



Due diligence for responsible business conduct with regards to people, animals, society and the environment

Account reporting year 2023

for Heimdall Power AS



Heimdall Power

SUSTAINABLE DEVELOPMENT GOALS



To Readers Of The Report

Enterprises and the public sector have a great impact on people, society, the environment, climate, and animals and can both contribute positively to development, or negatively by causing harm. Enterprises therefore hold a central role in achieving UN's Sustainable Development Goals (SDGs) and the Paris Agreement's 1,5-degree target.

This report can be used as an account for the Transparency Act, but it has a broader scope with climate and the environment, circular economy, and anti-corruption indicators also being included. Our members are obligated to carry out due diligence and report annually on their work. Base level1 members also meet the Transparency Act's due diligence duty, and partially the Act's information duty.

Ethical Trade Norway's concept of responsible business conduct equals OECD's terminology and due diligence methodology. This is the systematic effort that enterprises do to identify, prevent, or mitigate adverse impacts and explain how they manage their risks of negative impact, as well as provide remediation to people, animals, society, and the environment where this is required – is called due diligence. Norwegian authorities expect all enterprises, regardless of their size, to carry out due diligence on society, the environment, and animals in accordance with the UN's Guiding Principles for Business and Human Rights (UNGPs) and OECD's Guidelines for Multinational Enterprises. This applies to enterprises, the public sector, and organisations.

Ethical Trade Norway's Declaration of Principles (our Code of Conduct) for Responsible Business Conduct covers the areas of decent work, human rights, environment/climate, anti-corruption, and animal welfare. This report is done in full transparency and in line with UNGPs and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

Heidi Furustøl

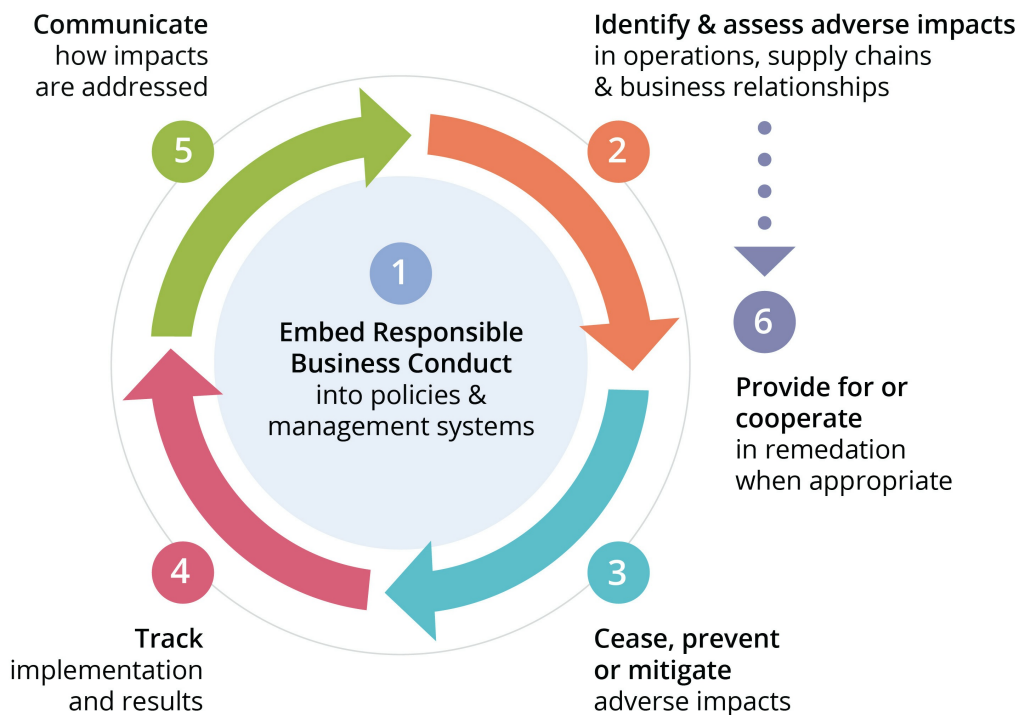
Executive Director

Ethical Trade Norway

Due diligence

This report is based on the UN Guiding Principles on Business and Human Rights and the OECD model for Due Diligence for Responsible Business Conduct.

The model has six steps that describe how companies can work for more responsible and sustainable business practice. However, being good at due diligence does not mean no negative impact on people, planet and the society. It means that the company is open and honest about challenges faced and shows how this is managed in the best possible way in collaboration with its stakeholders. This report is divided in chapters following the OECD model.



Preface From CEO

Heimdall Power is a young Norwegian B2B SaaS company. We enable the green energy transition by providing grid companies with software and sensor to increase capacity of existing power grids.

