

Zaptec Transparency Act Report 2023

Reporting period: 1. January 2023 - 31. December 2023

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About Zaptec

Zaptec designs and sells smart EV charging solutions for both residential and commercial use.

Zaptec ASA, along with its subsidiaries, is a public limited liability company established under Norwegian law. Currently, the subsidiaries with activity and employees are in Norway, Sweden, Denmark, Germany, Switzerland, Netherlands, Belgium, Luxembourg, France, and the UK.

Zaptec's headquarters are situated in Sandnes, Norway. The subsidiaries mentioned above primarily focus on sales, marketing, delivery, and support. Zaptec products are manufactured in Tau, Norway, and Gunzenhausen, Germany.

More information about Zaptec can be found on page 19 in the Annual Report 2023.¹

Organisation of Human Rights work in Zaptec

In autumn 2023, Zaptec established a sustainability team. The team reported to the Chief Operations Officer until 1 December 2023 when the reporting line changed to Chief of Strategy.

Our Due Diligence process work is led by the sustainability team with support from the Supply Chain department. Findings are reported to Zaptec's management. We communicate our efforts annually in our Sustainability Report and Norwegian Transparency Report. These reports are published online on our website.

We report in accordance with our commitment to the UN Global Compact and joined the Responsible Business Alliance and Responsible Minerals Initiative in 2023 to improve our level of transparency in our supply chains. We have also set up routines to manage Transparency Act inquiries and implemented a due diligence process. Moreover, we have adopted the OECD's Due Diligence Guidance principles for Responsible Business

¹ <https://zaptec.objects.frb.io/assets/Investor-relations-documentation/Annual-reports/Zaptec-Annual-report-2023.pdf>

Conduct. Our human rights policy is aligned with the United Nations Principles Guiding Principles for Human Rights and our Suppliers Code of Conduct is based on the principles of the Responsible Business Alliance.

Zaptec Human Rights Due Diligence

We perform ongoing human rights due diligence of our supply chain, based on stakeholder dialogue and a risk assessment of industry and geography. Zaptec's products belong to the electronics industry, which is known for its notoriously complex and long supply chains. We have evaluated risks from mining raw materials by producing components to assembling our products. In addition, Zaptec performs internal employee appraisals and is in the planning phase for establishing an internal whistleblowing system.

Our understood risk exposure

The highest risk for human rights infringement occurs at the mining level. The risk decreases gradually as we move further upstream into operations and assembly.

From mine to smelter

Our products use all 3GT minerals (Tin, Tantalum, Tungsten and Gold). Examples of potential risks related to this include potential involvement in armed conflict and potential violations against indigenous people's land rights in the mining areas. The extraction process also risks exposure to toxic waste due to hazardous working conditions.

Production of components

In the component production phase, risks are linked to labour conditions in factories, such as inadequate working conditions or low wages.

Manufacturing

Zaptec chargers are manufactured in Norway and Germany. Due to the legal measures in both countries, the labour risk associated with production in these countries is considered low.

Environmental risks

We have identified risk of climate impact resulting from electronics production. These risks are related to electronic waste (e-waste) which could potentially threaten health and the environment. Additionally, there are risks related to working conditions in e-waste recycling operations in developing countries. Lastly, the extraction of raw materials and the

production of electronics is resource, energy, and water intensive, imposing risk of impacting the environment.

Our actions to manage our exposure

Zaptec became a Responsible Business Alliance (RBA) member in October 2023. Our revised supplier Code of Conduct (CoC) aligns with the RBA principles and has been distributed to our tier 1 and 2 suppliers. We have revised our internal procedures to foster sustainable practices for qualification of new suppliers and existing supplier management. We also work to increase our suppliers' competency on human rights issues by providing advice and support. In addition, we have a revised Human Rights policy approved by our CEO.

Through our membership with the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI), we work to increase transparency in our supply chains and share best practices. We use RBA and RMI to connect with our suppliers, smelters, and refiners. By trading relationships in the platforms, we receive access to their self-assessments and audit results.

On a risk-based approach, we have created an audit plan for our high-risk suppliers, which are then audited by RBA or Zaptec. We monitor Corrective Action Plans for audit findings quarterly. If a supplier fails to act on time, we inform our management team about the findings and escalate our actions as necessary.

We have collected Conflict Minerals Reporting Templates from all our tier 1 and 2 suppliers to identify smelters and refiners in our supply chain, enhancing transparency and ensuring that our minerals come from approved smelters and refiners. Where we have discovered possible breaches or non-certified refineries, we have negotiated with our suppliers to resolve the situation.

Our Findings

Zaptec products comprise several hundred components involving a comprehensive and complex supply chain. We work continuously to increase our transparency and made significant progress in this space in 2023. Examples of issues we encounter are excessive workload and a lack of personal protective equipment.

We have also discovered situations in which employees were unable to resign without ending up in debt to the employer. The proposed actions await approval, and the supplier is prepared for the closure audit.

The remediation plan involves communicating with all departments regarding overtime requirements. Human Resources will distribute monthly reports detailing overtime hours and consecutive workdays. These reports will help departments better plan and arrange work schedules to improve working conditions and ensure mandatory days off.

Additionally, one of our suppliers has reported the use of blacklisted Russian and African smelters and refiners, as indicated by the Responsible Minerals Initiative. However, the supplier has confirmed that these refineries are not producing components used in or for production of Zaptec's products.

If any human rights violations are found within our supply chain or operations, we will report these incidents to the highest-level executive in our company. We are committed to rectifying the situation according to UN Guiding Principles on Business and Human Rights.

How do we make sure that the worker's voices are heard?

Our 2024 goal is to have a whistleblower system in all our Tier 1 and 2 suppliers to ensure that any concerns can be reported without penalties. This system will allow workers to anonymously voice their concerns. The RBA provides a free whistleblower platform, RBA Voices, which we encourage all our suppliers to use. We anticipate that this accessibility will prompt more suppliers to adopt the tool. In 2024 we also aim at establishing clear routines for whistleblowing at our own operations to ensure employees can raise concerns freely and without reprisal.

Labour Conditions at our own operations

HSE is gradually gaining more attention at Zaptec. In 2023 have we established new safety procedures and risk matrixes for all high-risk areas of the organization. There have been two minor incidents of involving personnel receiving low voltage electricity, in both cases proper reporting channels were used and the persons in questions were checked by health care professional to ensure no injuries, short term or long-term injury. Further information can be found on page 13 in Zaptec's Sustainability Report 2023²

² <https://zaptec.objects.frb.io/assets/Investor-relations-documentation/Annual-reports/Zaptec-Sustainability-Report-2023.pdf>

Stig H Christiansen
Stig Harry Christiansen, Chairman

Ingelin Drøpping
Ingelin Drøpping, Deputy Chair

Jennifer Dungs
Jennifer Dungs, Board Member

An De Pauw
An De Pauw, Board Member

Christian Rangen
Christian Rangen, Board Member