



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

Account reporting year 2024

for Heimdall Power AS



Heimdall Power

*Ethical Trade Norway has assessed the report of Heimdall Power AS to meet the criteria of our Base Level. More information about our Base Level can be found **here**.*

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 UNGP and OECD's guidelines. The reports of all members are publicly accessible on Ethical Trade Norway's website.

Heidi Furustøl

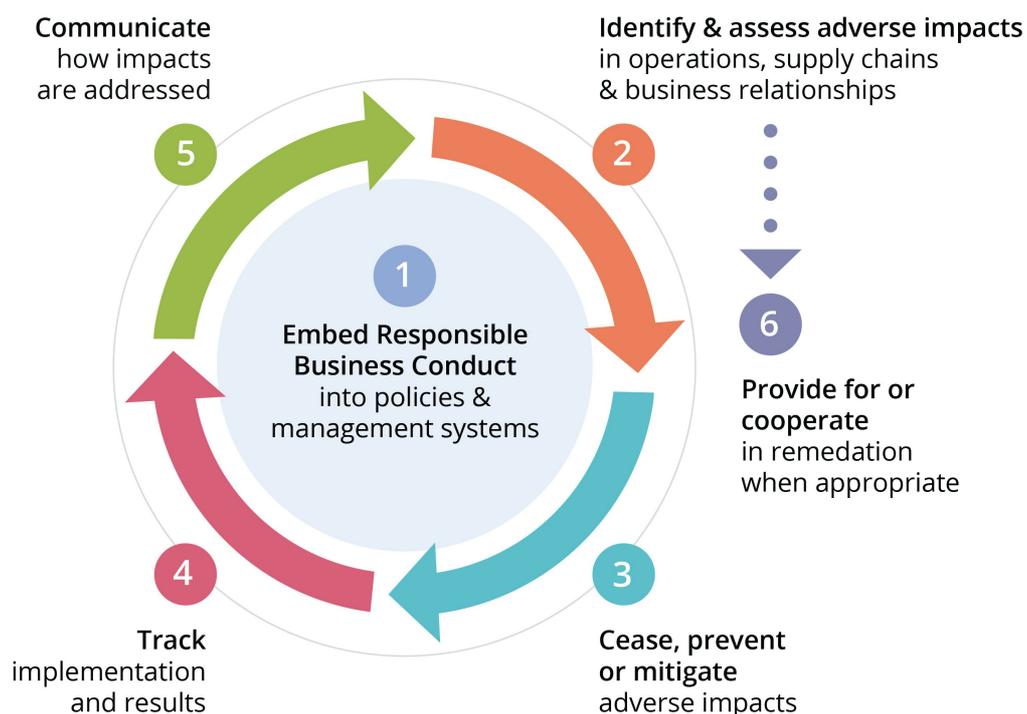
Executive Director

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 Norwegian tech company dedicated to supporting the ongoing energy transition. We provide grid companies with a software and sensor based solution that enables them to increase capacity of existing power lines by 30-40 % on average.

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 planet's 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!

A handwritten signature in black ink, reading "Jørgen Festervoll". The signature is written in a cursive style with a light blue background behind it.

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.

Revenue in reporting year (NOK)

36 000 000

Number of employees

47

Is the enterprise covered by the Transparency Act?

No

Major changes to the enterprise since last and current reporting period

Changed Chairman, 3 new investors and board members.

Contact person for the report (name and title)

Nan Li, Head of 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

21

Comments

Our suppliers are assessed based on selected criteria, and 3 supplier categories are defined: Minor, Medium and Major. The 21 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

Number of workers

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	China
Other metals	China
Plastics	China
Electronics	Norway
Batteries	China
Adhesives	Norway

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. 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.
 5. Better waste management in the office.
 6. Better safety routine and work safely in the labs.
 7. Establish the Working Environment Committee.
- Status :**
1. Completed.
 2. Completed.
 3. Completed.
 4. Completed.
 5. Completed.
 6. Completed.
 7. Completed.

Process goals for coming year

1

1. Publish a new Health & Safety policy.
2. Roll out one internal health & safety e-learning course.
3. AMU members and relevant personnel to take necessary course.
4. Avoided emission counter is implemented.
5. Gap analysis of Transparency Act compliance.
6. Conduct sustainability related audit at the selected key tier-2 suppliers in China.



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 and the environment?

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 organized within the enterprise, embedded in internal guidelines and routines?

The executive management and management have the due diligence responsibility for their department on a day-to-day basis, Head of 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, Head of 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. Head of 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, Head of QHSE & Sustainability is responsible for making action plans, getting resources and monitoring the process of action status.

1.C.2 How are the strategies and action plans for sustainable business conduct 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.

For 2025, the main focus is to formalize the health and safety management and conduct sustainability related visit & audit at the selected tier-2 suppliers.

1.D Partnerships and collaboration with business relationships

1.D.1 How does the enterprise communicate the importance of responsible business conduct in its business relationships?