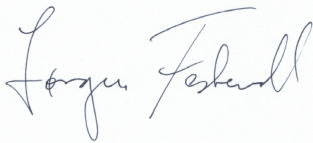
Our vision is to optimize power grids globally. Our mission is to accelerate the energy transition by optimizing power grids to be safer, more reliable, and affordable, while protecting people and planet.

Our planets future depends on a successful energy transition with more renewable power production and electrification of society. This can only be achieved with more flexible, efficient and digital power grids. Heimdall Power promises to be our customers' partner on their digital journeys towards more sustainable grids.

Our services help customers address UN's sustainability goals such as reducing risk, increasing asset efficiency and optimizing operations, and thereby making the world more sustainable. And we work hard every day to minimize our own environmental footprint.

As a member of Ethical Trade Norway, we get access to advice and tools to ensure we maintain responsible business conduct in our supply chains. The membership is also a clear signal to our partners and suppliers that we are aware of our responsibility and set the highest standards of business ethics, integrity and respect for human rights.

Do well, do good!



Jørgen Festervoll
CEO

Enterprise information and enterprise context

Key enterprise information

Enterprise name

Heimdall Power AS

Head office address

St. Olavs Gate 28, 0166 Oslo

Main brands, products and services offered by the enterprise

Heimdall Power Neuron (HW) and Heimdall Cloud (SW)

Description of enterprise structure

We're organized in three main business functions: Sales & Marketing, R&D and Operations. These are supported by other supporting processes and functions.

We are doing R&D, sourcing and supplier selection in house. We are outsourcing the procurement, production and logistics to Contract Manufacturer which is an external company.

Due diligence for responsible business conduct crosses all there business functions.

A structured approach of supplier qualification and management is implemented with due diligence checks for business-critical suppliers. All company product & service related suppliers are assessed by pre-defined criteria and categorized into three categories: Major, Medium and Minor. An intensive desktop screening is conducted for the Major suppliers, e.g., the contract manufacturer. A documented internal approval is made for all Major and Medium suppliers by the supplier responsible which is practically the department manager.

Turnover in reporting year (NOK)

17 500 000

Number of employees

41

Is the enterprise covered by the Transparency Act?

No

Major changes to the enterprise since last and current reporting period

Changed CEO, CFO and Chairman.

Contact person for the report (name and title)

Nan Li, VP QHSE & Sustainability

Email for contact person for the report

nan.li@heimdallpower.com

Supply chain information

General description of the enterprise's sourcing model and supply chain

Heimdall Power's core competence is within Design & Development. We are outsourcing procurement, manufacturing, and shipments to our customers from our Contract Manufacturer.

Our policy for supplier sourcing and selection is defined by engaging the most suitable supplier for our sourcing needs, technically as well as commercial.

We expect our suppliers to maintain the highest standards of business ethics, integrity, and respect for human rights and to become familiar with and comply with our policies. We also expect suppliers to operate their businesses in compliance with all applicable laws and to maintain lawful environmental, health and safety practices that meet or exceed all applicable laws and standards, as outlined in our position on human trafficking and slavery.

This is described in our Supplier Code of Conduct which is signed by our Contract Manufacturer.

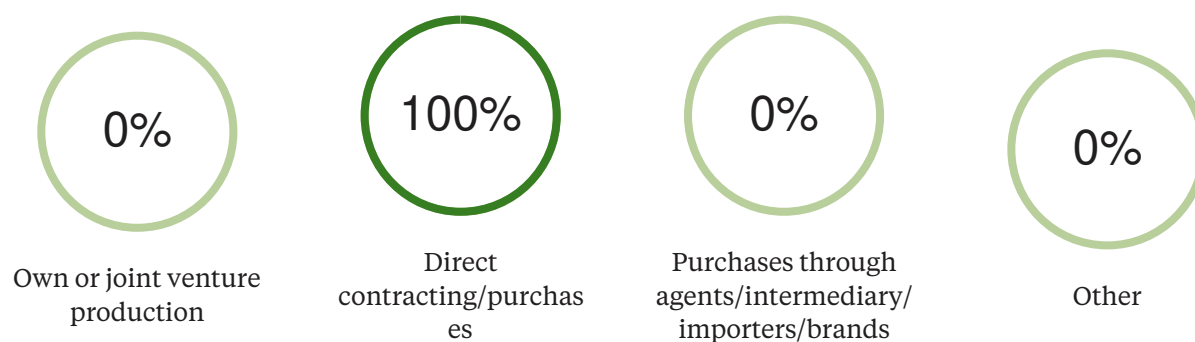
Number of suppliers with which the enterprise has had commercial relations in the reporting year

27

Comments

Our suppliers are assessed based on selected criteria, and 3 supplier categories are defined: Minor, Medium and Major. The 27 active suppliers referred to above are Medium and Major as per our internal supplier categorization. These suppliers direct critical products and services and have direct impact to our business.

