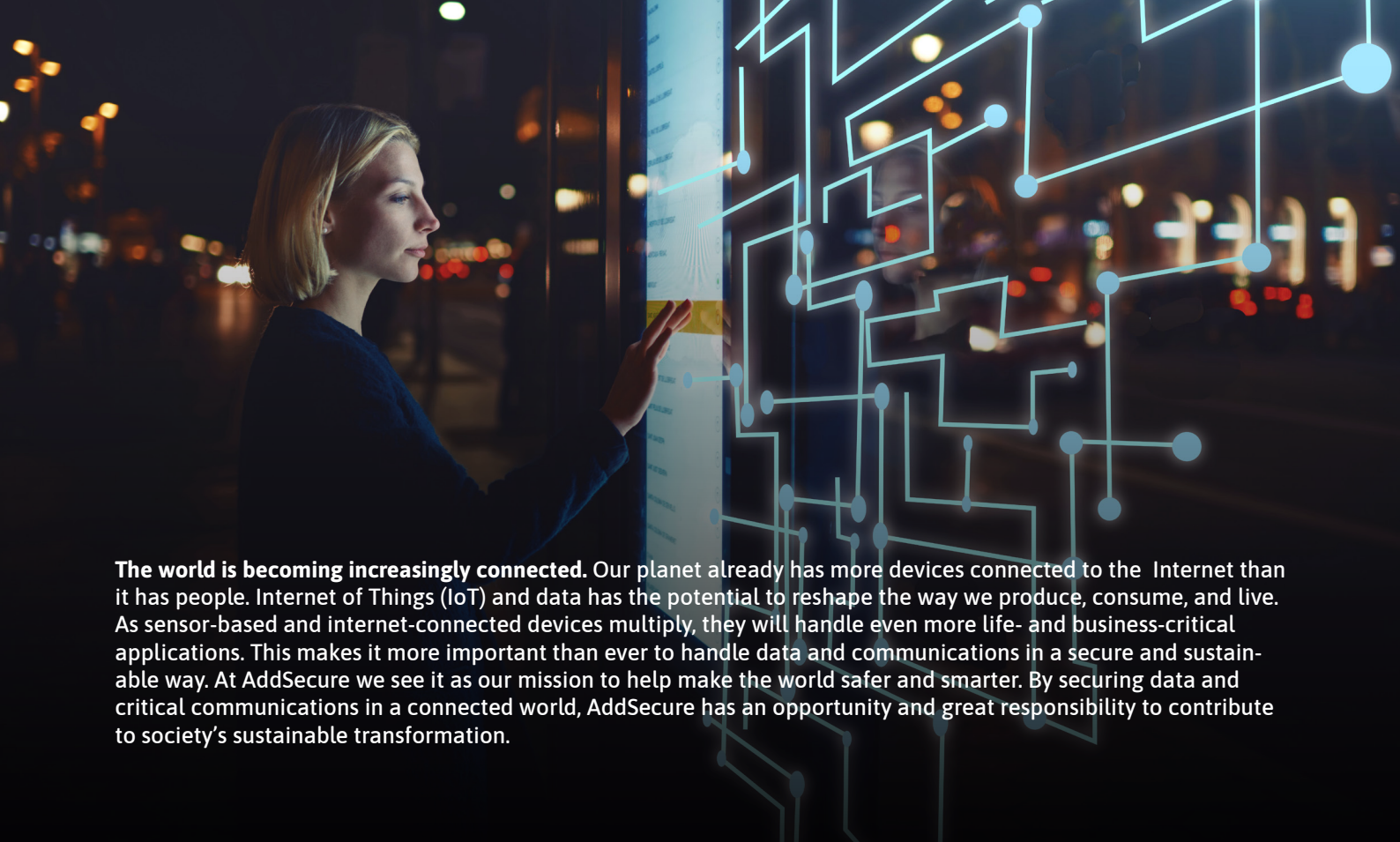




Making the world a safer and smarter place

A snapshot of AddSecure's work
for sustainable development

2021



The world is becoming increasingly connected. Our planet already has more devices connected to the Internet than it has people. Internet of Things (IoT) and data has the potential to reshape the way we produce, consume, and live. As sensor-based and internet-connected devices multiply, they will handle even more life- and business-critical applications. This makes it more important than ever to handle data and communications in a secure and sustainable way. At AddSecure we see it as our mission to help make the world safer and smarter. By securing data and critical communications in a connected world, AddSecure has an opportunity and great responsibility to contribute to society's sustainable transformation.

