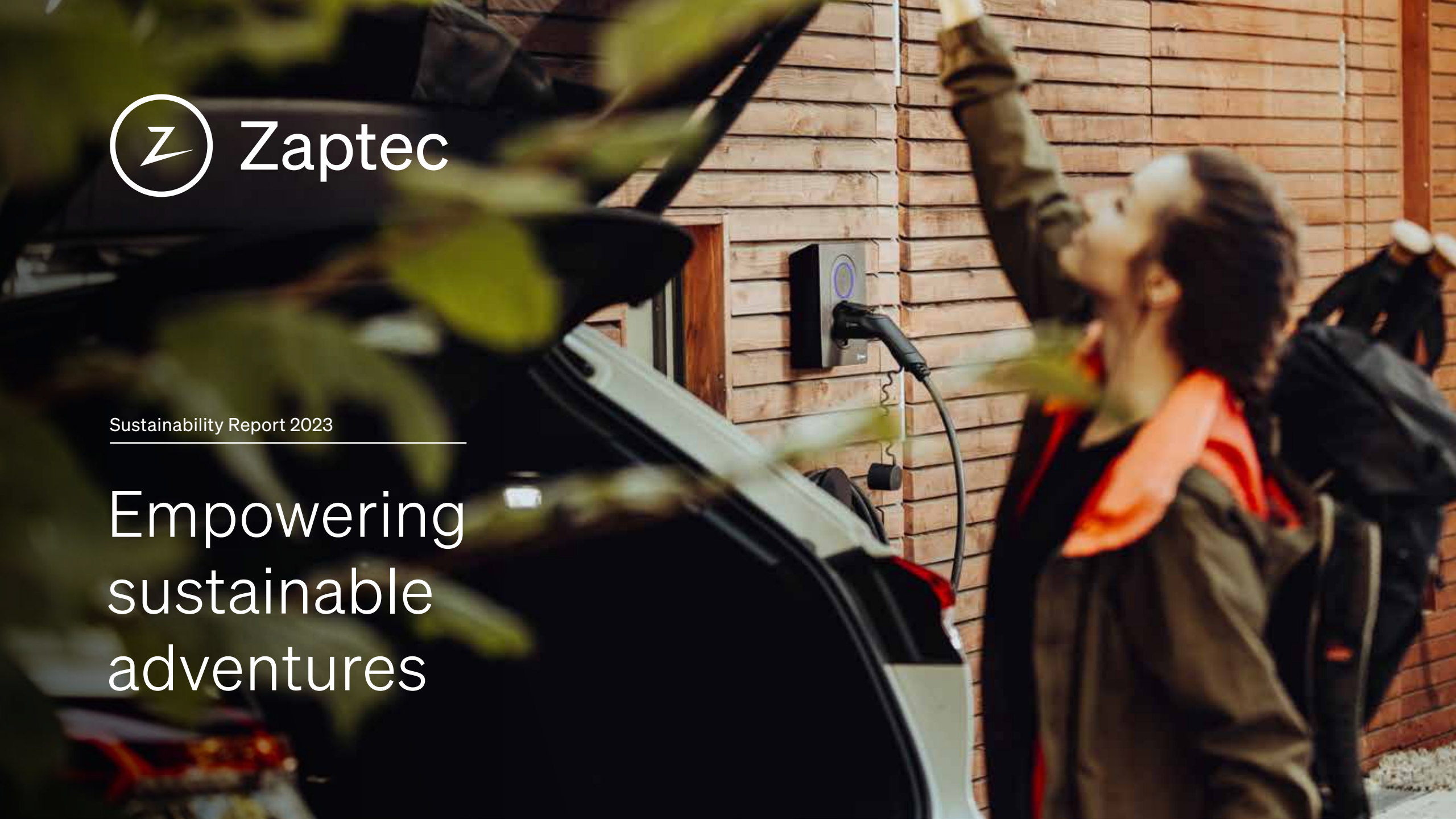


Sustainability Report 2023

Empowering sustainable adventures



We're Zaptec. We make EV chargers.

We believe that the future is electric and that adventures should be powered more sustainably. By making EV charging accessible for all, we hope to inspire a new generation of explorers with the freedom to go wherever – whenever.



Content

04 Introduction by the CEO

05 Sustainability department

10 Transparency & integrity

11 Cleaner tomorrow

14 People

18 Climate stewardship

21 Circularity & biodiversity

25 Supply Chain

30 *Appendix*



Kurt Østrem

Chief Executive Officer

Responsible technology

We are excited to share Zaptec's first annual Sustainability Report.

In our opinion, we produce the market's best electric vehicle charging stations, which both help to contribute to the electrification of transportation and ease the strain on the power grid by reducing the load by optimizing the use of available power. In addition to enabling the green transition through our technology, we strive to deliver it responsibly.

Zaptec aims to contribute actively to the UN climate goals and works proactively to improve our sustainability performance. As a result, we established our Sustainability Department in 2023, with competent employees with extensive experience within ESG and the EV charging industry. Since then, we have focused on analyzing our material sustainability issues to maximize our efforts towards the most relevant topics for us and our industry.

I extend my heartfelt gratitude to all the dedicated Zaptec employees working daily to electrify the transportation sector. Thank you. And enjoy the road.



Kurt Østrem

“
**We aim to contribute
actively to the UN
climate goals**

Kurt Østrem
Chief Executive Officer



Rigmor Haga
Sustainability Director

What does sustainability mean for a company like Zaptec?

One thing was clear: Our approach is to be guided by knowledge and science.

We want to provide the world with one means for decarbonisation: through our EV chargers, we enable the electrification needed to reduce our dependency on fossil fuels, and through our technology, we do so in a way that reduces the need for grid expansion through optimising the available power.

This is a good start. But even our technology does not come without its challenges. We have long and complex supply chains in electronics and a responsibility to ensure that human rights are not compromised. We rely on non-renewable minerals. And we have our carbon footprint to manage despite our mission to help others reduce theirs.

“
We recognise that everything is connected in the world of sustainability.

Rigmor Haga
Sustainability Director



As part of our process, we pooled the knowledge we had on stakeholder views, industry views, and sustainability. We examined our values and engaged employees in assessing what was important to them. We also examined our product and supply chain knowledge.

We identified five topics of high relevance, which became the core of our sustainability commitment and ambition. We also recognise that everything is connected in the world of sustainability and is sometimes challenging to decompartmentalise. Examples are our work with materials and minerals, which can affect human rights and working conditions, emissions, waste, product longevity, and more. We also recognise that our supply chain is the meeting point for many of these issues.