Type of purchasing/ suppliers relationships



List of first tier suppliers (producers) by country

Norway : 1

1 primary Contract Manufacturer

State the number of workers at first tier producers that the enterprise has an overview of, and the number of suppliers this overview is based on:

Number of workers

225

Number of suppliers this overview is based on

1

Numbers of workers per supplier (calculated average)

225

Comments to number of workers

Total number of employees at the primary Contract Manufacturer

Key inputs/raw materials for products or services and associated geographies

Aluminium	Germany
Steel	Germany
Plastics	Germany
Electronics	Norway
Batteries	China

The above mentioned are the country of origin the parts.

Is the enterprise a supplier to the public sector?

Yes

Goals and progress

Process goals and progress for the reporting year

1

Goal :

1. Publish the first ESG report for 2022.
2. Update the job description for department head to include the due diligence responsibility.
3. Publish the company policies for "Responsible Business Conduct" and "Diversity, Equity and Inclusion".
4. Conduct the preliminary EU taxonomy assessment.
5. Conduct the Corporate Risk Assessment with ESG and tier-2 supplier aspects.
6. Understand and quantify avoided emission for selected customers/projects.

Status :

1. Completed.
2. Completed.
3. Completed.
4. Completed.
5. Completed.
6. Completed.

Goal for coming years

1

1. Let all key tier-2 suppliers sign the Supplier Code of Conduct.
2. All identified department heads who should take the OECD online course complete the course during the year.
3. Ensure the contract manufacturer implement carbon accounting for their entire value chain during the year.
4. Set up a continuously counter for avoided emissions for more customers/projects.



1

Governance and commitment to responsible business conduct

Embedding responsible business conduct means that the enterprise should have strategies and plan, as well as relevant policies and guidelines for due diligence for responsible business conduct (hereafter due diligence) which are adopted by management. These should comprise the enterprise's own operations, its supply chain and other business relationships. Effective management systems for implementation are key to success, and due diligence should be an integrated element in enterprise operations. Clear expectations from senior management are crucial, as well as clearly assigned responsibilities within the enterprise, for the implementation of the steps in the due diligence process. Those involved need to know how to proceed. Transparency about commitments the enterprise has for itself, challenges they are facing, and how these are managed is fundamental

1.A Policy for own enterprise

1.A.1 Link to publicly accessible policy for own enterprise

<https://heimdallpower.com/about/> (at the bottom)

1.A.2 What does the enterprise say publicly about its commitments to respect people, animals, society, the environment and climate?

Environmental: Heimdall Power's business model is based on a green global mission. The electric grid is the largest man-made machine. It spans the globe, providing structure, balance and life to the energy system of our planet. It's essential infrastructure that enables a sustainable, green energy future.

Social: At Heimdall Power, we believe in social responsibility and sustainable development within our entire business operation. We want to make a positive impact on the businesses we operate in and are committed to integrating general sustainability principles such as: human rights, worker rights, trade union freedom, protection of the environment and anti-corruption. Our Responsible Business Conduct Policy describes how we strive towards responsible business conduct that respects people, society, and environment. Our ambition is to create value for customers, employees, and the society around us in a sustainable way. Every Heimdall Power employee is expected to contribute to the integration of responsibility and sustainability principles in their daily work towards colleagues, customers, suppliers, and other stakeholders. We also require our supplier to carry out with the highest standard of compliance of all applicable statutory duties on human right protection, with respect for the internationally recognised fundamental human rights. Human right due diligence is part of supplier qualification process, and all critical suppliers and suppliers which have high risks in term of human right shall sign our Supplier Code of Conduct.

Governance: We are committed to the long-term success of Heimdall Power as well as of those we serve through strong corporate governance and ethical business practices. Every day, we strive to operate as a disciplined, trustworthy and moral organisation.

People: We respect the human rights of all individuals and groups that may be affected by our operations. This includes employees, contractors, suppliers, agencies, partners, communities, and others affected by the use and disposal of our products. We require all above mentioned parties to carried out business and operations with the highest standard of compliance of all applicable statutory duties on human rights protection, and with respect for fundamental human rights, which includes the internationally recognised human rights and labor standards, including those contained in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work (Core Labor Standards).

Heimdall Power ESG statements are approved by the management team and members of the board. They and other company policies are published on the company website and internal management system.

1.A.3 How has the policy/commitment been developed and how is it embedded in the enterprise?

All company policies are published on the company website and internal management system. All associated processes and procedures of implementation of the ESG statements are published in the internal management system and followed by the entire organization.

The ESG statements and policies are the high level guidance of our commitments and are broken down into different goals and prioritise and implemented annually.