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About this report

This is AddSecure's second sustainability report. The purpose of the report is to present how we create value and contribute to a safer and smarter world, through our secure IoT connectivity solutions with a focus on secure critical communications and secure data.. Additionally, the report informs and reports on AddSecure's 2021 objectives and progress within our strategic focus areas. The report is inspired by the global standards for sustainability reporting, GRI Standards.

Contact

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LETTER FROM OUR CEO

We secure IoT connectivity solutions in a connected world



“Our knowledge about how to securely transfer data from A to B is the very reason why AddSecure is well positioned to make a difference and contribute to society’s sustainable transformation.”

Stockholm June 2022
Stefan Albertsson, CEO

The world is craving smart connected solutions. Whether to handle a pandemic, tackle climate change, make for operational efficiency gains or improve individual well-being; IoT is a key enabler to solve many of the challenges the world and organizations are facing. However, to deliver on this potential, smart solutions are not enough. The world doesn’t need only smart solutions. In a world where cybersecurity is a growing concern, smart and secure solutions are needed. Our knowledge about how to securely transfer data from A to B is the very reason why AddSecure is well positioned to make a difference and contribute to society’s sustainable transformation.

We’ve been in the business of secure communications since the 1970’s. Back then, secure communications was an issue mainly for high-security industries (military facilities, nuclear power plants etc.) or highly regulated areas (eg. the alarm and rescue sector). Today, secure communications and secure data are critical qualities for any business using connected devices.

This was proven not least during the past two years when the COVID-19 pandemic made us all rely on digital solutions to keep up with work, school, family and friends, to get groceries as well as medical advice. The world got more connected – but also more fragile. During the pandemic, 81% of global organizations experienced increased cyber threats. 56% suffered from downtime due to cyber incidents.¹

To us, sustainability is about delivering smart and secure IoT connectivity solutions. It’s also about managing and developing our own operations as to ensure that we do not cause or contribute to any harm, and are aligned with the expectations of our stakeholders.

Since establishing our sustainability agenda on group level in 2020, we’ve worked to implement it throughout the organization and our value chain. In 2021, we received external acknowledgement that we’re on the right track when our sustainability work was recognized as among the top 25 percent of all 75,000 companies assessed by Ecovadis. Moreover, by the end of 2021 we succeeded in certifying the whole group according to the ISO 9001 and 14001 standards for quality and environmental management. However, sustainability is a fast moving target with ever evolving expectations, regulations and tools. The only way to keep up, is to keep moving.

By letting sustainability guide us in our daily operations we strive to drive the business forward profitably, in new ways and by new means. Since 2016, we have added five new segments to our portfolio of smart solutions. We’re always on the look-out for where to apply our knowledge of secure communications next, to find the “smart new”. Our 2021 sustainability report gives a snapshot of this journey. I hope you’ll enjoy reading it, just as much as we enjoyed getting to where we are today and heading for tomorrow. Imagination is our only limit.

Top ranked and certified sustainability program



¹ www.businesswire.com/news/home/20211108005775/en/Cyber-Threats-Have-Increased-81-Since-Global-Pandemic

This is AddSecure

AddSecure is a leading European provider of secure IoT connectivity solutions with a focus on secure critical communications and secure data. Our mission is to create a safer and smarter world together with our 50,000 customers across Europe. We are an innovative company with our roots in Swedish and Norwegian transmission signal monitoring companies. We have a strong growth and expansion strategy.

We are a fast-growing company with an ambition to create a safer and smarter world. Sustainability guides us in our daily operations as well as in our innovation and growth strategies. Sustainability inspires us to create profitable smart business in new ways and by new means.

959

Employees (end of 2021)

450,000

Connections

€167M

Annual revenue (2021)

1970s

Originates from telecom operators in Sweden and Norway. The start of secure critical communications solutions.

2015

AddSecure is founded/branded.
Secure communications for fire, intruder and elevator alarms in Sweden and Norway.

2016

New owners: Abry Partners.
New growth strategy in place (geography, value-chain, business areas).
Investment in Smart Grids.

2017

Strengthening the Smart Alarms and Smart Rescue offerings.
3 acquisitions: Chiron Security, Contal Security, and Prevent 360 carve out.

