



CSR-Report 2026/2027

Sourced locally. Produced sustainably in Denmark.

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FOREWORD

DRY-BAG® - SOURCED LOCALLY AND SUSTAINABLY PRODUCED IN DENMARK

At DRY-BAG®, we have had a clear mission since 1979: to develop a natural, effective and sustainable solution to moisture problems in global transport. Our dry bags are based on the unique moclay from Mors and Fur – a natural material that can absorb large amounts of moisture.

For us, sustainability is not an extra effort, but the very foundation of our business. When we reduce moisture damage, we reduce waste, transport and CO₂. When we employ people on the edge of the labor market, we create social value and loyal workforce. And when we produce locally in Denmark, we ensure high quality, safe working conditions and a low climate footprint.

This report shows how we work with the UN's Sustainable Development Goals and the triple bottom line – economic, social and environmental sustainability – and how it creates value for customers, employees and society.

Kind regards,
Director Jacob Skou





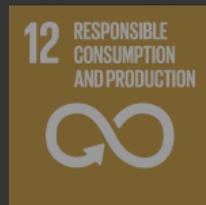
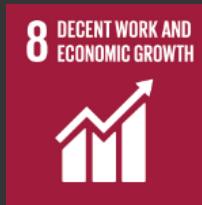
UN Sustainable Development Goals and DRY-BAG®

The SDGs consist of 17 specific goals and 169 targets, which commit all 193

UN member states to completely eradicate poverty and hunger in the world, reduce inequalities, ensure good education and better health for all, decent jobs and more sustainable economic growth.

The SDGs are a global framework, but we translate them into action in our daily work. We have chosen to focus on two goals where we can make the biggest difference:





In our first sustainability report, we have selected two of the 17 global goals that we would like to focus on initially – Decent Jobs and Economic Growth, and Responsible Consumption and Production.

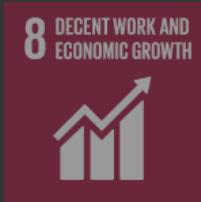
8. Decent jobs and economic growth



We create jobs for people who would otherwise be outside the labor market. Approximately 30% of our employees are employed on special terms, and we collaborate closely with Jobcenter Hedensted and Kompetencecenter Nord. For us, it is a win-win: the employees get a meaningful job, and we get dedicated colleagues who are an indispensable part of our production.

Objectives for DRY-BAG® on SDG 8:

- Maintain a minimum employee share of 30% employed on special terms to ensure continued inclusion in the labor market.
- Develop a mentoring program for new employees in collaboration with local job centers, so that we ensure a safe start and high well-being.
- Increase the number of internships for young people by 20% by 2027 to strengthen the path into the labor market.
- Conduct an annual employee satisfaction survey with a goal of at least 4 out of 5 on average.



12. Responsible consumption and production



Our products are based on local raw materials and sustainable processes. The moclay is extracted and processed in Denmark under strict environmental requirements, and our dessicants are free of harmful substances, food-approved and recyclable. We are continuously working to find more natural materials for our bags and to develop circular solutions – for the benefit of both the environment and our customers.

Objectives for DRY-BAG® on SDG 12:

- By 2028, 100% of bags must be sewn from recyclable or bio-based textiles, so that the entire product is circular.
- Reduce waste from production by at least 25% by 2027 through better sorting and optimization.
- Document and publish the CO₂-savings our customers achieve by using DRY-BAG®, so the value becomes visible.