Heimdall Power strives high ethical business conducts towards our people. Each our employee signs the Employee Code of Conduct together with the employment contract. Failure to comply with the Code of Conduct may result in disciplinary actions, including dismissal, other potential legal actions and/or reporting to relevant authorities.

1.B Organisation and internal communication

1.B.1 How is the due diligence work organised within the enterprise, embedded in internal guidelines and routines, and why?

The executive management and management have the due diligence responsibility for their department on a day-to-day basis, VP QHSE & Sustainability assists and ensures the due diligence responsibility is well implemented and followed-up on a yearly basis during the annual supplier criticality review.

Due diligence checklists are made for ordinary suppliers and sales channels respectively. It is part of the supplier qualification process, which is mandatory for all major suppliers and partners. The due diligence checks are reviewed internally by the department manager of the respective function. A reference to the due diligence check is also part of the supplier approval form.

An internal discussion was conducted and concluded that due diligence responsibility is distributed to all department manager positions practically because they are typically the approvers of new suppliers. Such responsibility is described in the Job Description of Manager.

1.B.2 How is the significance of the enterprise's due diligence work defined and clarified for the employees through their job description (or the like), work tasks and incentive structures?

Each employee is introduced to the management system including purchasing practice, supplier assessment, supplier qualification, supplier approval during the onboarding process and entitled to select suppliers and purchase things themselves within a certain budget limit, but all suppliers which are categorized as Major and Medium for the company product & service related must be only approved by the supplier responsible who is practically the managers.

Such responsibility is described in the Job Description of Manager.

A comprehensive supplier pre-qualification questionnaire (incl. several aspects, e.g., financial, legal, technical, facility, management system, business ethics, etc.) is sent to all potential Major suppliers, the documentation is then reviewed by relevant functions internally.

The supplier responsible (typically manager) is responsible for sending out the questionnaire, getting it reviewed by relevant functions (e.g., CFO for financial aspect, CTO for technical aspect, VP QHSE & Sustainability for business ethics and management systems, etc.) and finally approving the supplier.

The supplier responsible is also required to review the Major and Medium suppliers on a yearly basis.

1.B.3 How does the enterprise make sure employees have adequate competence to work on due diligence for responsible business conduct?

The due diligence checks are reviewed by the department manager of the respective function. Within the management team, the department heads take the OECD online course "The Essentials of OECD Due Diligence for Responsible Business Conduct".

1.C. Plans and resources

1.C.1 How are the enterprise's commitments to respect people, animals, society and the environment embedded in strategies and action plans?

Heimdall Power makes an impact on society through its business model and technology. Digitizing the grid contributes to several UN sustainability goals: 7 - affordable and clean energy, 9 - industry, innovation and infrastructure, 11 - sustainable cities and communities, 12- responsible consumption and production, 13 - climate action, 15 - life on land.

Contributing to the Sustainability is one of reasons establishing Heimdall Power. This is reflected from what kind of products and services we are delivering, what suppliers we are working with. Our company values "Integrity, Innovation, Sustainability and Collaboration" guide us in our daily business. We align our strategies, yearly goals and plans with the company mission and values.

Our company goals for the year are broken into different aspects for different departments. VP QHSE & Sustainability identifies and provides inputs of the priorities & OKRs for sustainability (incl. people, human rights, society, environment, etc.) to the CEO and the management team. Once the inputs are approved, VP QHSE & Sustainability is responsible for making action plans, getting resources and monitoring the process of action status.

1.C.2 How is the enterprise's strategies and action plans to work towards being responsible and sustainable followed up by senior management and the board?

Our company goals including different aspects (e.g., sales, financial, technical, ESG, etc.) are set annually and broken down to different priorities and OKRs (Objectives and Key Results) for each department. ESG related KPIs (e.g., supply chain and human rights due diligence, requirements compliance, etc.) are typically included in the priorities and reviewed on a monthly/quarterly basis.

For 2023, the main strategy was to publish our first ESG report for 2022 and find a way to quantify avoided emission for our customers because of using our products and services.

For 2024, the main strategy is to focus on the business ethics due diligence for the key tier-2 suppliers and set up a continuous counter for avoided emission for more customers/projects.

1.D Partnerships and collaboration with business relationships, suppliers in particular

1.D.1 How does the enterprise emphasise the importance of responsible and sustainable business conduct in its business relationships, particularly in the supply chain?

Heimdall Power expects our suppliers to conduct their business practices in compliance with high ethical standards and commits themselves to respecting certain ethical principles, therefore we have created the Supplier Code of Conduct (https://heimdallpower.com/wp-content/uploads/2024/02/TEP-MFG-28_Supplier-Code-of-Conduct_v2_For-HP-website.pdf) and require selected suppliers (contract manufacturer and key tier-2 suppliers) to sign it. The Supplier Code of Conduct is also an integral part of Heimdall Power's ongoing commitment to promoting respect for fundamental human rights and decent working conditions.