EMPLOYEES

100

COUNTRIES

2

MARKET OFFERINGS



Smart Alarms

EMPLOYEES

125

COUNTRIES

2

MARKET OFFERINGS



Smart Alarms



Smart Grids

EMPLOYEES

180

COUNTRIES

6

MARKET OFFERINGS



Smart Alarms



Smart Grids



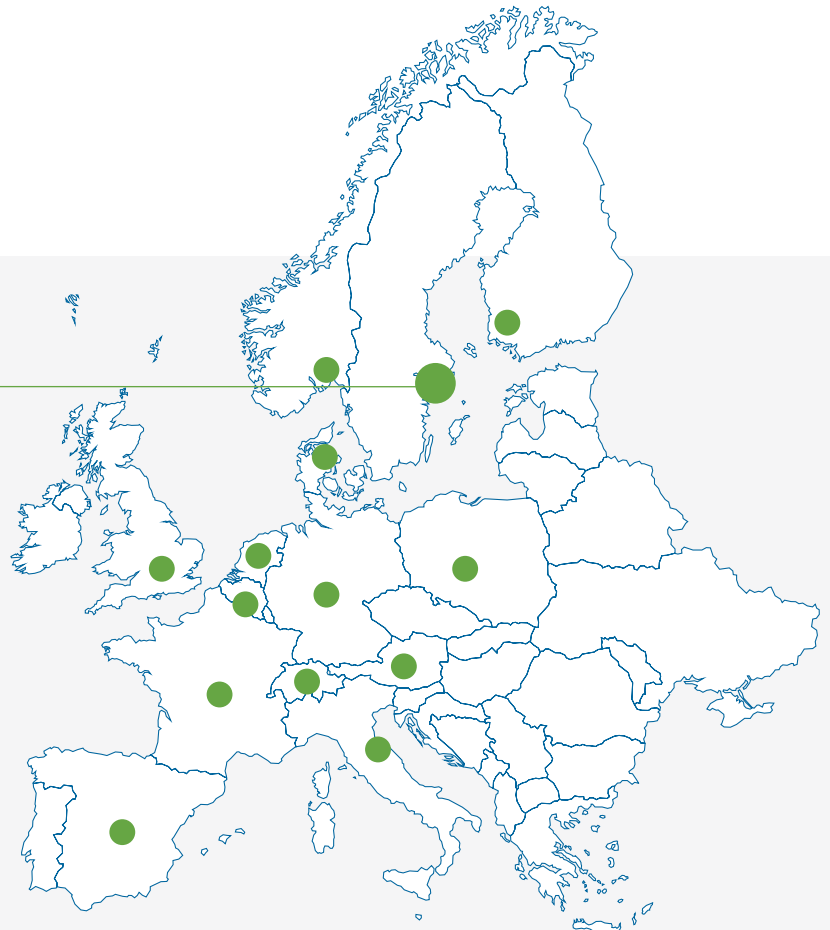
Smart Rescue

Headquarters in
Stockholm, Sweden

Majority owned by
Castik Capital since 2019

15
Countries

50,000
Customers



2018

Strengthening the Smart Transport offering.

2 acquisitions: Vehco and Groeneveld ICT.

2019

New owners: Castik Capital.

5 acquisitions: Paetronics, frameLOGIC, Offentlig Säkerhet, Teleservice Radiokom and Stella Safety Phone.

2020

Continued geographical expansion.

7 acquisitions: Connexas, iZafe, Navkonzept, Alerta, Dualtech, RTL and ISG.

2021

Continued rebranding of acquired companies to AddSecure. Expansion of Board of Directors. 1 acquisition: LOSTnFOUND

EMPLOYEES

300

COUNTRIES

11

MARKET OFFERINGS



EMPLOYEES

550

COUNTRIES

12

MARKET OFFERINGS



EMPLOYEES

880

COUNTRIES

15

MARKET OFFERINGS



EMPLOYEES

959

COUNTRIES

15

MARKET OFFERINGS



Our governance

Efficient management is crucial for reaching our long-term objectives. At AddSecure, the Board of Directors, the CEO, and the Corporate Management Team hold central functions. Business Presidents are responsible for attaining objectives set within each business unit. Chief Officers are responsible for managing cross-vertical organizational support and development, using the Corporate Governance Team as a platform for alignment.

AddSecure's sustainability program is organized as a central function, mandated to lead the development and implementation of a company-wide sustainability strategy. The objective is to integrate sustainability across business units and throughout the company as an accelerator of strategic growth and long-term value creation. The work is led by the Chief Sustainability Officer who is part of the Corporate Management Team and reporting directly to the CEO.

