

Tier 1 suppliers

Manufacturers

Cars and/or motorcycles:
Nissan
Ford
Hyundai
Renault
ISUZU
Honda
NIU

Tires:
Continental
Maxxis
General Tire
CST

Main activities

KJAER KJAER

- Vehicle sales and distribution
- Inventory management
- Vehicle customization and pre-delivery inspection

MOTOR CARE

- Vehicle, spare parts, and tires sales
- Vehicle servicing and repairs
- Vehicle distribution
- Warehousing

Procurement

Cars, spare parts, office supplies, etc.

Administrative activities

Finance, HR, business development, IT, etc.

Customers

Purchase, leasing, use etc.

Recycling and reuse processes

Tires, batteries, spare parts, etc.

End of Life

Vehicle scrapping, auto recycling facilities, salvage yards, etc.

DOUBLE MATERIALITY ASSESSMENT

In the DMA, KJAER GROUP identified and assessed impacts on the environment and society, as well as sustainability-related financial risks and opportunities.
From a total of 102 identified impacts, risks, and opportunities (IROs), 44 were assessed as material. These include 31 impacts (8 positive and 23 negative), along with 6 opportunities and 7 risks.

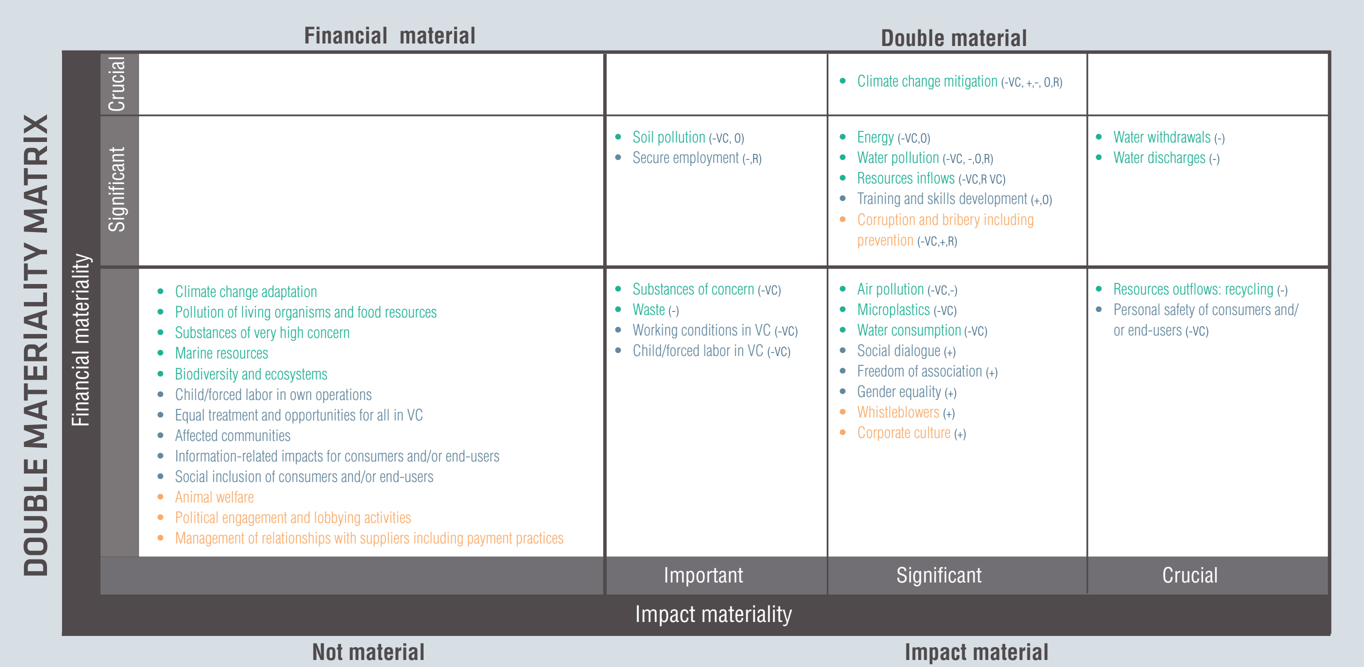
The results are summarized in the double materiality matrix (see illustration), aggregated according to ESRS topics. The Group focuses on material topics arising directly from its own operations, where it has the greatest ability to act, while value chain impacts (marked as "VC" in the matrix) remain relevant and will inform future engagement.