The code of conduct is based this on internationally recognized human rights and labor standards, including those contained in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work (Core Labor Standards). It includes directions for human and labor rights; health, safety and the environment; anti-corruption, anti-money laundering, antitrust and sanctions; and information security.

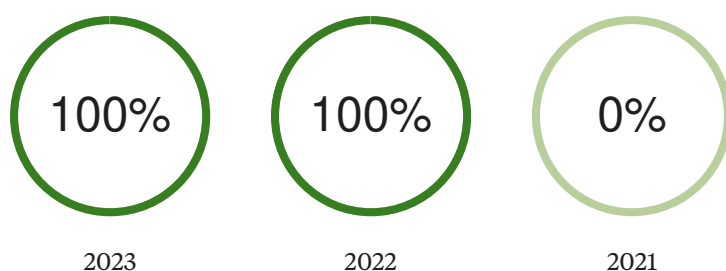
The Supplier Code of Conduct is signed by the primary Contract Manufacturer for now. It is planned to let all key tier-2 suppliers sign it during 2024. The compliance of supplier code of conduct is verified during supplier audit.

In addition, we have established a structured approach of supplier management. All products/services related suppliers are categorized by their criticalities (assessed by various aspects, e.g., financial stability, single/sole source, information security, etc.) to the company and managed accordingly. Supplier performance KPIs are set for the critical suppliers.

Currently, we only have one Contract Manufacturer, and the production is taking place in Norway.

Indicator

Percentage of the company's suppliers that have accepted guidelines for suppliers



Starting from the end of 2023, we are also asking the key tier-2 suppliers to sign our Supplier Code of Conduct, in progress.

1.E Experiences and changes

1.E.1 What experiences have the enterprise encountered during the reporting period concerning responsible business conduct, and what has changed as a result of this?

The document Supplier Code of Conduct was formally made and signed by the relevant Contract Manufacturer.

A person wearing a yellow safety vest is holding a grey and green handheld device. The device has a circular array of holes on its front and a central opening with a handle. The person's hands are visible at the bottom of the frame, gripping the device. The background is a plain, light-colored surface.

2

Defining the focus for reporting

Identify and assess the enterprise's impact on people, animals, society and the environment

“Identify and assess” is about identifying the enterprises's risk for, and actual negative impact on, people, animals, society and the environment, including in the supply chain and through business relationships. As a first step the enterprise should get an overall risk picture, before subsequently prioritising further mapping and measures where the risk of negative impact is the greatest, i.e. salient issues. The enterprises's involvement in the negative impact on people, animals, society and the environment is central to determine which measures the enterprise should implement in the next step of the due diligence model. Involvement of stakeholders, especially those affected, is central when assessing risks. It is also important to consult with stakeholders when implementing measures to manage the negative impact.

2.A Mapping and prioritising

PRIORITISED ACTUAL OR POTENTIAL NEGATIVE IMPACT ON PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

Prioritising one or more risk areas on the basis of severity does not mean that some risks are more important than others, or that the company should not take action on other risks, but that risks with the greatest negative impact are prioritised first. Mapping and prioritisation are a continuous process.

2.A.1 List the enterprises's actual negative impacts and/or prioritized significant risks of negative impact/harm on people, animals, society and the environment. Take note that the prioritized risk that you list in the table below will be exported to step 3 of this report, where you will be asked to answer how you work with stopping, preventing, or reducing the negative impact.

Salient issue	Related topic	Geography
Carbon footprint	Environment Greenhouse gas emission Use of materials	Global
Battery manufacturing	Freedom of association and collective bargaining	China

1. Following ISO 14001 Certification Audit our prioritised risk has been our carbon footprint.
2. ESG related, international sourcing, tier-2 supplier risks are also included in the annual Corporate Risk Assessment.
3. We did a self-assessment of EU taxonomy compliance and reached the minimum safeguards level.
4. The raw battery cells and its manufacturing is in China where has risks in terms of CBA and FoA. We are fully aware of the risk. The battery cells are produced by a very large & well-known international company which has solid routines and thorough controls of the due diligence in their supply chain, so the risk of is deemed low.

JUSTIFICATION FOR THE PRIORITISATION OF RISKS OF NEGATIVE IMPACT ON PEOPLE, ANIMALS, SOCIETY, AND THE ENVIRONMENT

2.A.2 Describe: a) the enterprise's routines for mapping and identifying risk and show how the negative impact was identified and prioritised in this period: b) eventual aspects of the enterprise that have not been covered in this report (product groups, own products, departments etc.) and why you not chose to prioritize these in the continued work: c) how information was gathered, what sources were used, and which stakeholders have been involved/consulted: d) whether you have identified areas where information is lacking in order to get an overview, and how you are planning to proceed to collect more information/handle this.

