



H.J. HANSEN GROUP
Wine & Recycling

Risk management policy

Policy to Ensure a structured and consistent approach to risk management across the entire H.J. Hansen Group.

VERSION:
DEC. 2025



HJHANSEN
Recycling Group



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Purpose

The purpose of this policy is to ensure a structured and consistent approach to risk management across the H.J. Hansen Group. The policy safeguards the Group's assets, supports the business strategy, and promotes sustainable growth by ensuring effective identification, assessment, and management of risks. It defines how risk management is to be carried out, monitored, and reported across the group.

Scope

This policy applies to all legal entities, departments, and employees of H.J. Hansen Holding A/S, including the HJHansen Recycling Group with its affiliated companies and sites, the Wine Group with its affiliated companies and stores, as well as all activities that can be attributed to the Group.

Risk management process

We apply an integrated approach consisting of five steps:

1. Identification of risks.
2. Assessment and quantification.
3. Development of mitigation strategies.
4. Implementation of solutions.
5. Monitoring and evaluation.

The process is designed to ensure a consistent method for addressing risks across our business areas.

Identification and categorisation of risks

All risks that may affect our objectives and performance are systematically identified. The categories may include:

- **Strategic risks:** Changes in market conditions and consumer behaviour, competition, technological developments, regulatory requirements for treatment outcomes, and reduction of climate impact.
- **Operational risks:** Production failures and downtime, disruptions in the supply chain including logistics, excessive inventories of materials, failures in business processes, environmental pollution and fire. Loss of employees.
- **Financial risks:** Currency fluctuations, credit risks, and price volatility.
- **IT and cyber risks:** Data security breaches, system outages, hacking, ransomware.

- **Regulatory risks:** Violations of environmental and import legislation.
- **Reputational risks:** Negative media coverage, ethical issues, and crisis communication.

Risk identification is carried out through internal risk assessments, SWOT analyses, double materiality analysis (DMA), and feedback from employees and other stakeholders.

Assessment, quantification, and prioritisation of risks

To ensure effective risk management, we assess and prioritise risks based on:

- **Likelihood:** How often can it occur?
- **Impact:** What will the incident cost – financially, reputationally, or operationally?

Risks are placed in a risk matrix on a scale from low to high, indicating which risks require action.

Risk management

Once risks have been prioritised, we define specific mitigation strategies:

- **Avoidance:** Cease activities that create risk.
- **Reduction:** Implement measures to reduce the likelihood or impact.
- **Transfer:** Use insurance or contractual arrangements.
- **Acceptance:** Risks of low significance may be accepted by the responsible manager for the area. Significant or high-priority risks require approval at executive management or Board level. For the Group's most significant risk areas, specific risk tolerance levels are defined to ensure a consistent and strategic approach.

The choice of mitigation strategy must always be tailored to the individual risk and based on an assessment of likelihood and impact.

Monitoring and reporting

Effective risk management requires ongoing monitoring and reporting:

- **Monitoring:** Department managers must regularly review mitigation strategies to ensure they remain relevant and effective.

- **Ongoing reporting:** Departments where risks with a high likelihood or severe consequences have been identified must report on an ongoing basis to their respective management teams in the HJHansen Recycling Group and Wine Group.
- **Quarterly reporting:** All departments must report quarterly to the management teams of the HJHansen Recycling Group and Wine Group, respectively. The management teams consolidate the input and report annually, or as needed, to the Boards of H.J. Hansen Holding, HJHansen Recycling Group, and Wine Group. The reporting must include:
 - Newly identified risks.
 - Changes to existing risks.
 - The effectiveness of implemented mitigation strategies.

All employees are encouraged to report new or changed risks to their immediate manager or via the deviation reporting system.

Insurance and risk financing

Insurance and risk financing are a central part of our risk management. The purpose is to protect the assets, financial stability, and business interests of the H.J. Hansen Group by minimising the financial consequences of unforeseen events.