The assessment identified several key double material topics. Environmental priorities include water management, particularly water withdrawals and discharges in markets with limited infrastructure, and climate change mitigation, with a focus on emissions related to vehicle use and business travel.

From a social perspective, training and skills development emerged as an important opportunity, supporting employee development, operational performance, and long-term competitiveness. Secure employment was also identified as a key topic, influenced by external factors such as evolving industry trends.
Governance-related priorities include corruption and bribery prevention, reinforcing the Group's commitment to strong ethical standards and compliance.

In addition, several topics were identified as impact material only, including resource outflows related to the handling of tires and batteries, as well as air pollution linked to third-party transportation. Positive impact areas include social dialogue, freedom of association, gender equality, whistleblower mechanisms, and corporate culture.

These results guide how KJAER GROUP prioritizes and manages sustainability topics, ensuring a focused and structured approach to ESG across its operations.



DOUBLE MATERIALITY MATRIX

Financial material

Double material

Financial materiality		Important	Significant	Crucial
Crucial			• Climate change mitigation (-VC, +,-, 0,R)	
Significant		• Soil pollution (-VC, 0) • Secure employment (-,R)	• Energy (-VC,0) • Water pollution (-VC, -,0,R) • Resources inflows (-VC,R VC) • Training and skills development (+,0) • Corruption and bribery including prevention (-VC,+,R)	• Water withdrawals (-) • Water discharges (-)
	• Climate change adaptation • Pollution of living organisms and food resources • Substances of very high concern • Marine resources • Biodiversity and ecosystems • Child/forced labor in own operations • Equal treatment and opportunities for all in VC • Affected communities • Information-related impacts for consumers and/or end-users • Social inclusion of consumers and/or end-users • Animal welfare • Political engagement and lobbying activities • Management of relationships with suppliers including payment practices	• Substances of concern (-VC) • Waste (-) • Working conditions in VC (-VC) • Child/forced labor in VC (-VC)	• Air pollution (-VC,-) • Microplastics (-VC) • Water consumption (-VC) • Social dialogue (+) • Freedom of association (+) • Gender equality (+) • Whistleblowers (+) • Corporate culture (+)	• Resources outflows: recycling (-) • Personal safety of consumers and/or end-users (-VC)

Impact materiality

Not material

Impact material

The highest-scoring IRO within each ESRS topic determined its placement in the double materiality matrix. For example, 'Climate change mitigation' is positioned in the quadrant shown due to a crucial financial opportunity related to EV sales, along with several positive and negative impacts scored as significant. Where multiple topics share a quadrant, they are listed vertically without implying differing degrees of materiality.

• Environmental • Social • Governance VC: value chain +: positive impact -: negative impact R: risk 0: opportunity

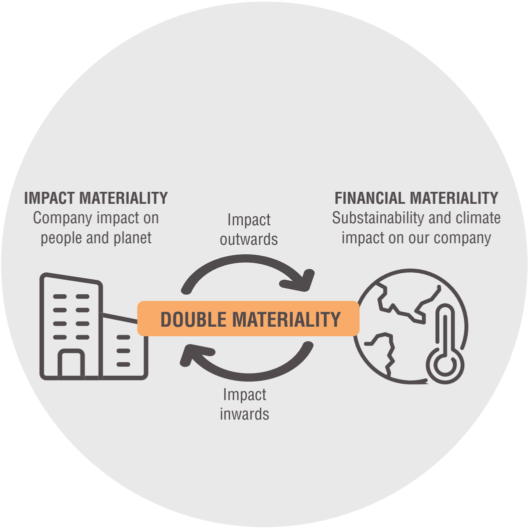
DOUBLE MATERIALITY ASSESSMENT PROCESS

Identifying and understanding the most significant sustainability topics is essential for informed decision-making and reporting on Environmental, Social, and Governance (ESG) matters.

KJAER GROUP conducted a Double Materiality Assessment in 2024–2025, evaluating both the financial impacts of sustainability and climate-related issues on the Group and the impacts of its operations on people and the environment.

The methodology was aligned with the ESRS and guided by recommendations from the European Financial Reporting Advisory Group (EFRAG) and Dansk Industri.

While regulatory requirements continue to evolve, the DMA remains the foundation for the Group's ESG priorities. In 2025, the focus has been on monitoring and addressing the material topics identified.



IMPACT MATERIALITY
Company impact on people and planet

Impact outwards

FINANCIAL MATERIALITY
Substainability and climate impact on our company

DOUBLE MATERIALITY

Impact inwards

ENVIRONMENT

KJAER GROUP is committed to minimizing its environmental impact. Based on the Double Materiality Assessment, we focus on three environmental priorities: water management, climate change mitigation, and recycling.