Ambition

We aim to pioneer the green transition by delivering innovative and responsible electric vehicle charging solutions. We are committed to forging a pathway toward a net-zero future where technology and adventure flourish, respecting both people and our planet.



Rigmor Haga

Our approach

1. Fact is king.

Although sustainability has strong elements of values and culture, we also want to be guided by facts, science and reliable information.

2. Avoid analysis-paralysis.

We know that the steps for a sustainable future need to be taken now, and we will always base our work on the best information we have. This means we are willing to revisit established truths and change our course when new science becomes clear, but we cannot wait to act on what we already know.

3. Collaboration over isolation

Sustainability is not a solo game. The issues we are faced with within sustainability is often larger than an individual company. To enable a sustainable future faster, we need to go together





Everything is connected

Despite identifying some core areas for us, we also recognise that everything is connected in the world of sustainability.

This is true for the issues we face and how we work. Circularity is not isolated from climate change. And human rights are not an isolated topic from mineral supply.

This is why, besides the areas below we keep a particular focus on our supply chain. Whether climate change or human rights, we must work with our suppliers to manage our impact.

Innovation for a Cleaner Tomorrow

Harnessing the power of cutting-edge technology to drive the evolution towards a more sustainable, electric future. In line with our vision, we continually strive to be curious and passionate, developing reliable and efficient charging solutions that empower every adventure.

Because: as a responsible tech company, we want our products and services to be part of the solution. This means that our efforts in innovation cannot be separated from our vision for sustainability.

We keep a particular focus on our supply chain and work with our suppliers to manage our impact.



People-Centric Approach

Upholding the highest standards of human rights and worker’s welfare across our entire value chain. We believe in fostering a culture where people are respected, valued, and empowered to thrive.

Because: There is a long and complex path from raw materials to end products in electronics, the right to decent working conditions must be respected throughout a complex supply chain. As such, human rights remains a key priority for us.

Climate Stewardship

Actively contributing to the global effort to limit climate change, we align our strategies and operations to meet and exceed the objectives of the Paris Agreement.

Because: Not only do our business affect climate change, but climate change will also affect our business. We believe everyone has a role to play in combatting climate change. Besides working to understand and reduce the climate footprint of our product, we also see an opportunity to develop technology that helps address climate change by accelerating electrification.

With our people-centric approach, we believe in fostering a culture where our workers are empowered to thrive.



Circularity and Biodiversity

While ensuring our operations honor and contribute positively to the natural environment, we aim for a practical approach towards minimizing waste and promoting the sustainable use of resources.

Because: By focusing on circularity, we want to reduce the increasing volumes of electronic waste by bringing valuable materials back into the loop and protecting the natural environment. More than 50 million tons of e-waste are generated annually, with only about 20% recycled through proper channels. As such, we want to enhance the lifetime of our products and repair them where feasible to extend their useful life.

Transparency and Integrity

We value openness and honesty, committed to reporting transparently on our sustainability efforts, progress, and impacts, ensuring accountability and continuous improvement.

Because: We see transparency as an enabler of sustainable performance: to manage something, we must understand it. And to understand it, we need truthful and reliable information to work from. As part of our commitment to being honest about our sustainability efforts, Zaptec signed the principles against greenwashing in early 2024.

As part of our production process, we want to reduce electronic waste by bringing valuable materials back in the loop.

Why transparency and integrity matters

Zaptec is a signatory to the anti-greenwashing principles.

We believe that to accommodate for a more sustainable future, we need to be able to manage information in a trustworthy way and work with information we can rely on.

We report in accordance with our commitment to the UN Global Compact and joined the Responsible Business Alliance to improve our level of transparency in our supply chains.

In 2023, we updated our anti-corruption policy.

Our principles and commitments

Zaptec established its sustainability department in 2023. Our work is aligned with:

- 1. United Nations Global Compact (UNGC).**
Zaptec has been a member of UNGC since 2019.
- 2. The Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI).**
Zaptec joined RBA in 2023, joining forces with others in the electronics industry to share good practices and data to enable responsible supply chains.

- 3. The Greenhouse Gas protocol,** of which we have aligned our emissions reporting in partnership with Normative.
- 4. The United Nations Guiding Principles for Business and Human Rights** forms the foundation of our human rights policy.

Norway and the Transparency Act

In line with the Norwegian Transparency Act, we are preparing for an updated human rights due diligence process in 2024.

In 2023, Zaptec carried out its human rights due diligence and reported in line with the requirements of the Norwegian Transparency Act. The key finding was a general lack of cohesion in sustainability risk management.

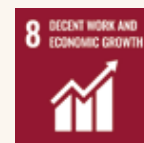
In 2023, we joined the Responsible Business Alliance to gain more transparency and awareness of the human rights risks in our supply chain.

Preparing for the Corporate Sustainability Reporting Directive (CSRD)

Zaptec started preparations for reporting by the Corporate Sustainability Reporting Directive (CSRD) in 2023. We started with our materiality assessment, which formed the basis for selecting topics in this report. Zaptec's first CSRD report will be published in 2026, reporting 2025 figures. We will strive to create an integrated report for 2024 to bridge the gap between current reporting practices and the upcoming changes. We started our gap analysis in 2023 and will use this as our foundation for our preparation.

How we support the UN Development Goals

Recognizing where we have the most significant impacts and opportunities, we have identified the following UN Sustainable Development Goals to be most suitable for us.



Innovation for a cleaner tomorrow

It starts with design: bursting the trade-off myth.

A persistent myth claims that corporate sustainability is an act of compromise. The belief is that environmental responsibility comes at the expense of financial success and a satisfying user experience.

At Zaptec, our philosophy of Product Development challenges this myth. Through early integration of Strategic Design into the product development process, we aim to align benefits across three crucial dimensions – profitability, sustainability, and user experience. Our commitment is to demonstrate that balancing people, planet and profit will result in sustainability and thrive-ability. We believe the three dimensions co-exist and that when done right, they can generate a self-reinforcing feedback loop, a true win-win-win.

*Our commitment is to demonstrate that balancing people,
planet and profit will result in sustainability and thrive-ability.*



The first steps

The alignment of benefits for people, the planet and business are not an impossible quest — but it must be the first step rather than the finishing touch. Not including these considerations from the start risks the efforts becoming a mere marketing angle, as ineffective as applying makeup to a pig.

This early consideration allows for significant modifications, such as material selection, defining the user experience, and prolonging product lifetime. For example, Zaptec’s Eco Mode feature, which monitors day-ahead electricity prices, speaks to the economic motivation of our users —lowering the cost of charging — and the environmental objective of easing the demand on the electric grid during peak hours.