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



All manufacturing related tier-1 and tier-2 suppliers have signed our Supplier Code of Conduct in 2024. The rest suppliers are all service providers not manufacturing related.

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?

During 2024, all of our key tier-2 suppliers signed our Supplier Code of Conduct and filled in the extensive desktop screening questionnaire which contains business ethics.

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 hand is visible at the bottom right, holding the device. The background is a plain, light-colored wall.

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 prioritized significant risks and/or actual negative impacts on people, animals, society and the environment.

Salient issue	Related topic	Geography
Carbon footprint	Environment Greenhouse gas emission	Global
Battery manufacturing	Freedom of association and collective bargaining Wages	China
Waste management	Environment Waste	Norway
Safety management in the labs	Occupational Health and safety	Norway
Generic health & safety awareness	Occupational Health and safety	Norway
Die-casting manufacturing processes	Freedom of association and collective bargaining Wages	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 battery assembly and 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. We have planned to conduct an ESG related audit at this supplier during 2025.
5. Better waste management has been implemented in the office.
6. Better safety management and people awareness is implemented in the labs.
7. AMU was established in 2024. All AMU members will be provided with relevant trainings during 2025. It is also planned to roll out an health & safety awareness e-learning to all employees.

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 prioritized b) activities or sections of the enterprise not covered in this report , if any (product groups, own products, departments etc.), and why c) how the information was gathered, what sources were used, and which stakeholders have been involved d) whether you have identified areas where information is lacking, and how you are planning to proceed to collect more information about this.

At the company level, the corporate risks are identified and reviewed in the annual corporate risk assessment, different aspects of risks are assessed, e.g., product, operations, organization, ESG, suppliers, technology, legal, etc. The results also are the input to the annual corporate objectives and strategy. Based on the results of this risk assessment, the lower level's risk assessments, action plans and priorities are made and followed up by each department. For instance, the company's environmental impact is assessed in a separate document (attached). During this assessment, we focus on the "high score" impact and take actions accordingly.

The specific risk assessment tool provided from Etisk Handel Norge is used to identify salient risks of our supply chain based on the bill of materials of our product. The materials are categorized by the manufacturing processes and countries and then assessed accordingly. We always prioritize the countries which have high risk. Our suppliers are also assessed against several criteria to be assigned with a supplier criticality category. The suppliers with Major or Medium category and in the high risk countries require more thorough due diligence during qualification and relationship exitance period with Heimdall Power. For example, all of them are required to sign our Supplier Code of Conduct and fill in an extensive supplier pre-qualification questionnaire with ESG related questions. And we also do the on-site visit/audit if needed. As per today, all the suppliers which meet the criteria above have signed our Supplier Code of Conduct and filled in the questionnaire. We have also planned to visit & audit 2 suppliers in China during 2025.

In addition, we address our expectations regarding ESG towards the current tier-1 contract manufacturer. The contract manufacturer has also allocated additional resources and started to implement carbon accounting for their entire value chain during 2024. They also have thorough due diligence of their tier-2 suppliers and trace the original material of components & parts.

Both Heimdall Power and the contract manufacturer were audited against relevant ESG, health, safety, working environments, local regulations, etc. by a 3rd party company during 2024, and no any major findings were found.

ADDITIONAL SEVERE IMPACTS

2.A.3 Describe other risks of negative impacts on people, animals, society and the environment that were identified but not prioritized, 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 Describe goals and progress status for the measures you have implemented to reduce the enterprise's prioritized negative impact

	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 :

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.

We started to quantify and document the avoided emissions for selected customer projects since 2023. During 2024, we established a counter to continuously estimated avoided emissions for all customer projects.

Our contract manufacturer has also started to have their carbon accounting for their logistics during 2024.

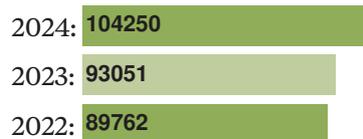
Describe actual or expected results of the measures, as well as goals and activities for the coming reporting year :

Implement and avoided emission counter and continuously quantify and document the impact of Heimdall Power solution on customers' potential reduction of CO2 footprint.

The contract manufacturer will continuously increase the scope of their carbon accounting for their value chain.

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.

	Battery manufacturing
Goal :	Ensure that the supplier is at Heimdall's minimum requirements regarding business ethics
Status :	Ongoing
Goals in reporting year :	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 already implemented or planned measures :

The battery supplier has signed our Supplier Code of Conduct and fill in the extensive due diligence questionnaire during 2024.

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

We are planning to conduct an sustainability related audit at the battery supplier during 2025.

	Waste management
Goal :	Better waste management in the office.
Status :	Completed.
Goals in reporting year :	Better waste management in the office.

Describe already implemented or planned measures :

We have made an agreement with the office landlord to have separate waste bins for food, plastic, paper and rest, the new solution has been implemented in the office during 2024.