An Excel based tool is used to identify salient risks of our supply chain. We currently have one tier-1 supplier which is located in Norway, and risk of negative impact on people, society and environment is in general considered low. Our product consists of a battery which has high risk in raw materials based on the salient risk assessment, because the battery manufacturing is in China. The traceability of the raw material is difficult, but the battery is manufactured by a large & well-known international company which have extensive controls of their supply chain in terms of due diligence and compliance, so the risk is considered medium. To further reduce the risk, we are planning to let the battery supplier/distributor sign our Supplier Code of Conduct during 2024. In addition, we will request our supplier/distributor to get more information about the origin of the raw materials. At the time of this report being made, we have not mapped the risks of other components used in our products, e.g., metals, electronics, plastics, etc., they will be assessed during 2024.

Our routines for mapping and identifying risk will be done in two steps. First, through our Supplier Qualification and then, through separate fields in our PLM system - so that we assess all components, parts and suppliers at line level from the time we start developing a product until it is completed. This means that we are forced to approve the supplier to approve a design and a product before a new product or supplier goes into purchase and production.

We have defined the key tier-2 suppliers, and our goal is to let those suppliers sign our Supplier Code of Conduct during 2024. We have also addressed our expectations regarding ESG towards the current tier-1 contract manufacturer. They have allocated additional resources from 2024 and plan to implement carbon accounting for their entire value chain during 2024.

We have also focused on reducing the carbon footprint from our product. Our latest version of product is made of mainly aluminium, which is recyclable. We have reduced the size & weight of our latest product by 50% compared to the previous version and use only cardboard/paper for primary packaging.

ADDITIONAL SEVERE IMPACTS

2.A.3 Describe any other negative impacts on people, animals, society and the environment that were identified in the mapping of the enterprise, supply chain or other business relationships during the reporting period and how these have been handled.

Other negative impacts on people, society and the environment are considered low as our product is manufactured in Norway under well regulated and transparent conditions.



3

Management of salient issues

Cease, prevent or mitigate negative impacts

“Cease, prevent and mitigate” is about managing findings from the risk assessment in a good way. The most salient negative impact on people, animals, society and the environment should be prioritised first. This does not mean that other risks are insignificant or that they are not handled. The way the enterprise is involved in the negative impact is key to taking the appropriate action. Negative impact that the enterprise causes or contributes to must cease, be prevented and be reduced. To address negative impact directly linked to the enterprise, e.g. in the supply chain, the business must use its leverage to influence the entity causing the negative impact to cease, prevent or mitigate it. This involves developing and implementing plans and routines to manage risk and may require changes to the enterprise's own policy documents and management systems. Effective management of the negative impact on people, animals, society, and the environment is a major contribution to the achievement of the Sustainable Development Goals (SDGs).

3. A Cease, prevent or mitigate

3.A.1 For each salient risk, add a goal, progress status and describe the measures you have implemented to handle the enterprise’s prioritized negative impact on people, animals, society, and the environment

Salient issue	Carbon footprint
Goal :	Understand our carbon footprint including outsourced contract manufacturing and implement measures to reduce it
Status :	Ongoing
Goals in reporting year :	We mainly focus on the contract manufacturer's footprint and requested to have their carbon accounting for their entire value chain.

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

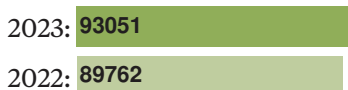
We have a third-party (AsplanViak) report on the estimated carbon footprint for neuron production and also calculated the CO2 footprint for our own value chain excluding the contract manufacturing since 2023.

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

Quantify and document the impact of Heimdall Power solution on customers’ potential reduction of CO2 footprint.

Indicator

Total carbon footprint from own value chain (kg CO2eq)



Started calculating in 2022, based on the number of neurons delivered.

The reduced carbon footprint in 2023 compared to 2022 is mainly because of the newer version of neuron, which is 35% less weight.

Salient issue	Battery manufacturing
Goal :	Ensure the supplier to reach the Heimdall's minimum requirements regarding business ethics
Status :	In progress
Goals in reporting year :	

Describe already implemented or planned measures to cease, prevent or mitigate negative impacts and reasoning behind the selected measures :

We plan to let the battery supplier sign our Supplier Code of Conduct and fill in the updated pre-qualification questionnaire which is updated with business ethics requirements.

Describe actual or expected results of measures mentioned above, as well as goals and activities for the coming reporting year :

This battery supplier reaches Heimdall's minimum business ethics requirements during 2024.