In 2025, the Group continued to implement and monitor initiatives across these areas.

WATER MANAGEMENT

Water management is an important environmental topic, particularly in Mozambique and Uganda where public sewage infrastructure is limited. The main impacts relate to water use and wastewater discharge from workshop operations.

The Group monitors water, electricity, chemicals, and waste consumption through its ISO 14001 Environmental Management System. Wastewater treatment plants are in place at the largest workshops in Maputo (Mozambique) and Jinja Road, Kampala (Uganda) to support responsible water use and discharge. Other sites apply simpler water management solutions, including initiatives such as rainwater harvesting to reduce reliance on public water supply.

In Maputo, higher water consumption in 2025 was driven by temporary maintenance issues in the treatment system, which have since been resolved. In Uganda, 2025 was a transition year due to ongoing workshop expansion, and the upgraded facility expected in 2026 will include an expanded treatment system aligned with increased operational capacity.

Recent external environmental audit in Mozambique confirmed that discharge levels remain within permitted limits and reflected a high level of overall compliance. The Group continues to monitor and manage water use across its operations, with a focus on maintaining effective wastewater treatment and responsible discharge.

CLIMATE CHANGE MITIGATION

Climate change mitigation is a key environmental priority, primarily linked to emissions from vehicle use, business travel, and transportation.

Aligned with the GHG Protocol and supported by IBIS Consulting (now part of SLR), KJAER GROUP continues to develop and refine its carbon footprint calculation methodology. In 2025, emission factors were updated (DEFRA for Scope 1 and 3, and IEA for Scope 2) to improve data accuracy.

As most emissions are linked to the use of the vehicles supplied, supporting the transition to lower-emission mobility remains a key priority. In 2025, sales of electric cars increased by approximately 36% compared to 2024, reaching 45 vehicles, mainly driven by long-term customer agreements and collaboration with international organizations, including initiatives such as UNDP’s Moonshot program. A specific order was also linked to regulatory changes in Ethiopia restricting ICE vehicle imports.

At the same time, limited charging infrastructure and broader market conditions continue to constrain EV adoption, and funding limitations in key programs may affect future demand.

RECYCLING AND RESOURCE MANAGEMENT

Recycling and resource management are important environmental topics, particularly in Mozambique and Uganda where recycling infrastructure for end-of-life tires and batteries is limited.

KJAER GROUP manages these impacts as part of its ISO 14001 Environmental Management System. Replaced tires and batteries are primarily returned to customers and may be reused. Where this is not the case, they are handled as hazardous waste in line with local procedures.

Given the limited recycling infrastructure, the Group focuses on promoting responsible handling through customer awareness and by monitoring opportunities for further improvements where feasible.

Environmental efforts are integrated into the Group’s ISO 14001-certified management system. KJAER GROUP continues to improve its environmental performance through ongoing monitoring, operational practices, and collaboration across its operations, aligned with its broader ambition of green mobility and responsible resource use.

ENVIRONMENT

COMMITMENT:

KJAER GROUP is committed to operating with the lowest possible impact on the environment.
(KJAER GROUP HSEQ policy)

PRINCIPLE 7: Business should support a precautionary approach to environmental challenges.

PRINCIPLE 8: Business should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9: Business should encourage the development and diffusion of environmentally friendly technologies.