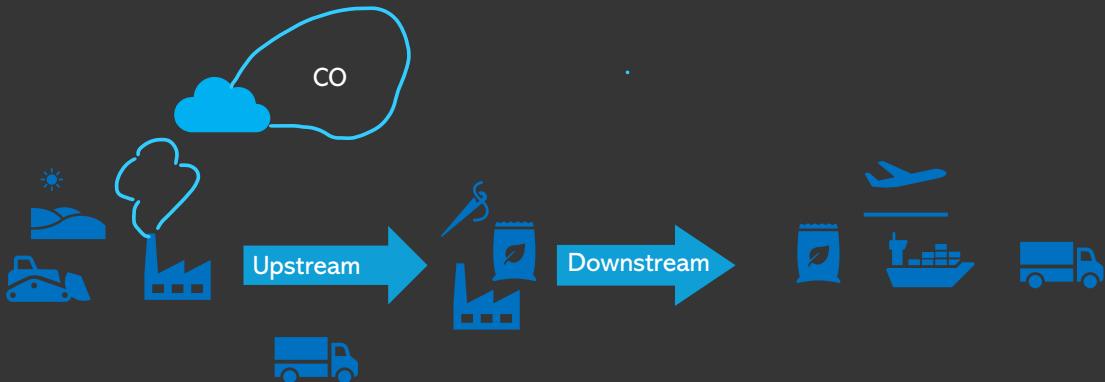


Our business – economic value through quality and sustainability

Our desiccant bags are designed to protect goods in transit from moisture damage. When goods arrive without mold, corrosion or damaged packaging, our customers save money, time and CO₂. A single product can thus prevent entire containers of food or goods becoming waste.

We export globally, but production is locally based. The bags are sewn in Denmark, and the clay is sourced from North Jutland. This means shorter transport routes, higher quality and safety for customers. Even though our product costs a little more than our competitors, customers know that they are getting a solution that is documented, certified and produced under responsible conditions.





Economic sustainability at DRY-BAG®

DRY-BAG®'s value chain is rooted in Denmark and is built on quality, transparency and responsibility. The journey starts in North Jutland, where the moclay is extracted and calcinated under strict environmental requirements before being delivered to our facilities in Hedensted. Here, the bags, sewn in Aarhus by employees who are employed on special terms, are filled and packaged. Local production gives us full control over quality, while creating jobs with social value.

Our primary customers are exporters and distributors in the EU, South America and Asia, but the B2C segment is also growing, especially among boat owners and caravan owners who want a simple solution to moisture problems during the winter months.

Customers choose DRY-BAG® because we offer a clear value proposition: We reduce the risk of moisture damage, which can destroy entire containers of goods. "Container rain" and condensation are a well-known problem in the transport industry, where moisture can lead to food waste, damaged electronics or broken metals. With DRY-BAG®, the goods are protected – our bags can absorb up to 80-90% of their own weight in moisture and function for up to 90 days. This means we provide security throughout the entire transport, even on long journeys.

DRY-BAG® is tested and validated by the Danish Technological Institute and SGS Analytics, which means that customers can trust the product's efficacy and purity.

Our bags are free of harmful substances, RoHS and REACH approved and can be either recycled or disposed of in regular household waste.

It provides a documented and certified solution that meets the requirements of both food and industrial companies.

We have deliberately chosen a pricing that is slightly above the market average. We do this because our product is developed and produced under sustainable and socially responsible conditions – and because the quality gives our customers savings in the long run. Less waste, fewer replacement shipments and the assurance that goods arrive without moisture damage is an economic gain for both companies and the environment.

Our revenue comes primarily from the sale of desiccant bags to the B2B market, but we also offer related products such as dunnage bags, Tyvek bags and paper strips that complement our core services. Our broad product portfolio makes us a stable partner for customers who want complete solutions for moisture control and transport optimization.

Behind DRY-BAG® is a strong network of partners, including Imerys, who extracts and processes the moclay, as well as the Danish Technological Institute and SGS Analytics, which ensure quality and documentation. Together with our local partners in Aarhus and Hedensted, they form a value chain where quality, sustainability and social responsibility go hand in hand.