3.B OTHER ACTIONS RELATED TO MANAGEMENT OF NEGATIVE IMPACTS

Describe the enterprise's general measures to cease, prevent or mitigate negative impacts, including in the supply chain.

3.B.1 Reduction of nature- and environmental impact

We continuously work on improving our products, services, and processes to minimize the environmental impact and operating with a minimal environmental footprint by:

- Use cardboard for packaging (no plastics)
- Designing to reduce weight and volume

3.B.2 Reduction of greenhouse gas emissions

We strive to operate with a minimal environmental footprint, and employees are provided with resources to help them work sustainably:

- Use local manufacturer in Norway (instead of traveling across the world)
- Trying to use the train when possible for business travels (instead of airplane)
- Flexible work arrangement (working from home)

We also request our primary contract manufacturer and logistics partners to add more resources to the sustainability related activities, e.g., have the GHG accounting for their entire value chain, identify high risk tier-2 suppliers in terms of responsible business practice and provide annual carbon emission footprint report for our services, etc.

As an office-based technology company, the carbon emissions from Heimdall Power itself is insignificant, but the avoided emissions to the power grid which are resulted from the use of our product & service are huge. This means that even small improvements to the power grid, resulting in reduced need for building more power lines or increased capacity to transmit more power will offset the minor emissions from our product itself.

3.B.3 Adapting own purchasing practices (sourcing)

Whether a supplier has responsible business practice and/or is willing to comply with our Supplier Code of Conduct plays one of the important roles when we select suppliers. We set high expectations towards our suppliers to conduct its business practices in compliance with high ethical standards and show the willingness and ability to work on positive development for people, society and the environment in the value chain. We are supporting our suppliers to comply with Heimdall Power's requirements related to responsible business conduct as needed.

In addition, we actively source environment-friendly parts and components and encourage our major contract manufacturers and suppliers to develop similar environmental policies.

- Used second hand office furniture

We have also started to require our logistics partners to provide CO2 emission report on a yearly basis.

3.B.4 Choice of products and certifications

We are designing with our products' lifetime and robustness in focus. Our products are RoHS and WEEE compliant and CE marked, also FCC compliance.

3.B.5 Actively support free trade union organisation and collective bargaining, or where the law does not allow it, actively support other forms of democratically elected worker representation

We want to make a positive impact on the businesses we operate in, and we are committed to integrating general sustainability principles with regard to human rights, worker rights, protection of the environment and anti-corruption. This is stated in our Supplier Code of Conduct.

3.B.6 Contribution to development, capacity building and training internally and of suppliers and workers in the supply chain

We continuously improve our environmental impact and our management system by educating and training our employees in environmental issues and the environmental effects of our activities, and we continuously identify and manage our environmental risks.

3.B.7 Combatting corruption and bribery in own enterprise and supply chain.

We believe that everything we do in connection with our work will be, and should be, measured against the highest possible standards of ethical business conduct. This is stated in our Supplier Code of Conduct and Employee Code of Conduct. Our contract manufacturer and key tier-2 suppliers sign the supplier code of conduct, and each employee signs the employee code of conduct together with their employment contract.

We also have an internal whistleblowing procedure to assist persons who believe they have discovered censurable conditions. All employees were informed about this procedure, same way as other internal procedures being published on the Management System. For the important procedures (like the whistleblowing one), they are also specifically presented to the whole company during the weekly company meeting.

3.B.8 Other relevant information concerning the enterprise's work to reduce, prevent, and manage negative impact on people, animals, society and the environment

The Heimdall Power's business model is based on a green global mission and Heimdall Power contributes to several UN sustainability goals as previously described. Heimdall Power is committed to managing environmental impact in a responsible and effective way and continuously improving the environmental performance. Also contributing to climate-positive progress by decarbonizing our operations and supply chain.



4

Track implementation and results

Tracking implementation of actions and results relates to measuring the effects of the systematic approach and own work in each step of the due diligence process, showing whether the enterprise conducts sound due diligence work. The enterprise needs to have procedures and routines in place in order to uncover and critically assess own conclusions, prioritizations and measures that have been made as part of the due diligence process. For example, is mapping and prioritisation of salient issues done in a scientifically sound and credible way? Does it reflect the actual conditions in the supply chain? Do measures aimed at ceasing, preventing and reducing the enterprise's negative impact work as intended? Is negative impact remediated where relevant? This may apply to measures taken by the enterprise alone or carried out in collaboration with others. The enterprise's experiences from working on due diligence should be used to improve procedures and routines in the future.

4.A. Track and assess

4.A.1 Describe the a) assignment of responsibility for tracking the effect and result of measures implemented to cease/prevent/mitigate salient risks of negative impact on people, animals, society and the environment, as well as how the tracking is done in practice, b) who is responsible for evaluating the enterprise's implementation and work with due diligence, and how the evaluation is done in practice.