This same mentality has led to the development of Zaptec Sense, our load-balancing device, ensuring user safety and optimizing performance under power constraints while providing control over EV charging expenses. We know we’ve developed a true winner when our products and services align with various objectives.

**The role of our technology:
 Why the Zaptec EV charger
 does more than charge your ev**

Reducing the need for grid expansion

Electric energy in a building is a lacking resource. When using Zaptec load balancing algorithms, this energy can be shared by many EVs simultaneously, unlike charging one EV at a time. When many EVs can charge simultaneously, more EVs can “hit the road” at the same time – less need for other non-EV transportation. In addition, housing associations can expect lower installation- and maintenance costs compared to non-load balancing charging systems. The main reason is that an intelligent load-balancing charging solution is designed to share a large part of the electrical infrastructure.

IEA (International Energy Agency) predicted in 2023 that to reach national emission reduction goals worldwide, a total of over 80 million kilometres of grid would need to be added by 2040.

By facilitating the better use of the available energy, Zaptec wants to contribute to reducing the need for such expansion, thus reducing natural impact and resource use.

Optimized energy distribution preventing grid peaks

The world depends on using electric energy. But at the same time, the infrastructure to distribute this energy must support this increased utilisation. By using smart scheduled charging, the charging station can automatical-

ly charge the EVs in green hours (e.g. when there is surplus capacity in the electric distribution grid). In addition, by using randomised starts to prevent massive energy peaks at fixed times, the grid can be utilised even more efficiently.

**The electric vehicle fleet’s battery bank
 provides society with power**

With increased battery capacity in EVs, the world is turning into a gigantic battery bank. Millions of cars are basically carrying electric energy worldwide. The new Vehicle 2 Grid (V2G) will enable both the start of new technology to bring the energy back to the electrical grid and new business models to allow for charging when there is surplus green energy production capacity (solar on a sunny day, hydro- and wind turbines in a stormy weekend etc.) and bringing the energy back to the grid when the green energy production is low. This is an area we will continue to explore into 2024.

Looking Forward to 2024

Zaptec is committed to further integrating sustainability into the DNA of our products — embedding sustainability thinking into the first steps of our Product Development. In 2024, we will formalise how we integrate sustainability into design and product development to drive positive change in the industry.



Trude Rekkedal Schulberg
Chief People & Culture Officer

Our People Strategy and Working Environment

**At Zaptec, we have highly skilled Zapiens
and a thriving work environment.**

We encourage our employees to be curious about finding new and better solutions, where we focus on continuous learning.

As factual steps, we have launched two major programs that will pave the way and transition the company into further development: leadership training for all managers and implementation of the SAFe framework. Both initiatives aim to further employees' growth and create an environment of collaboration and knowledge sharing.

*People and the working environment
are our top priorities at Zaptec.*



“
**We are dedicated to creating
a workplace where everyone
can realize their potential.**

Trude Rekkedal Schulberg
Chief People & Culture Officer

People and the working environment are our top priorities at Zaptec. We are dedicated to creating a workplace where everyone can realize their potential, regardless of gender, orientation, background, or age. We are committed to being a fair workplace where discrimination is unacceptable.

Zaptec complies with local labor laws in all relevant countries, and our internal guidelines on the working environment and workers' rights are outlined in our Employee Handbook. This resource also includes information on work regulations and health and safety. Moreover, Zaptec has a Working Environment Committee (WEC) that is mandated to safeguard and proactively promote working conditions.

No form of discrimination, harassment, or inappropriate or abusive conduct is tolerated by or against employees, customers, vendors, contractors or any other individuals who conduct business with Zaptec.

Whistleblowing channels

There have not been any whistleblower incidents at Zaptec in 2023. We have a procedure in place that is accessible to all employees. Moreover, we will focus on improving our routines in 2024. We want employees to be confident about speaking up, knowing that they will be listened to and have an increased understanding of their role in shaping the future of EV charging and the company.

Mental and physical health

Promoting mental and physical health at Zaptec is crucial for fostering a positive and productive work environment. We continuously review and improve our policies and practices to provide the best support for our employees. For instance, we offer the following to support our employees:

- welfare leave
- health insurance
- flexible working hours
- rewards & recognition program and
- sports and social program

People Policies

Recruitment Policy

Our People & Culture mission is to attract the best candidates and to give everyone in contact with Zaptec a great experience. We will follow a sequential process involving hiring principles that ensure this. We are continuously working to improve job postings to attract a diverse range of applicants and ensure that we do not discriminate.

Pay Equity

We strive to ensure equal pay for equal work regardless of an employee's race, gender, ethnicity, age, religion or other non-job-related factors. Pay equity is crucial as it promotes fairness by eliminating wage discrimination and fostering workplace diversity and inclusion.

Employee Opinion Survey

Zaptec implemented and launched a new employee opinion survey tool in 2023 for all employees called Great Place to Work. The response rate was 90%. The survey will continue to be conducted once a year.

In addition to the annual survey, we run a pulse survey for all new hires and conduct stay-on interviews with each new employee individually.

Health And Safety at Zaptec

In 2023, a single reported HSE incident was classified as a minor incident. While significant improvements have been made in health and safety, they are not yet sufficient to meet Zaptec's overall standards. Consequently, we continue raising the bar.

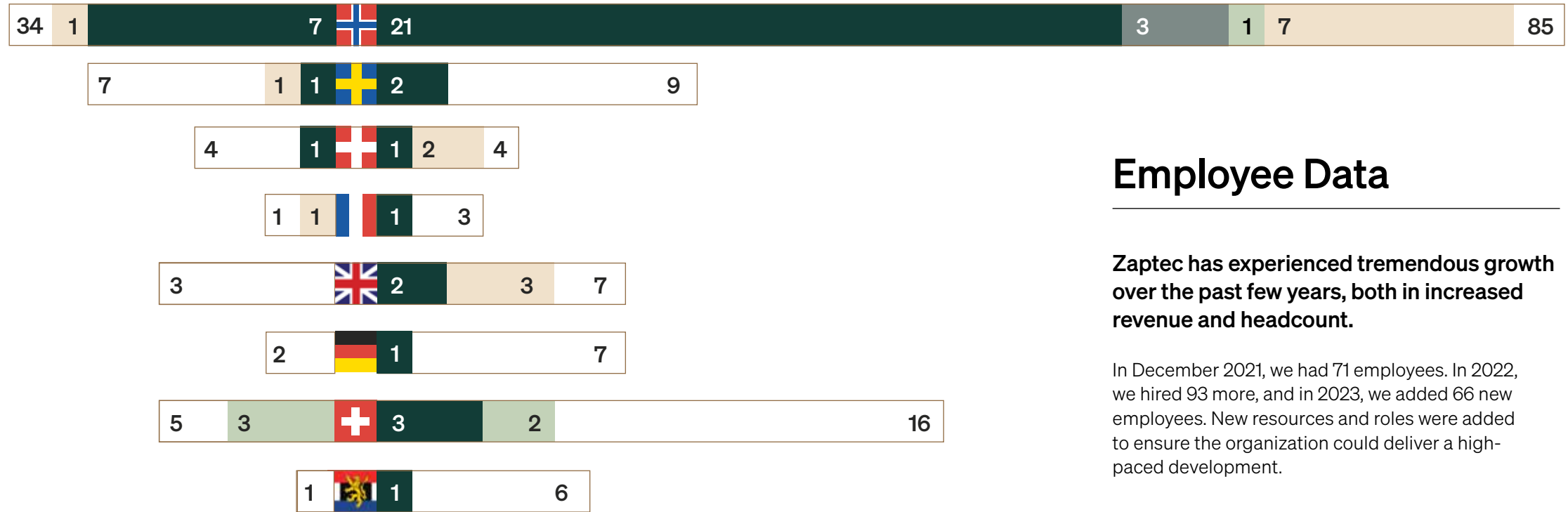
The following measures were implemented during 2023:

- The HSEQ Manager was given overall responsibility for Health and Safety.
- Safety delegates were elected for Norway.
- A Working Environment Committee was established with representatives from Management and Employees.
- Zaptec partnered with an Occupational Health provider.
- Risk Mapping related to laboratory work was conducted.
- A written agreement concerning Health and Safety was established between Zaptec and Westcontrol for warehouse operations.
- 2 safety inspections were performed.



Female ♀

♂ Male



Employee Data

Zaptec has experienced tremendous growth over the past few years, both in increased revenue and headcount.

In December 2021, we had 71 employees. In 2022, we hired 93 more, and in 2023, we added 66 new employees. New resources and roles were added to ensure the organization could deliver a high-paced development.

Total

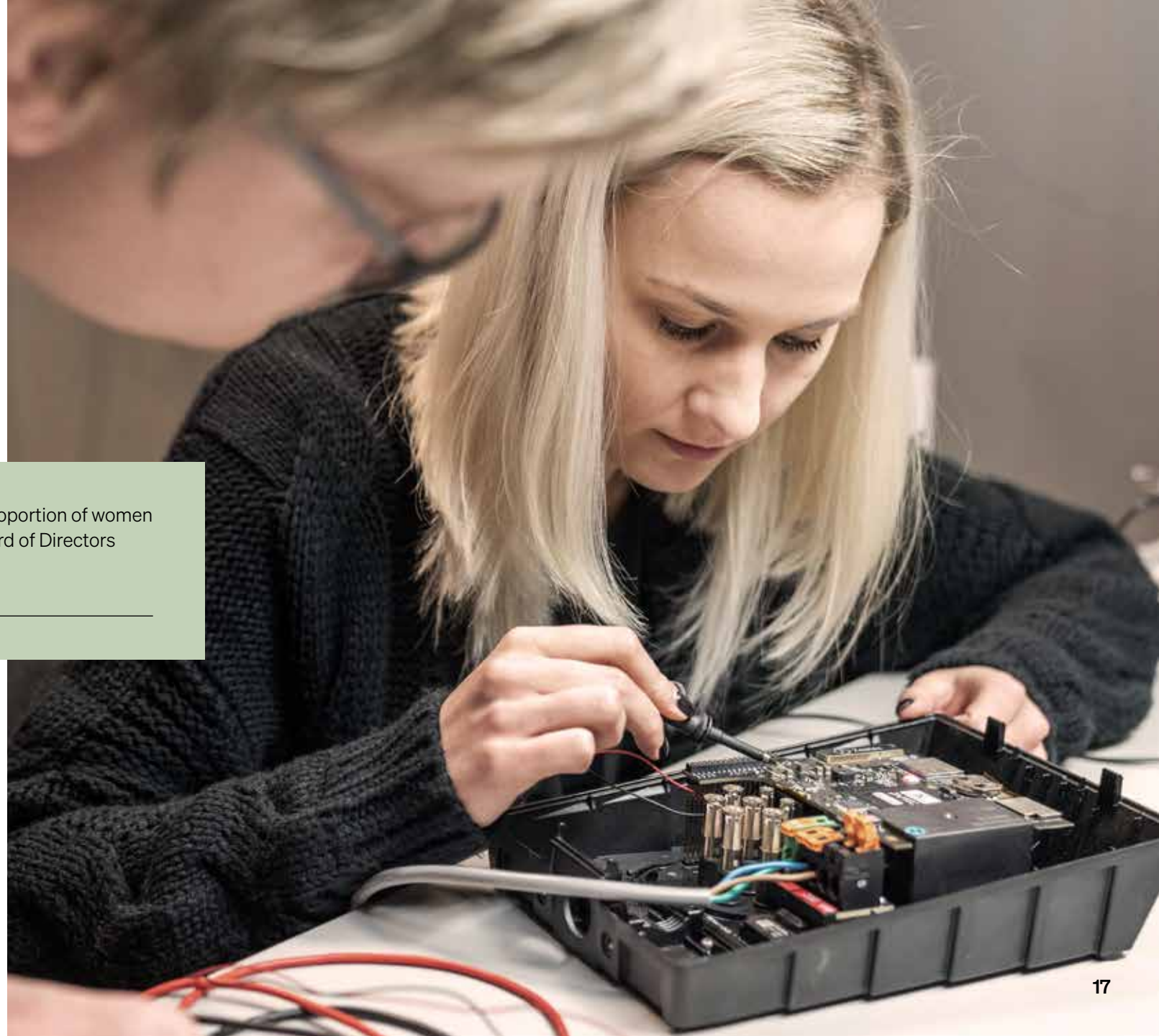
Manager positions		Temporary employees		Part time employees		Voluntary turnover		Total employees	
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
9	32	0	3	3	3	3	12	57	137

Diversity, Equity, and Inclusion

We recognize that diversity and inclusion are essential and drive innovation, creativity, and overall success. Embracing different perspectives, experiences, and backgrounds strengthens our company and positions us to thrive in an ever-changing world. We acknowledge that there is always room for improvement and are continuously working to create and maintain an inclusive workplace. Zaptec has employees representing 17 different nationalities.

29%

of the workforce is female, mirroring the proportion of women on the executive leadership team. The Board of Directors has a 60% female representation.