Goals for the financial bottom line

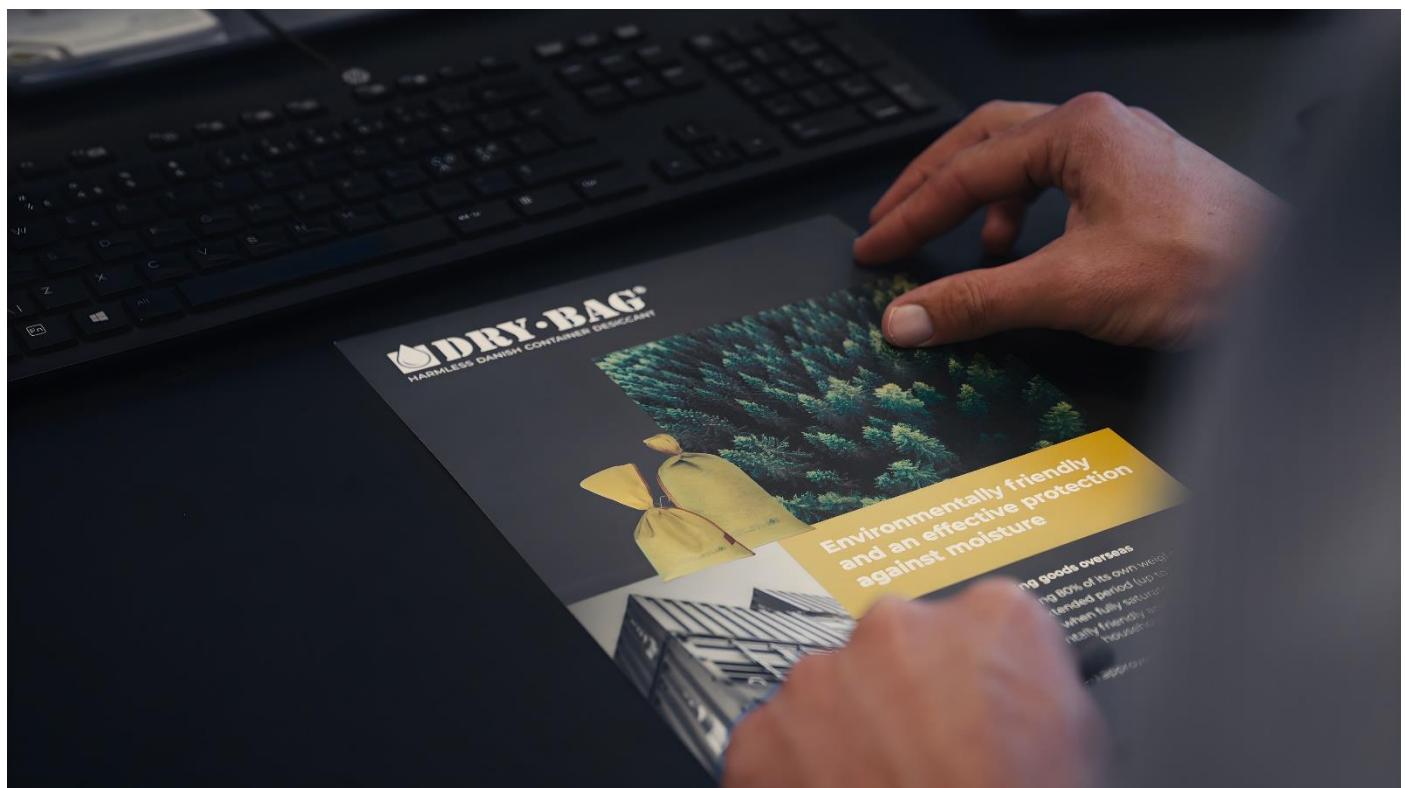
- Publish at least 3 customer cases annually that document financial gains and reduced waste when using DRY-BAG®
- Expand the B2C market by 15% by 2027 to make moisture-free solutions available to more private users.
- Develop at least one new related product every two years that supports our core service and sustainable profile.
- Maintain a production chain with 100% documented compliance (RoHS, REACH and food approvals).



Social responsibility – people at the center

We believe that everyone has something to contribute. That is why we have chosen to employ a large proportion of our employees on special terms. They sew the bags, fill and pack them – and are thus a cornerstone of our production. At the same time, we create a working environment where flexibility, well-being and community are at the heart.

We collaborate with local stakeholders to provide access to the labor market for young people and people with disabilities. We also support both local communities and social causes – from sports clubs to the Danish Cancer Society.



Social sustainability at DRY-BAG®

At DRY-BAG®, people are at the heart of our business. We know that being part of the labor market and contributing to a community provides both well-being and quality of life. That is why we have chosen to take on a special social responsibility by employing employees with disabilities in real jobs, which are an indispensable part of production. Work tasks and working hours are adapted to the individual, so that we create a flexible framework where everyone can succeed. Our goal is that at least 30% of employees are employed on special terms, and we are open to increasing this proportion when it makes both social and economic sense.

Well-being is a fundamental part of our culture. We offer flexible working hours so that work and private life can be combined, and we focus on employee well-being through MUS interviews, a fruit scheme, joint events and an informal, flat organizational structure. This makes DRY-BAG® a workplace where employees both feel valued and have the opportunity to develop. In the long term, we want to strengthen upskilling so that more employees can take on new functions with greater responsibility in the company.