Overall principles

- All insurable risks are continuously assessed and insured in a manner that ensures the Group is not exposed to significant financial losses.
- The insurance programme must minimise the financial impact of losses.
- Non-insurable risks, or areas where insurance premiums are disproportionately high, are managed through internal policies and business procedures.
- Risk assessments and insurance needs are reviewed annually at the Board meetings of H.J. Hansen Holding, HJHansen Recycling Group, and the Wine Group, respectively, as part of “Risk management and compliance”.

Scope and coverage

The insurance coverage in 2025 applies to the entire Group and includes:

- All-risk insurance, including buildings, contents, and business interruption
- Commercial and product liability insurance
- Transport insurance for the Wine Group
- Motor insurance for vehicles, including work machinery
- Motor accident insurance
- Collective accident insurance
- Travel insurance
- Workers' compensation insurance
- Crime insurance
- Directors' and Officers' (D&O) liability insurance
- Cyber insurance
- Special insurance
- Charterer's liability insurance
- Environmental liability insurance for Centerhavnsvej 12, 7000 Fredericia

Uninsured risks

The following areas are uninsured risks and are managed through other risk management measures:

- **Environmental liability insurance:** Not all locations are currently covered by environmental liability insurance. We are working to ensure that all port sites are included.
- **Transport insurance for HJHansen Recycling Group:** Does not cover damage to goods caused by fire, spontaneous combustion, sparking, or contamination resulting from the inherent nature of the goods or from normal handling.

Risk financing

- Deductibles are continuously assessed based on a cost-benefit evaluation.
- Costs related to uninsured losses are covered by operating activities.

Risk analysis and loss prevention

Insurance coverage and premiums are determined based on:

- Identification and assessment of material risks in collaboration with the insurance broker.
- Analysis of claims frequency to identify recurring problem areas.
- Preventive measures to reduce risks in operations and the working environment.

Risk information

The CFO has overall responsibility for the Group's insurance arrangements and ensures that relevant risk information is continuously updated and communicated to the insurance broker. The day-to-day handling of insurance-related tasks is carried out by an operational insurance officer.

The information to be communicated includes, among other things, changes in product types, fixed assets, business areas, and organisational structure, in order to ensure that the insurance programme at all times reflects the Group's current risk profile.

The insurance broker must also be informed in connection with:

- The purchase and sale of companies, establishment of new companies, formation of partnerships, and similar transactions.
- Changes to the company's activities.
- The purchase, sale, demolition, and construction of buildings.
- Renovations and extensions.
- The entering into of contracts where the H.J. Hansen Group assumes obligations related to existing insurance coverage.
- The borrowing, rental, or leasing of major assets.
- Extraordinary lease agreements at external locations.

Annual risk assessment meeting

Each year in January, the Group's and the subsidiaries' insurance responsible persons meet with the insurance broker. The meeting is organised by the overall insurance responsible person. The purpose is to:

- Review the current insurance coverage and assess the need for adjustments in light of the Group's business development and strategic plans.
- Evaluate the year's claims experience with a focus on identifying patterns, assessing impacts, and determining the need for loss prevention measures.
- Assess and optimise the cooperation with the insurance broker to ensure relevant advisory support and effective implementation of the Group's insurance strategy.

Responsibilities

- **Policy owner (day-to-day responsibility):** The Group CEO of the H.J. Hansen Group is responsible for the day-to-day implementation of the policy, ensuring follow-up and maintenance, and for ensuring that the policy is complied with in daily operations.
- **Policy owner (formal ownership):** The Chair of the Board of H.J. Hansen Holding holds formal ownership and overall responsibility for the policy. The policy is submitted for approval to the Board of Directors of H.J. Hansen Holding.
- **ESG Committee:** Contributes to the identification and assessment of ESG-related risks and ensures that these are integrated into relevant processes and reported to management.
- **Risk owners (department managers):** Responsible for identifying and managing risks within their respective areas.
- **Employees:** Responsible for reporting risks and complying with policies and procedures.

Revision

The policy is reviewed annually to ensure that it remains up to date in relation to legislation, market conditions, and the Group's strategic objectives and risk profile.

The policy falls under the security policies and must be reviewed at least once a year, or more frequently if changes occur in legislation, technology, market conditions, strategic objectives, or the risk profile. The review is carried out by the policy manager. Significant changes are submitted to the policy owner for approval.