Zaptec Climate Accounting 2022 & 2023

We understand the urgency of emissions reductions in our operations to combat climate change, and as such a Greenhouse gas (GHG) emissions tool was one of the first things the new sustainability team got in place in 2023.

We chose Normative, whose methodology is built on proprietary implementations of the GHG Protocol and a vast database of emissions factors. To be honest, we were uncertain if we would be able to harvest all the data on time. However, despite fighting against the clock we received support from Normative along with helpful Zapiens and therefore managed to gather data on our 2022 and 2023 emissions. Now the fun starts, as we can identify our emissions hot spots and set reduction targets for the years to come.

We report on all three scopes:

- *Scope 1*, direct emissions from owned or controlled by the company
- *Scope 2*, indirect owned emissions
- *Scope 3*, indirect emissions not owned by the company

Data harvesting

The data was gathered from all Zaptec locations. For transparency, we also report on the gaps in our GHG reporting.

For 2022 this included:

- 2022: Scope 2: Cooling, Electricity and Heating for 2022 emissions from our locations in France, Germany, Netherlands, and Sweden, and generated waste.
- 2023 data from Denmark and our Oslo office, and generated waste.

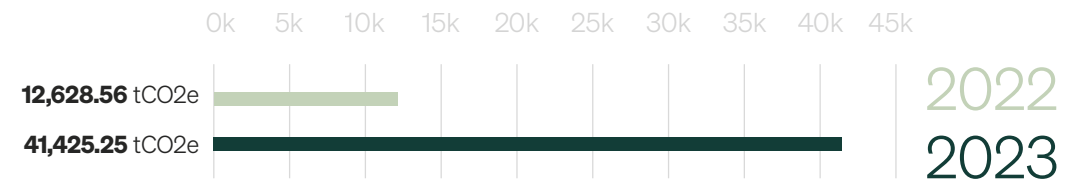
Our goal is to continuously improve our GHG data.

Variations in emissions from 2022 to 2023

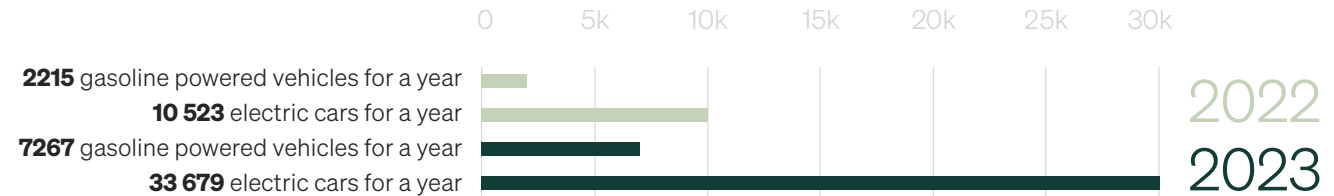
Our sales grew drastically in 2023, reflecting the increase of emissions in the category Purchased goods and services and Use of sold products. As demand for our products increased, our production also expanded, leading to higher emissions from the production and the use of our products.

Summary of Zaptec's 2022 and 2023 Greenhouse Gas Emissions.

*tonnes of CO2 equivalents is tCO2e



To emit the same amount as Zaptec you can drive:



Scope 1:

Since 2023 all our company cars have been electrical, and we are happy that this results to no emissions arising from our Scope 1. We commit to keeping it this way going forward and committed to only using EVs as company cars.

Scope 2:

Emissions from Zaptec offices

Our offices are of various sizes in different locations in Europe, which explains the differences in the emissions. In addition, the energy mix in the different countries plays a role. Although our offices in Norway are the biggest, the emissions are much lower than in Denmark and Switzerland, because of the energy mix in Norway is mostly renewable. In total, we use 60% of renewable energy in all Zaptec office locations. Our goal is to increase this to 100% renewable energy by 2027.

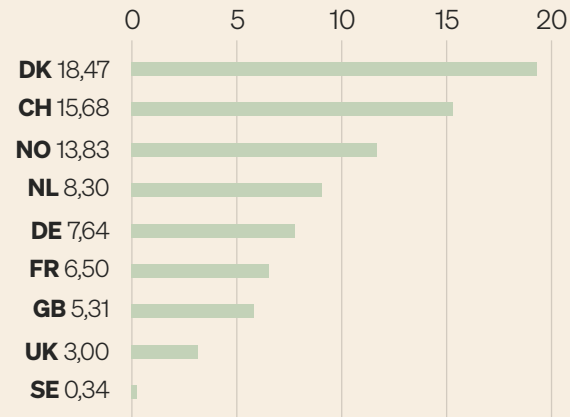
Scope 3:

99,8% of our emissions arise from Scope 3. Zaptec’s top three highest emissions categories:

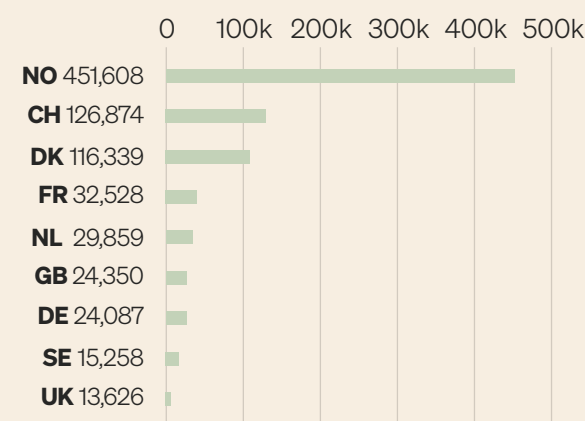
GHG Category	2022 tCo2e	2023 tCo2e
Purchased goods and services	3677.55	28253.94
Use of sold products	7707.34	12447.90
Business travel	570.28	365.65
Upstream transportation and distribution	299.32	181.17

We lowered emissions in the transport of our chargers by optimizing our logistics, opting for bigger trucks rather than smaller vans and combining our deliveries with fewer and bigger deliveries.

Scope 2, location-based emissions % per category



Scope 2, location-based energy (kWh)



We are happy to see that our emissions from business travel are lower in 2023 than 2022 despite an increase in employees, as we have started to travel smarter by combining travel agendas, opting for online meetings and fewer Zaptec employees are representing in person meetings if travel is required.

How can we reduce our emissions?

Collaboration with different stakeholders will be crucial to reach net zero emissions. Our actions to reduce our emissions include the following and more: We aim to increase recycled materials in our chargers, collaborating with our manufacturing partners producing our products with lower emissions, optimizing transport of our chargers and continuing to travel smarter.