PROCESSES	TARGETS 2025	ACTIONS 2025	PERFORMANCE 2025	TARGETS 2026
Environmental Management System (ISO 14001, integrated in HSEQ Policy)	Ensure consistent quarterly environmental reporting. Maintain ISO 14001 certification and show measurable improvements at all MOTORCARE branches in Mozambique and Uganda.	Monthly action plan follow up, quarterly and annual management reporting on HSEQ.	Quarterly environmental reports and reviews have been consistently conducted. ISO 14001 certification successfully maintained in MOTORCARE operations.	Ensure quarterly environmental reporting and finalize the annual HSEQ report by 1 March 2026. Maintain ISO 14001 certification and successfully complete recertification across MOTORCARE operations.
	Upgrade Maputo's treatment plant to a 100% closed-loop system and ensure wastewater separators operate effectively at all sites.	Monitor water usage and maintain wastewater treatment systems to reduce environmental impact, in line with ISO 14001 requirements.	Environmental audit confirmed a high level of compliance, with all water discharge levels within legal limits. Wastewater treatment systems operated across key sites, but the closed-loop system was not completed.	Maintain water and electricity consumption ratios per job card at or below 2025 levels. Improve water treatment system performance, including further development of the Maputo plant and effective operation across all sites.
Move to Green	Prepare operations and energy data to support sustainable fleet decisions and enable delivery of up to 100 EVs.	Participated in industry events (Royax event, Isuzu conference, GFS/Ford Pro event, AidEx) and hosted webinars to promote sustainable mobility solutions among fleet customers. Introduced energy consumption data in vehicle proposals and quotations to support customer decision-making.	EV car sales increased by approximately 36% in 2025 compared to 2024, reaching 45 vehicles and returning to the same level as in 2023. Energy consumption data has been integrated into vehicle proposals, supporting comparison between electric and conventional vehicles.	Increase EV sales by 25% in 2026 compared to 2025, supported by customer engagement, partnerships, and targeted initiatives.
	Reach 50% green mobility within the company fleet by the end of 2025.	Added electric vehicles and phased out selected conventional vehicles within the company fleet across operational branches.	By 2025, 28% of the company fleet was electric or hybrid, below the 50% target. Limited additions of EVs and disposal of conventional vehicles resulted in a slight increase compared to 2024, indicating gradual progress.	Increase the share of green vehicles in the company fleet to 35% by the end of 2026, subject to operational and market conditions.

SIGNIFICANT AREAS OF ENVIRONMENTAL IMPACT FOR OUR BUSINESS:

Through the Double Materiality Assessment, we identified significant environmental impacts related to water management and pollution, recycling of tires and batteries, and CO2 emissions.

To address these impacts, the Group remains committed to its "Move to Green" vision and continues to strengthen environmental management practices under its ISO 14001-certified system.

DRIVEN BY VALUES

Across all our subsidiaries, the values of PROFESSIONALISM, RESPECT, HONESTY and DEDICATION are ingrained in everything we do. Whether it's delivering vehicles to support humanitarian efforts or providing essential maintenance and support services, our actions are guided by a shared commitment to excellence and social responsibility.

PROFESSIONALISM
Fact based and competent in everything we do. This is how we conduct our business and how we interact with each other.

RESPECT
Mutual respect between colleagues, partners, customers and other stakeholders we interact with is fundamental for us.

HONESTY
We aim to conduct ourselves and business matters with the utmost honesty in all that we do, ensuring that we are reliable and honor our promises and commitments.

DEDICATION
The success of every customer and partner is the key to our success.

SOCIAL

KJAER GROUP aims to promote positive social impact for employees and communities. Based on the Double Materiality Assessment (DMA), we focus on key social priorities, including training and skills development, secure employment, and positive impacts related to social dialogue, freedom of association, and gender equality.

In 2025, the Group continued to implement and develop initiatives across these areas.

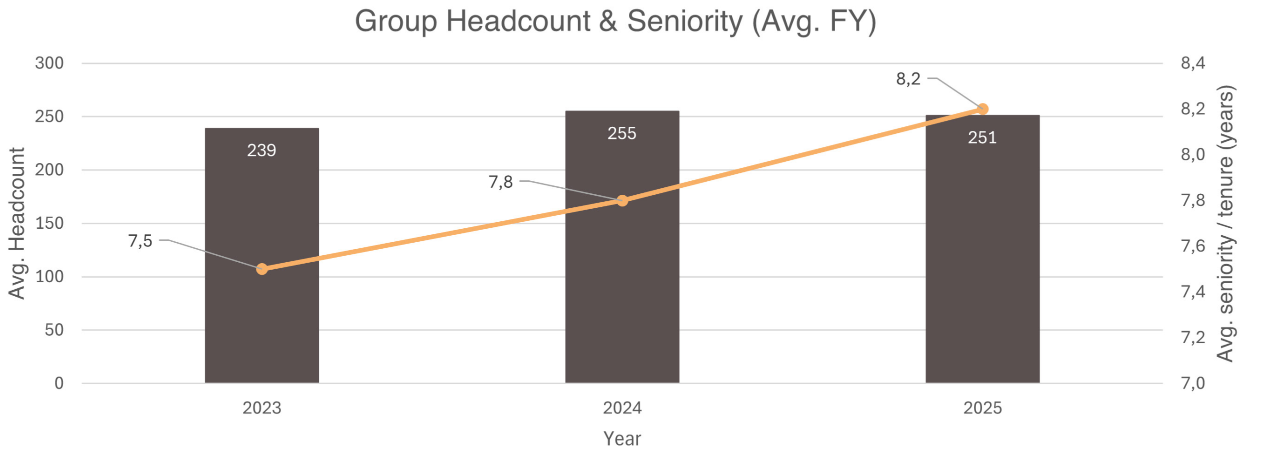
TRAINING AND SKILLS DEVELOPMENT
Training and skills development are important social priorities. At MOTORCARE, training needs are assessed annually to identify skill gaps and define relevant training plans across functions.