Our social responsibility extends to the local community. We work closely with Jobcenter Hedensted and Kompetencecenter Nord to create internships and jobs for people who otherwise have difficulty finding a foothold in the labor market. Many of our bags are sewn in the sewing room at Kompetencecenter Nord – a collaboration that gives citizens the opportunity to contribute at a pace that suits their resources. We also support the local community through sponsorships of, among others, Bredballe IF, just as we contribute to the work of the Danish Cancer Society to give children and young people affected by cancer and their families a break during a difficult time.

Social sustainability is also about our customers and partners. When DRY-BAG® ensures that food products such as coffee and cocoa beans arrive without moisture damage, we support a sustainable value chain that benefits producers, exporters and end users alike. With a growing global market in Asia, South America and Europe, we help strengthen sustainable trade and protect valuable goods around the world.

The collaboration with the Danish Technological Institute also gives us the opportunity to develop products that are adapted to different climates and local challenges. This allows us to ensure that our social and environmental responsibility goes hand in hand with technological innovation.

Goals for the social bottom line

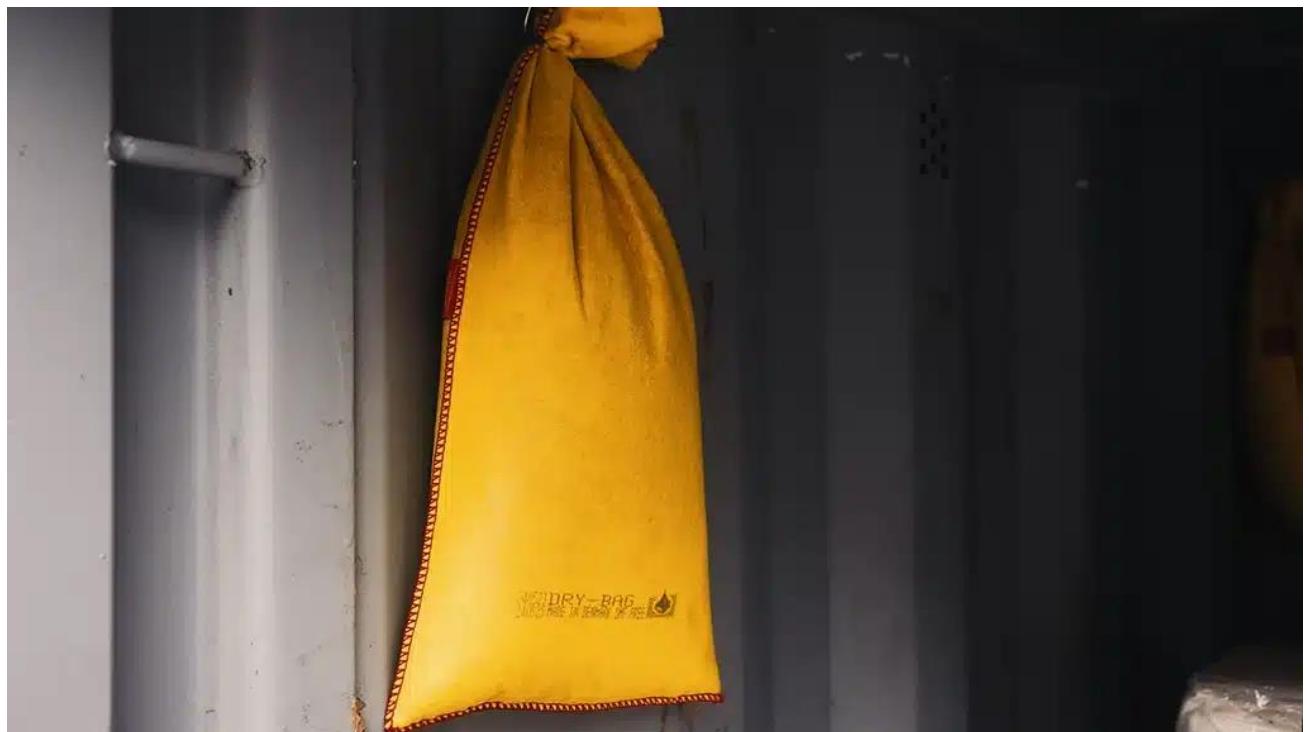
- Maintain that at least 30% of employees are employed on special terms – with the ambition to increase the proportion when it makes sense.
- Conduct annual well-being surveys with a target of an average of 4/5 in employee satisfaction.
- Increase the upskilling of employees so that at least 20% can take on new functions by 2028.
- Expand the number of internships through Jobcenter Hedensted and Competencecenter Nord by 15% by 2027.
- Enter into at least 3 new social or local collaborations annually that strengthen the community and the local community.