To reduce our Scope 3 emissions for use of our products, we need to encourage our customers to use more renewable energy sources while using our products. We believe that knowledge is power, and the first step is to make our end-users aware that the type of energy-mix used with our products will make a big difference in emissions. To engage younger generations and gain fresh ideas, we have collaborated with the University of Stavanger and Universitas 21 on how to make our customers charge with renewable energy.

While we include a few highlights, the complete set of our 2022 and 2023 GHG accounts can be found in the [appendix on page 30](#).



The Zaptec Go packaging now contains recycled and recyclable paper and cardboard. With the change during 2023, we also saw better outcomes during drop tests to ensure the product can tolerate the journey from factory to end user.

Gabriele Janke
RMA Specialist

Managing our impact on climate and biodiversity

Connecting an EV charger to the natural environment might not be an obvious link for everyone.

At Zaptec, we're using our technology to minimize the need for expanding grids, contributing to preserving natural habitats.

Yet, we're not ignorant that our product's journey, from extracting raw materials to production, leaves its mark. As players in the electronics industry, we're well aware of our reliance on mining and non-renewable resources. Zaptec acknowledges the multi-faceted negative impact we have on the environment.

Can you spot the difference? Gabriele Janke is holding a fresh product and a refurbished one, ready for a second go and extending the Zaptec lifecycle.



From minerals with high environmental and human risks to non-renewable and sometimes scarce raw materials, our industry has its challenges. The production of electronics itself is resource-intensive, consuming significant energy and materials.

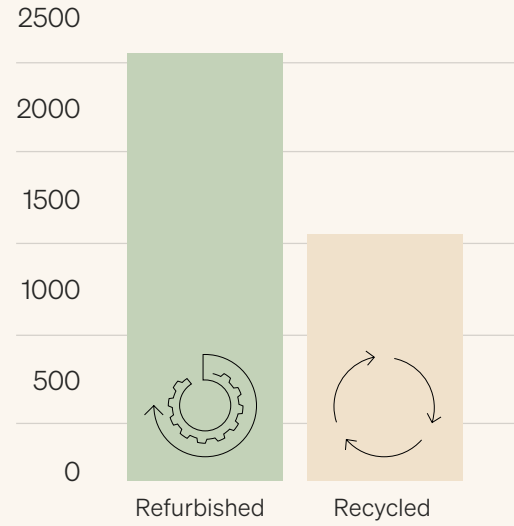
The growing concern about electronic waste further emphasizes the need for responsible practices. Approximately 50 million tonnes of e-waste are generated annually, with only about 20% recycled through proper channels.

Minerals and materials

Taking a proactive stance, Zaptec joined the Responsible Minerals Initiative (RMI) in September 2023. Since then, we've diligently gathered data on conflict minerals from our Tier 1 and 2 suppliers on their smelters and refiners.

Utilizing the Conflict Minerals Reporting Template (CMRT) ensures our supply chain's transparency. Our commitment extends to revised Minerals and Environmental policies, which are readily accessible on our website. Our human rights due diligence doesn't just stop at the surface; we delve into the mineral level, comprehensively understanding our exposure throughout the value chain.

Between 2020 and 2023, we've successfully refurbished 2466 charging stations and responsibly recycled 1586 units.



10% of smelters and refiners used by Zaptec suppliers have accepted our RMI Partnership invitation to connect and share their sustainability data. (41 smelters of 361)

Extended Zaptec lifecycle

Over the past year, Zaptec has been on a mission to renew electric vehicle charging stations. We've been diving into refurbishment and recycling efforts to keep our Zaptec units running longer and make a meaningful impact on the rapidly growing issue of electronic waste.

How did we do it?

We gave our produced charging stations a second shot at life through careful inspection, repairs, and upgrades, as our goal is to shrink our environmental footprint. Although we wish we could have given all returns a second shot, that has not always been the case. Units we were unable to bring back to life were responsibly recycled.

We redirected them from ending up in landfills and, at the same time, contributed to the recovery of valuable materials. We're ensuring that every bit of our commitment is clear and straightforward and that our efforts resonate with everyone, regardless of their familiarity with sustainability, lifecycle, or refurbishment programs.

What about those out-of-guarantee cases?

Believe it or not, our dedication to durability goes beyond guarantees. We communicate a 5-year guarantee for all Zaptec chargers, but when we have a return that has passed the golden age of five, we make sure to have a second look because our commitment doesn't clock out. Not only are we minimizing electronic waste, but we are also ensuring that our customers remain satisfied for the long haul.

Looking ahead to 2024

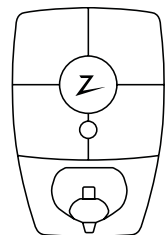
We aim to finalize our minerals roadmap, focusing systematically on minerals presenting the highest risk and impact.

Simultaneously, we're mapping our products' recycled content and recyclability at the end of their lifecycle.

Our ambitions for 2024 contain several key initiatives:

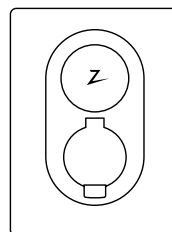
1. We are increasing the volume of recycled aluminium.
2. We are developing our first Mineral roadmap.
3. We are expanding our Responsible Minerals Initiative (RMI) partnership by increasing the acceptance rate of smelters and refiners by 50%.
4. We have already started to analyse our environmental footprint and will publish Environmental Product Declarations for our core products.

2023 Material Achievements



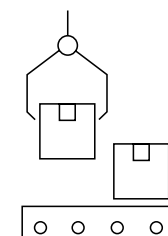
The Zaptec Pro system charger

We've improved our packaging by removing foam inserts, significantly reducing waste. Additionally, our manuals have been redesigned and are now 77% smaller, resulting in a substantial 43.2 kg reduction per pallet.



The Zaptec Go Home Charger

All packaging now contains recycled and recyclable paper and cardboard. With the change during 2023, we also saw better outcomes during drop tests to ensure the product can tolerate the journey from factory to end user.



Production improvements

In 2023, we incorporated a more sustainable approach by repurposing protective packaging materials within our production processes.

Our component scopes vary. Some are so small you need a macro lens to spot the material - in this case, 0,4 mm x 0,2 mm.