Providing technical and role-relevant training supports employee development, improves job performance, and strengthens the Group's competitiveness. In 2025, this was complemented by leadership development initiatives, including a management training program focused on a high-performance mindset and the launch of an executive coaching program in Mozambique. In 2025, this included the recruitment of female mechanics in Uganda through the apprenticeship program, supporting both skills development and broader inclusion efforts.

SECURE EMPLOYMENT
Secure employment remains an important social topic identified through the DMA.

Like others in the automotive sector, MOTORCARE faces workforce-related challenges linked to evolving industry trends—particularly the gradual shift towards electric vehicles, which generally require less maintenance. Despite these dynamics, the Group continues to focus on maintaining stable employment across its operations. In 2025, the average number of employees decreased slightly to 251 (2024: 255, 2023: 239), while average seniority increased to 8.2 years (2024: 7.8, 2023: 7.5)indicating a stable and experienced workforce (see graph).

Proactive workforce planning remains a priority to support employee retention, adapt to changing business needs, and ensure long-term operational resilience.



SOCIAL

SOCIAL DIALOGUE, FREEDOM OF ASSOCIATION, AND GENDER EQUALITY

KJAER GROUP has identified positive impacts related to social dialogue, freedom of association, and gender equality.

Regular interaction between employees and management supports transparency, collaboration, and employee participation. MOTORCARE respects freedom of association and encourages employee engagement through initiatives such as the Life Club, an employee-led platform that supports internal engagement and dialogue between employees and management.

The Group also promotes gender equality across its workforce, management, and boards. In Mozambique and Uganda, efforts include recruiting and training women, including mechanics, and collaborating with local organizations such as Smart Girls in Uganda to support professional development.
Female representation year end (YE) increased to 25% from 21% in 2021.

The share of female managers increased to 29% from 9% in 2021 as illustrated in the graph.

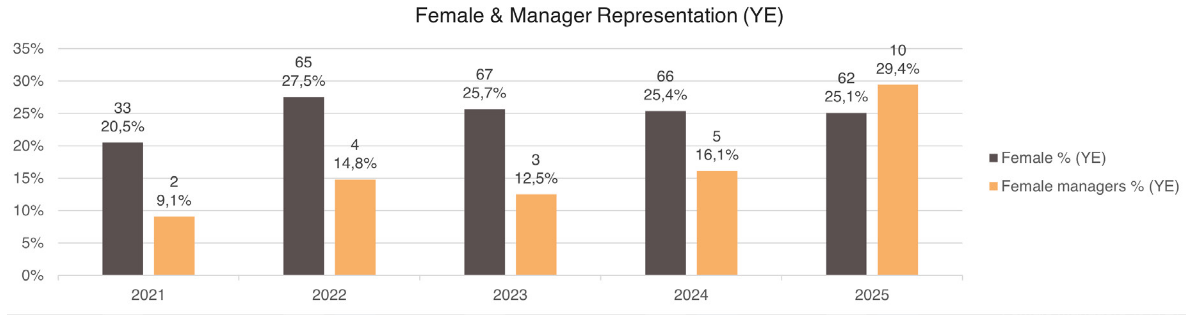
The Group continues to monitor gender diversity across its workforce and management.

EMPLOYEE WELL-BEING AND WORKPLACE CULTURE

Employee well-being and workplace culture are supported through the ISO 45001-certified management system, ensuring a safe and healthy working environment across operations.

The Group's commitment to social responsibility also includes fair and competitive compensation, with a transition from a minimum wage policy to a living wage approach as part of the KJAER GROUP Way of Management.

In 2025, employee engagement and well-being were supported through initiatives such as recreational outings across branches, health awareness activities, and regular sports activities, contributing to team cohesion and overall workplace well-being.