Environmental responsibility – local raw materials and circular thinking

The moclay, which forms the core of our desiccants, is a natural and non-toxic material. It is extracted locally in North Jutland, and we ensure through analyses that the quality is always high and that the extraction is carried out under strict environmental requirements.

When a DRY-BAG® is used, it can be reused by heating it to restore its absorbency. Alternatively, it can be disposed of in regular household waste without leaving any harmful residues. We are working hard to develop even greener materials for the bags and to establish return systems for B2B customers.



Environmental sustainability at DRY-BAG®

At DRY-BAG®, environmental responsibility is a natural part of our business foundation. Our entire product is based on moclay – a 100% natural material that is mined in North Jutland under strict environmental requirements. Moclay has a unique ability to absorb moisture. This means that we can deliver a product that effectively prevents moisture damage while also meeting the highest environmental and safety standards.

When a DRY-BAG® has reached its maximum absorption capacity, it can be reused by heating it, so that the moclay regains its full capacity. If the customer does not wish to recycle, the bag can be disposed of in regular household waste without leaving harmful residues. In this way, we support a circular mindset where resources are used responsibly and waste is minimized.

Our production is locally based, but our solutions make a difference globally. Every time a container arrives without moisture damage, you avoid waste of goods, extra transport and unnecessary CO₂-emission. Especially for products such as coffee and cocoa the benefits are great: entire containers can be saved from ending up as waste. DRY-BAG® thus contributes to reducing food waste on a large scale and mitigating the climate impact of global supply chains.

We are continuously working to make our product and operations even more environmentally friendly. The fabric for the bags is currently imported from Asia, but we are exploring options for bio-based and European-produced alternatives that can reduce the transport footprint and make the entire product recyclable. At the same time, we have already introduced paper strips made from 100% biodegradable recycled material – an example of how we are continuously developing new solutions that support a circular economy.

The environmental impact of our own operations is limited, but we take it seriously.

In the coming years, we will reduce energy consumption in our facilities in Hedensted, switch to green electricity and optimize packaging and logistics to reduce CO₂-the imprint further.

Environmental bottom line objectives

- By 2028, 100% of our bags must be made from recyclable or bio-based textiles.
- Reduce production waste by 25% by 2027 through better sorting and new material choices.
- Transition to 100% green electricity in production by 2027 at the latest.
- Reduce energy consumption in operation by 15% by 2027.
- Develop at least one new circular or bio-based product every two years.
- Document and publish the annual CO₂-savings that our customers achieve when using DRY-BAG®.

Perspective – a sustainable future

DRY-BAG® was born out of a specific challenge: moisture damage in transport. Our solution has since proven to be much more than a technical product – it is an example of how economic, social and environmental sustainability can go hand in hand.

For our customers, this means security: the goods arrive in good condition, resources are used responsibly, and the products are produced under proper conditions. For our employees, this means meaningful work and a strong community. And for society, this means less waste, lower CO₂-discharge and more inclusive workplaces.

In other words: When you choose DRY-BAG®, you choose a solution that makes a difference – for your business, for people and for the planet.

KPIs and targets 2026–2028

Economy

- Publish at least 3 customer cases annually with documented economic and environmental value.

Social

- At least 30% of employees on special terms.
- 20% more internships for young people by 2027.
- Employee satisfaction $\geq 4/5$ in annual surveys.
- At least 3 new local partnerships annually.

Environment

- 100% recyclable or bio-based textiles in the bags by 2028.
- 25% reduction in production waste by 2027.
- 15% reduction in energy consumption in operation by 2027.
- 100% green electricity in production by 2027 at the latest.
- Annual documentation of customers' CO₂-savings.



A look ahead: Our commitment to the future

We hope this report has given you a clear insight into our strong commitment to corporate social responsibility. The stories and achievements we have shared underscore our progress in creating a more sustainable and equitable future for our people, communities and planet.



This is a continuous journey and we are dedicated to seeking improvements every day, big and small.

Thank you for following along. Together we can make an important and lasting difference.