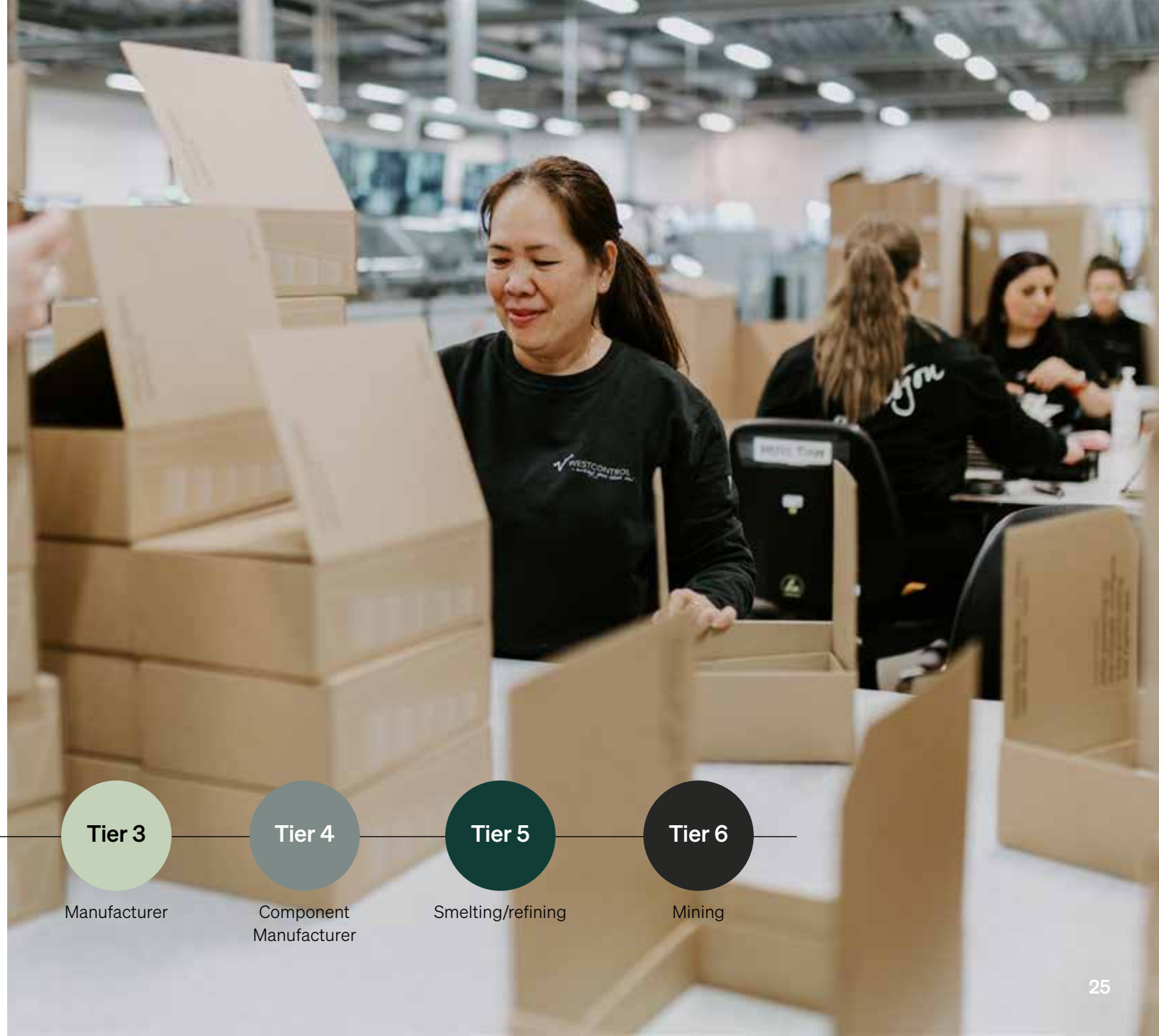
Katherine Marie Gundersen
Sourcing Specialist

Building a responsible Supply Chain for long-term impact

At Zaptec, our Supply Chain team handles everything from where we get our materials to making sure the products reach you.

In 2023, Supply Chain teamed up with the new Sustainability department to determine potential issues. We hold our suppliers to a high standard, ensuring they align with our commitment to sustainability, and we've outlined what we expect from them in our Suppliers' Code of Conduct.

The electronics supply chain is complex and consists of a lot of tiers, and can often look like this:



Our approach to sustainable Supply Chain management

In managing our supply chain sustainably, Zaptec recognizes that the most significant impact on sustainability comes from the complex and lengthy electronics supply chains.

To ensure responsible business conduct, we have adopted the OECD’s Due Diligence Guidance principles for Responsible Business Conduct.

Internal routines

In 2023, we revamped our internal procedures, adopting a three-step approach to foster sustainable practices throughout our supply chain and ensure the seamless transmission of requirements from one tier to the next. Our Supplier Code of Conduct (SCoC) was distributed to all Tier 1 suppliers, with the majority either signing or confirming compliance. Looking forward, we aim to fully comply with our SCoC from all Tier 1 and Tier 2 suppliers by 2024.

Pre-qualification Process

Zaptec employs a thorough pre-qualification process, utilizing a Supplier Evaluation form, adherence to our Supplier Code of Conduct, and a Supplier Questionnaire on Human Rights. The Supplier Evaluation form addresses environmental, social, and governance factors. Additionally, suppliers are asked about the extent of their due diligence down the supply chain.

Here’s how we put it into action:

- 1. Policy Integration:** We’ve embedded responsible business conduct into our policies and management systems. This includes a newly developed Supplier Code of Conduct mirroring Responsible Business Alliance’s (RBA) CoC and revised Human Rights, Environmental, and Minerals policies—all approved by our CEO.
- 2. Identifying and Assessing Impacts:** We trade relationships in RBA with our tier 1, 2 and 3 suppliers to attain visibility in their self-assessment questionnaires (SAQ’s) and audit results. Using a risk-based approach, we prioritize high-risk suppliers by utilizing RBA’s Risk Assessment Platform and spend analysis. We assess our most material issues annually and collect Conflict Minerals Reporting Templates (CMRT) from tier 1 and 2 suppliers to identify smelters and refiners in our supply chain, enhancing transparency.
- 3. Mitigating Adverse Impacts:** Data from SAQs, audits, and risk analyses guide our actions. We follow up on RBA’s Corrective Action Plans (COPs) quarterly, taking necessary steps if not closed appropriately on time. Engaging key suppliers, we’ve planned a seminar to involve even more partners, understanding that collaboration is key to success.
- 4. Tracking:** We have integrated due diligence processes into our Supply Chain operations, using RBA’s reporting tool to track all results and findings.
- 5. Communication:** Our commitment to transparency is reflected in our annual report, where we communicate how we address impacts.
- 6. Remediation:** If we discover wrongdoings for human rights in our supply chain or operations, we will ensure that these violations are reported to the highest-level executive of our company. Zaptec commits to correcting the situation and compensating the people Zaptec is committed to correcting the situation and compensating those affected. It’s not just about diligence; it’s about taking responsibility and making things right.