SOCIAL

HUMAN RIGHTS AND LABOUR COMMITMENT:

KJAER GROUP bases its actions on the values of professionalism, respect, honesty and dedication. Respect for different cultures and compliance with local and international laws are key elements of the organization. For further information, please see the KJAER GROUP Way of Management. KJAER GROUP is committed to complying with all relevant labour laws to ensure a safe, fair, and non-discriminatory workplace. The Group upholds freedom of association and does not engage in or condone forced, compulsory, or child labour.

PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2: Businesses should make sure that they are not complicit in human rights abuses.

PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.

PRINCIPLE 5: Businesses should uphold the effective abolition of child labor.

PRINCIPLE 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

PROCESSES	TARGETS 2025	ACTIONS 2025	PERFORMANCE 2025	TARGETS 2026
Occupational Health and Safety Management (ISO 45001, integrated in HSEQ Policy)	Enhance incident reporting and follow-up to improve safety. Ensure consistent quarterly reporting on OHS performance. Maintain ISO 45001 certification across all MOTORCARE branches in Mozambique and Uganda.	Monthly action plan follow up, quarterly and annual management reporting on HSEQ.	Quarterly health and safety reports and reviews have been consistently conducted. ISO 45001 certification successfully maintained in MOTORCARE operations following a satisfactory audit.	Ensure quarterly OHS and incident reporting, and finalize the annual HSEQ report by 1 March 2026. Maintain ISO 45001 certification, successfully complete recertification, and uphold a zero-incident ambition for work-related accidents resulting in absenteeism and fatalities.
KJAER GROUP Way of Management (KWOM)	Maintain strong employee alignment with the company's direction and values.	Continued implementation of employee-related initiatives across all entities, supporting engagement and alignment with the KJAER GROUP Way of Management.	Employee engagement and alignment continue to be supported through ongoing initiatives across the Group.	Maintain employee alignment with the company's direction and values through ongoing communication and local action plans.
People Survey	Review and improve the approach to employee feedback and satisfaction measurement.	Assessed the existing People Survey approach and initiated improvements to develop a more effective and relevant system.	The existing People Survey approach was reviewed, and preparations were initiated to implement an improved system.	Implement a structured employee feedback system across the Group, including one feedback cycle in 2026.
Remuneration Policy	Conduct market benchmarking to support salary review and ensure competitiveness across MOTORCARE.	Maintained the existing MOTORCARE Remuneration Policy across all entities.	The MOTORCARE Remuneration Policy remained in place and continued to guide compensation practices; however, the planned market benchmarking exercise was not carried out.	Conduct a market benchmarking exercise in 2026 and update the Remuneration Policy based on the results to ensure competitiveness across MOTORCARE.
Gender diversity	Reverse the slight decline and increase the share of female employees from 24% to at least 26%, supporting diversity and leadership development.	Continued focus on inclusive recruitment and development opportunities for women across all levels.	The share of female employees increased to 25.1% across the Group. The share of female managers reached 29.4%, reflecting continued progress in gender diversity.	Increase the share of female employees to 26% in 2026 and support the development of women in management roles.
	Develop and implement a Diversity, Equity, and Inclusion (DEI) policy for the Group.	Progressed development of DEI policy, including implementation in Mozambique.	The DEI policy was implemented in Mozambique, with further rollout pending in Uganda and at Group level.	Finalize and implement the Diversity, Equity, and Inclusion (DEI) policy across all Group entities.

SIGNIFICANT AREAS OF IMPACT WITHIN HUMAN RIGHTS AND LABOUR FOR OUR BUSINESS:

Through the Double Materiality Assessment, we identified key impacts related to job security, working conditions, and inclusion. External factors, including the transition towards electric mobility, continue to influence employment dynamics across operations.

To address these impacts, the Group promotes strong values, inclusive practices, and continuous improvement across its operations. This includes a focus on fair compensation through a living wage approach, support for skills development through apprenticeship programs, and the maintenance of ISO 45001 certification to ensure safe and healthy working conditions.

OUR DNA

In 1962, Christian Kjaer laid the cornerstone of what would later evolve into KJAER GROUP by establishing RENAULT KJAER, a local dealership in Svendborg, Denmark.

Despite modest beginnings, Christian's vision and determination propelled RENAULT KJAER to prominence. By 1966, the dealership featured a two-floor showroom and a strong team, earning recognition as one of Denmark's top dealerships.

In 1977, export activities began with an order from the Danish Volunteer Service in Zambia, laying the groundwork for our global reach. In 1980, the company relocated to modern facilities in Svendborg's industrial hub and rebranded as BILHUSET CHR. KJAER A/S, securing dealership rights for prestigious brands like Fiat, Suzuki, Subaru and Renault.