Heimdall Power is still in the early stages of company structure which brings our focus towards educating all of the employees collectively and giving each and every one the responsibility to do their best in finding alternatives to common practices and following up the work on this continuously.

The management team have the main responsibility in the organization, bringing this to the Board and stakeholders.

Generally speaking, the significant risks in terms of people, society, environment, supply chain, and company governance are reviewed once a year in the company Cooperate Risk Assessment by the entire management team, associated actions are followed up as KPIs and OKRs when applicable.

4.A.2 Describe how the enterprise ensures that measures taken to identify, prevent and reduce negative impact actually work

This is mainly done through KPIs and OKRs followed-up by the management monthly/quarterly and the Board. We also review the status of the due diligence compliance in the internal audit which is reviewed in the Management Review by the entire management team at least twice a year. For 2023, we have completed all goals set for the year.

As a company that provides solutions to power grid companies to increase grid capacity and safety of their operations, we are contributing to 6 UN sustainability goals. We strives to design our product in the most environment friendly way by primarily using recyclable material and avoiding to use plastics in the packaging. The most important is that we help the grid companies to increase transmission capacity and avoid to building new grid infrastructure. As an office-based technology company, the environment footprint from Heimdall Power itself is insignificant, but the avoided emissions to the power grid which are resulted from the use of our product & service are huge. Since 2023, we start to quantify how much avoided emissions our customers could save due to the use of our solutions.



5

Communicate how negative impacts are addressed

A prerequisite for good external communication on due diligence for responsible business conduct is that it builds on concrete activities and results. Enterprises should make relevant documents concerning due diligence publicly accessible, i.e. policies, codes of conduct, guidelines, processes and activities related to identifying and handling the enterprise's actual and potential negative impacts on people, animals, society and environment. Communication should include information about how the risks have been identified and handled, as well as the effect of the measures/activities. The Transparency Act (Åpenhetsloven) §5 requires companies to publicly account for their human rights due diligence on an annual basis.

5.A External communication

5.A.1 Describe how the enterprise communicates with affected stakeholders about managing negative impact

We have an open dialogue with our Contract Manufacturer that enables us to also discuss difficult topics.

We are prepared to ensure that negative impact will be handled immediately and with input from the people affected by it.

The significant achievements and negative impacts of ESG and responsible business practice are communicated in the company weekly meeting and internal management system.

5.A.2 Describe how the enterprise publicly communicates its own work on identifying and managing negative impact/harm

Our communication about this is mainly through policies and strategies on our website in addition to use of social media. We aim at being as transparent as possible.

We have made and published our first formal ESG report for 2022 (<https://heimdallpower.com/esg/>, and download our ESG report) and plan to continue it onwards. The ESG report is published on both our website and internal management system.

5.A.3 Describe the enterprise's routines for maintaining and answering external inquiries related to the information requirement imposed by the Transparency Act

Heimdall Power is currently not affected by the Transparency Act.



6

Provide for or cooperate to ensure remediation when appropriate

Once an enterprise has identified that it has caused or contributed to negative impact on people, animals, society or the environment, the enterprise must provide for, or cooperate in, remediation. Remediation may involve financial compensation, a public apology or other ways to remediate the negative impact. Another aspect of remediation is that companies should provide for, or cooperate with legitimate complaint mechanisms, to ensure that workers and/or local communities can raise complaints and be heard.

6.A Remediation

6.A.1 Describe the enterprise's policy for remediation of negative impacts on people, animals, society and the environment

We have a Incident and Nonconformity Management procedure that outlines the routines for how we handle negative impacts on people, society and the environment. If we identify that we have caused or contributed to damage or negative impact, it will be handled by delivering some form of improvement to the parties affected by our practices.

6.A.2 If relevant, describe cases of remediation in the reporting year

No cases of remediation in the reporting year.

6.B. Ensure access to grievance mechanisms

6.B.1 Describe what the enterprise does to ensure that employees in own enterprise and other stakeholders, especially impacted workers and local communities have access to whistleblowing systems and grievance mechanisms when this is needed

We encourage employees to raise concerns and suggest improvements in our internal QHSES reporting system and report critical conditions via the internal whistleblowing process. Critical conditions imply conditions of misconduct, that are contrary to law or other ethical standards, that imply danger to life and health, or other wrongdoing.

This is described in the Whistleblowing Procedure and Employee Code of Conduct.

We have an elected Safety Delegate and an Employee Representative in the BoD who can raise employees voice to the management and BoD.

We also have the Supplier Code of Conduct signed by the Contract Manufacturer and key tier-2 suppliers to ensure they comply with the requirements in terms of labour right, human rights, health, safety, environment, etc. We are used to talk to workers when we visit them to understand their working conditions and inform them about their rights.

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