**“
In managing our supply chain sustainably,
Zaptec recognizes that the most significant
impact on sustainability comes from the complex
and lengthy electronics supply chains.**

Katherine Marie Gundersen
Sourcing Specialist

Supplier follow-up

Building on pre-qualification responses, Zaptec takes an educational approach, recommending areas of improvement to suppliers and encouraging enhanced procurement practices with lower-tier suppliers. For instance, we may offer insights into our tool and process choices to facilitate our suppliers' adoption of sustainable practices.

Collaboration with the industry

Our Responsible Business Alliance (RBA) membership opens avenues for resource-sharing with competitors and major suppliers, fostering a collective approach to achieving sustainability goals. Through this collaborative effort, we extend sustainability training programs to lower-tier suppliers. We actively engage with existing RBA member suppliers and aim to connect and inspire more suppliers to join the RBA in 2024. It's about collective progress, education, and inspiring positive change within our industry.

33%

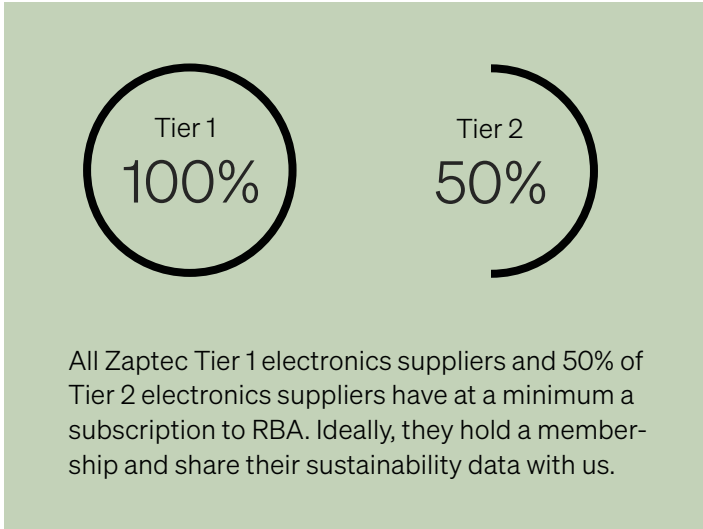
of Zaptec suppliers that are RBA members have accepted our invitation to connect and share sustainability data. (19 suppliers of 57 suppliers.)

Zaptec employs a thorough pre-qualification process, utilizing a Supplier Evaluation form, adherence to our Supplier Code of Conduct, and a Supplier Questionnaire on Human Rights.




Supply Chain 2024 Focus Areas and Goals

Our focus in 2024 will be on our high-risk suppliers. The assessment of the risk profile is based on spend, country- and industry risk and the supply chain complexity of the product.



Connect and encourage more of our suppliers to become **members of the RBA** in 2024.



Encourage suppliers to implement a whistleblower platform to ensure that workers can raise any **concerns without fear.**



All of our Tier 1 and Tier 2 suppliers comply with our **Supplier Code of Conduct** within 2024.

Reach & RoHS

To achieve REACH and RoHS compliance, our Supply Chain team analyzed Zaptex product contents to identify any Substances of Very High Concern (SVHC). In doing so, we found and confirmed the presence of SVHC in all our products and generated notifications for components exceeding the specified SVHC limits.

We have involved our technical department in the REACH and RoHS process to find alternative solutions. Furthermore, we've invested in a tool to gain insight into risk mitigation throughout a product's lifecycle, from development to production and sustainment.

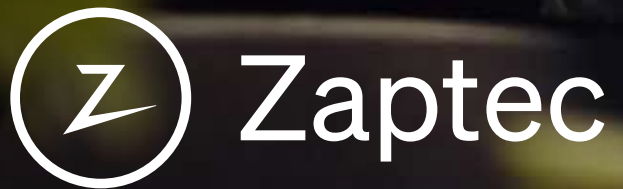
We believe that our compliance work expresses our commitment to transparency and safe products while taking care of the environment.

Appendix - GHG Report 2022

Scope	Greenhouse Gas Protocol Category	Emissions	Unit	Percentage of emissions calculated with spend data input	Percentage of emissions calculated with activity data input
Scope 1	Mobile combustion	2,38	tCO2e	100,00%	0,00%
Scope 2	Cooling	0,00	tCO2e	0,00%	0,00%
	Electricity (market-based)	29,77	tCO2e	0,00%	100,00%
	Electricity (location-based)	12,58	tCO2e		
	Heat	12,05	tCO2e	0,00%	100,00%
Scope 3	Purchased goods and services	3677,55	tCO2e	100,00%	0,00%
	Fuel- and Energy-Related Activities	9,15	tCO2e	0,00%	100,00%
	Upstream transportation and distribution	299,32	tCO2e	46,22%	53,78%
	Waste generated in operations	0,08	tCO2e	0,00%	100,00%
	Business travel	570,28	tCO2e	74,52%	25,48%
	Employee commuting	72,43	tCO2e	0,00%	100,00%
	Use of sold products	7707,34	tCO2e	0,00%	100,00%
	End-of-life treatment of sold products	0,08	tCO2e	0,00%	100,00%
	Investments	2,50	tCO2e	0,00%	100,00%

Appendix - GHG Report 2023

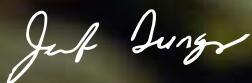
Scope	Greenhouse Gas Protocol Category	Emissions	Unit	Percentage of emissions calculated with spend data input	Percentage of emissions calculated with activity data input
Scope 2	Cooling	2,92	tCO2e	0,00%	100,00%
	Electricity (market-based)	67,65	tCO2e	17,77%	82,23%
	Electricity (location-based)	31,94	tCO2e		
	Heat	19,60	tCO2e	0,00%	100,00%
Scope 3	Purchased goods and services	28253,94	tCO2e	100,00%	0,00%
	Fuel- and Energy-Related Activities	17,42	tCO2e	9,12%	90,88%
	Upstream transportation and distribution	181,17	tCO2e	1,93%	98,07%
	Waste generated in operations	0,08	tCO2e	0,00%	100,00%
	Business travel	365,65	tCO2e	49,76%	50,24%
	Employee commuting	66,53	tCO2e	0,00%	100,00%
	Use of sold products	12447,90	tCO2e	0,00%	100,00%
	End-of-life treatment of sold products	0,04	tCO2e	0,00%	100,00%
	Investments	1,94	tCO2e	0,00%	100,00%



Sustainability Report 2023



Stig H. Christiansen
Chairman of the board



Jennifer Dungs
Board member



Christian Rangen
Board member



Ingelin Drøpping
Deputy Chair