In the early 1990s, KJAER & KJAER expanded beyond Denmark. Being closer to our customers became essential—to better understand their needs and provide the best possible transportation solutions in Uganda and Mozambique.

The offices eventually evolved into official Nissan distribution companies: in 1995 in Uganda and in 1996 in Mozambique. Today, they are known as MOTORCARE, and additional international brands have since been added to our portfolio.

New green mobility solutions have been driven by the sale of electric vehicles across our markets, a business area we entered in 2019. In Uganda, the joint venture Green Hub was established with a dedicated focus on electric motorcycles (boda boda) used for taxi and delivery services.

GOVERNANCE

KJAER GROUP aims to ensure responsible business conduct. Based on the Double Materiality Assessment, we focused on key governance priorities, including corruption and bribery prevention, supported by whistleblower mechanisms and a strong corporate culture.

In 2025, the Group continued to implement and strengthen practices across these areas.

CORRUPTION AND BRIBERY PREVENTION

Corruption can negatively impact the economies and markets in which the Group operates. Aligned with UN Sustainable Development Goal 16, KJAER GROUP is committed to preventing corruption through established policies and practices.

We maintain a zero-tolerance approach to corruption and uphold high ethical standards across all operations. The Group-wide Anti-Corruption Policy provides clear guidance on acceptable conduct and is supported by ongoing communication and awareness activities to ensure understanding and compliance.

To reinforce ethical practices, the Group applies preventive and detection measures, including internal controls, whistleblower systems, and compliance procedures. These measures support a culture of integrity and transparency while mitigating reputational and operational risks.

WHISTLEBLOWER MECHANISMS AND CORPORATE CULTURE

KJAER GROUP maintains a whistleblower system that allows employees, customers, and partners to report concerns confidentially and, where relevant, anonymously, supporting transparency and accountability across operations.

In 2025, we continued our long-standing awareness activities, including initiatives aligned with UN Anti-Corruption Day, reinforcing the importance of ethical behaviour and responsible conduct.

The Group also promotes a corporate culture based on professionalism, respect, honesty, and accountability, supporting alignment with its values and long-term business objectives.

WHISTLEBLOWING

KJAER GROUP is committed to conducting business with integrity and doing the right thing for our customers, colleagues and society.

We encourage all those who have serious concerns they wish to report, to make use of our Whistleblowing Scheme, where they can report in confidence and – if they choose to do so – anonymously.

Report here

DATA ETHICS

As digitalization increases, the importance of responsible data handling continues to grow. KJAER GROUP is committed to ensuring strong data protection practices in line with applicable regulations, including the General Data Protection Regulation (GDPR).

In 2025, the Group strengthened its data protection framework through the implementation of systems and processes supporting GDPR compliance, including dedicated software and updated policies such as the Data Retention and Deletion Policy and Privacy Policy.

Employee awareness and understanding of data protection were supported through training initiatives, including workshops and ongoing digital training programs. These efforts reinforce the Group's commitment to responsible data handling, privacy, and data integrity.

GOVERNANCE

RISK MANAGEMENT
KJAER GROUP applies a structured approach to risk management to minimize liabilities and ensure appropriate insurance coverage across its operations. Given its presence in emerging markets, the Group closely monitors exchange rate risks and fluctuations, alongside operational risks inherent in automotive trade and distribution.

The Double Materiality Assessment has further strengthened the Group's ability to identify, prioritize, and manage sustainability-related risks and opportunities, supporting a more systematic and proactive approach to both financial and non-financial risks.

Insurance coverage is in place to mitigate political risks, including protection of inventories in case of war or confiscation. Financial performance and equity in African subsidiaries are primarily measured in USD, and transaction-based exchange rate risks are actively managed to limit exposure.

GOVERNANCE STRUCTURE
KJAER GROUP A/S is the parent company in the GROUP, which consists of a number of independent legal entities. The principal shareholder, with a 50% shareholding, is "The Way Forward ApS", which is wholly owned by Mr. Mads Kjær.

The Board of Directors
In accordance with Article 10 of the articles of association, KJAER GROUP shall be managed by a Board of Directors consisting of 3 to 6 members, who are elected by the General Meeting for a term of one year at a time. The Directors may be re-elected. Today, the Board consists of 5 members. The Board of Directors shall elect its own Chairman and appoint a Management Board.