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

	Safety management in the labs
Goal :	Better safety routine in the electronic and mechanical labs.
Status :	Completed.
Goals in reporting year :	Better safety routine in the electronic and mechanical labs.

Describe already implemented or planned measures :

Equipment with high safety risk is identified and labelled with red stickers. The rules of using tools and equipment from both labs are communicated to all existing employees and new hires during onboarding.

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

	Generic health & safety awareness
Goal :	Roll out a basic health and safety awareness e-learning to all employees.
Status :	Will start
Goals in reporting year :	

Describe already implemented or planned measures :

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

Roll out a basic health and safety awareness e-learning to all employees.

	Die-casting manufacturing processes
Goal :	Ensure that the supplier is at Heimdall's minimum requirements regarding business ethics
Status :	Ongoing
Goals in reporting year :	Let the supplier sign our Supplier Code of Conduct and fill in the updated pre-qualification questionnaire which is updated with business ethics requirements.

Describe already implemented or planned measures :

The supplier has signed our Supplier Code of Conduct and fill in the extensive due diligence questionnaire during 2024.

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

We are planning to conduct an sustainability related audit at the supplier during 2025.

3.B Other actions related to management of negative impact

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.
- Use materials which can be recyclable (more than 70% of materials used in our product is 100% recyclable).
- Use contract manufacturer which is certified by ISO 14001.
- Our product and its manufacturing processes are RoHS and REACH compliant, and disposed as per WEEE.

3.B.2 Reduction of greenhouse gas emissions

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.

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.

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)

3.B.3 Improvements in own purchasing practices

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
- Use environmental friendly transportation method for product shipment when possible
- Encourage employees to use environmental friendly transportation method for business trips when possible

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 and ISED 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.

We have also a company policy P-COR-05_ Responsible Business Conduct, which addresses our commitments in supporting freedom of association and work representation. We have an employee-elected representative in the board and established our Working Environment Committee (AMU) during 2024.

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.

We established our AMU, and all AMU members will be provided with relevant trainings during 2025.

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 are required to 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

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 a) assignment of responsibility for tracking the effect and result of implemented measures, as well as how the tracking is carried out in practice, b) who is responsible for evaluating the enterprise's implementation and work with due diligence, and how the evaluation is carried out 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. ESG strategy is set up at the beginning of the year, and associated actions are monitored and followed up as KPIs and OKRs when applicable on a monthly/quarterly basis.

Practically speaking, Head of QHSE & Sustainability is responsible for creating & updating the Supplier Code of Conduct and due diligence questionnaire with input from all relevant stakeholders, and identifying which personnel should be provided with relevant trainings. Head of Supply Chain & Production is responsible for ensuring all relevant suppliers to sign the Supplier Code of Conduct and fill in the questionnaire. We maintain an Approved Supplier List which is reviewed and updated annually. We use this list to monitor and track which suppliers have signed our Supplier Code of Conduct and filled in the pre-qualification questionnaire with due diligence questions. As of today, all manufacturing related suppliers have completed both documents.

During 2024, we set a goal of having all key tier-2 suppliers to sign the Supplier Code of Conduct and fill in the due diligence questionnaire, which have been 100% completed. All relevant personal have also completed the e-learning training of Responsible Business Conduct provided by OECD.

4.A.2 Describe how you track the effect, and/or demonstrate the probability of effect, of measures taken to reduce negative impact.

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. During 2024, we developed a counter which is aimed to calculate avoided emissions continuously based on customer projects.

All actions are tracked and monitored through KPIs and OKRs monthly/quarterly. 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 2024, we have completed all goals set for the year.



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 published our formal ESG report (<https://heimdallpower.com/esg/>, and download our ESG report) on both our website and internal management system.

5.A.3 Describe the enterprise's routines for 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 impact

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 and other stakeholders, especially impacted workers and local communities have access to whistleblowing systems and grievance mechanisms

As stated in our P-COR-06_Health and Safety Policy, we encourage our employees to raise concerns and suggest improvements in our internal QHSES reporting system and report critical conditions via the internal whistleblowing process which is described in the Whistleblowing Procedure and Employee Code of Conduct . 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.

We have an elected Safety Delegate and an Employee Representative in the BoD who can raise employees voice to the management and BoD. During 2024, we established our Working Environment Committee (AMU) to better capture employees' opinion and input in terms of health, safety and working environment.

We have a company P-COR-05_Responsibility Business Conduct Policy which state our commitment about due diligence and remediation, address our encourage of worker's freedom of association and representative and set high expectations towards our suppliers & partners 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 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 who work at our suppliers when we visit them to understand their working conditions and inform them about their rights. In 2025, we are also planning to visit several key tier-2 suppliers and conduct sustainability related audits/interviews to ensure positive impact and influence towards the suppliers and their workers.

Contact details:

Heimdall Power AS
Nan Li, Head of QHSE & Sustainability
nan.li@heimdallpower.com