The Board of Directors shall be in charge of the overall management of the Company's affairs and activities. The Management Board (Executive Management) appointed by the Board of Directors shall be in charge of the day-to-day management of the Company. The Board normally meets 5-6 times per year and is otherwise convened when or if deemed necessary by the Chairman.

Executive Management
Executive Management functions as the day-to-day management and currently consists of Mads K. Kjaer (CEO), Peter Reher (CFO), Ivan Buzi (MD MOTORCARE Mozambique) Lasse S. Heckmann (COO) and Hans-Emil Kjaer (Business Development Director).

Remuneration of Management
The remuneration payable to Executive Management is based on what is considered competitive in relation to size, market conditions and activities, and is reviewed annually.

Independent Audit
KJAER GROUP A/S and the Group's annual accounts are audited by a state authorized audit firm appointed annually at the Annual General Meeting. The current audit firm of KJAER GROUP A/S and the consolidated accounts is Deloitte.

GOVERNANCE

COMMITMENT:

KJAER GROUP has a “zero tolerance” for corruption. KJAER GROUP upholds high ethical business practices and strives to make a meaningful impact on the world around us.

PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.

PROCESSES	TARGETS 2025	ACTIONS 2025	PERFORMANCE 2025	TARGETS 2026
KJAER GROUP Way of Management (KWOM)	Maintain strong alignment with the KJAER GROUP Way of Management across the organization.	Continued implementation of the KJAER GROUP Way of Management across operations, supporting alignment with company values and strategic direction.	The KJAER GROUP Way of Management continued to guide decision-making and operations across the Group.	Maintain alignment with the KJAER GROUP Way of Management through ongoing communication and implementation across the organization.
Risk Management Policy	Consolidate and update the MOTORCARE Risk Policy to ensure alignment across Mozambique and Uganda.	Continued discussions on the consolidation and update of the MOTORCARE Risk Policy across Mozambique and Uganda.	Progress was made through internal discussions; however, the MOTORCARE Risk Policy was not yet consolidated or updated across all entities.	Finalize and implement a consolidated MOTORCARE Risk Policy across Mozambique and Uganda.
Anti-corruption Policy	Strengthen awareness and understanding of anti-corruption principles across employees.	Continued communication and awareness initiatives on anti-corruption, including Group-wide activities aligned with UN Anti-Corruption Day (9 December).	Anti-corruption awareness activities were carried out across the Group, reinforcing a culture of integrity and accountability.	Conduct at least one annual anti-corruption awareness activity across all entities and include anti-corruption and whistleblower procedures in onboarding.
	Strengthen onboarding and stakeholder communication on anti-corruption policies and whistleblower procedures.	Maintained onboarding and stakeholder communication on anti-corruption policies and whistleblower procedures.	The whistleblower platform remained accessible to employees, customers, and partners.	Maintain and promote the use of whistleblower procedures across the Group.
DATA Ethics Policy	Strengthen data protection practices and ensure compliance with GDPR across the Group.	Implemented GDPR-related systems, processes and software to support compliance requirements.	GDPR compliance efforts were strengthened through the implementation of systems, updated policies, and continued employee training.	Maintain and strengthen data protection and privacy practices in line with GDPR requirements.
	Continue employee training and awareness on data protection and privacy.	Updated and developed key policies, including the Data Retention and Deletion Policy and Privacy Policy.	Data protection practices were further integrated into daily operations across the Group.	
		Conducted employee training and awareness activities on data protection, including workshops and ongoing CyberPilot training.		Achieve 100% completion of CyberPilot data protection training in 2026, with a minimum score of 80% correct answers.

SIGNIFICANT AREAS OF IMPACT WITHIN ANTI-CORRUPTION AND ETHICAL CONDUCT FOR OUR BUSINESS:

Through the Double Materiality Assessment, we identified corruption and bribery prevention as a significant topic with both societal and financial implications. In regions where unethical practices are more prevalent, there is a risk of improper influence on procurement and operations, potentially leading to reputational damage, legal consequences, and reduced stakeholder trust.

To address these impacts, the Group upholds a zero-tolerance approach to corruption, supported by a Group-wide Anti-Corruption Policy and whistleblower framework. In 2025, awareness activities were carried out across the Group, including initiatives aligned with UN Anti-Corruption Day, alongside ongoing communication, training, and confidential reporting channels available to employees, customers, and partners.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UGD 412S
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TVS

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Hanne Kjaer, Board member
Hans-Emil Kjaer, Board member
Karl Kristian Kjaer, Board member
Mikkel Kofod Christensen, Board member

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Ivan Buzi, Executive Director
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