Anti-corruption and ethical standards

AddSecure operates a "zero tolerance" policy towards fraudulent, dishonest or deceptive behaviour, and condemns corruption in all its forms. Our Code of Conduct sets out guiding principles on how we do business, and what is expected of our employees. The Code applies to everyone working at AddSecure, whether as an employee, consultant, board member or part of the group management. In 2021, we launched the AddSecure anti-corruption guidelines to help employees avoid problems associated with allegations of bribery and corruption, providing general rules for complying with anti-corruption laws. All new employees are introduced to our business principles in connection with the onboarding process. The policies are updated regularly and shared with all employees. In 2021, we also implemented a whistleblowing service, available for anyone who wishes to report misconduct, serious situations or incidents concerning AddSecure. The whistleblowing service is provided by an external partner to ensure anonymity.

83% of all employees read and confirmed the Code of Conduct in 2021

67% of all employees trained in anti-corruption guidelines

0 misconduct reports filed



Guidelines and policies

Through the Group Policy Portfolio, AddSecure's core values and way of working are established. All Group Policies are approved by the Board of Directors.

- Code of Conduct
- Business Partner Code of Conduct
- Corporate Governance Policy, including Governing Documents Guideline and Risk Management Guideline
- Sustainability Policy
- Finance Policy
- IT Policy
- Information Security Policy
- Data Protection Policy
- People & Culture Policy
- Communication Policy
- Purchasing Policy

Risk Assessment

Key suppliers assessed: **100%**
Key suppliers having signed BPCoC: **30%**
Key-suppliers are evaluated based on type of product provided, country of operations and policy adherence.

All key suppliers are asked to confirm and adhere to the AddSecure Business Partner Code of Conduct.

General requirements

AddSecure's Business Partner Code of Conduct specifies minimum requirements and expectations that our suppliers, third party intermediaries and other business partners must comply with when doing business with us.

We develop Requirements for main purchasing categories and product groups

Audit

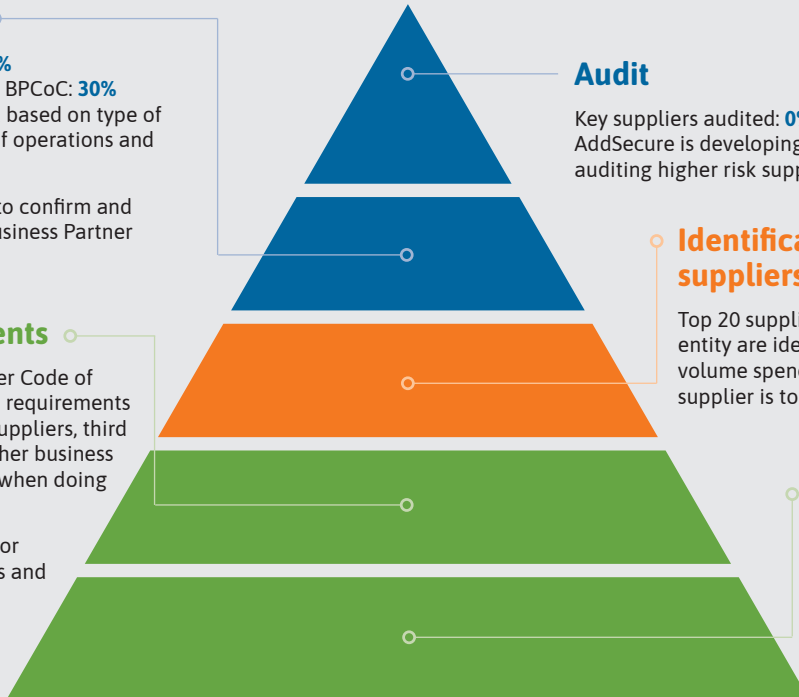
Key suppliers audited: **0%**
AddSecure is developing processes for auditing higher risk suppliers.

Identification of key suppliers

Top 20 suppliers in each legal entity are identified based on volume spend and how critical the supplier is to our operations.

Baseline

AddSecure purchasing policy, AddSecure Business Partner Code of Conduct, AddSecure Vendor Database



Supply chain

AddSecure works with its supply chain to implement a shared commitment to sustainability. We use a risk-based process whereby key-suppliers are identified based on volume spent and on how critical the supplier is to our operations (around 70% of the product supply is obtained through purchases from 10% of all suppliers). We perform a risk analysis of all our key suppliers, using criteria such as type of product provided, country of operations, and policy adherence. The AddSecure Business Partner Code of Conduct specifies minimum requirements and expectations that our suppliers and business partners must comply with when doing business with us. In 2021, we started to gradually include a clause on compliance with the AddSecure Business Partner Code of Conduct in supplier agreements. Moving forward, we are further developing our processes for audit and control, using on-line assessments and/or on-site visits.

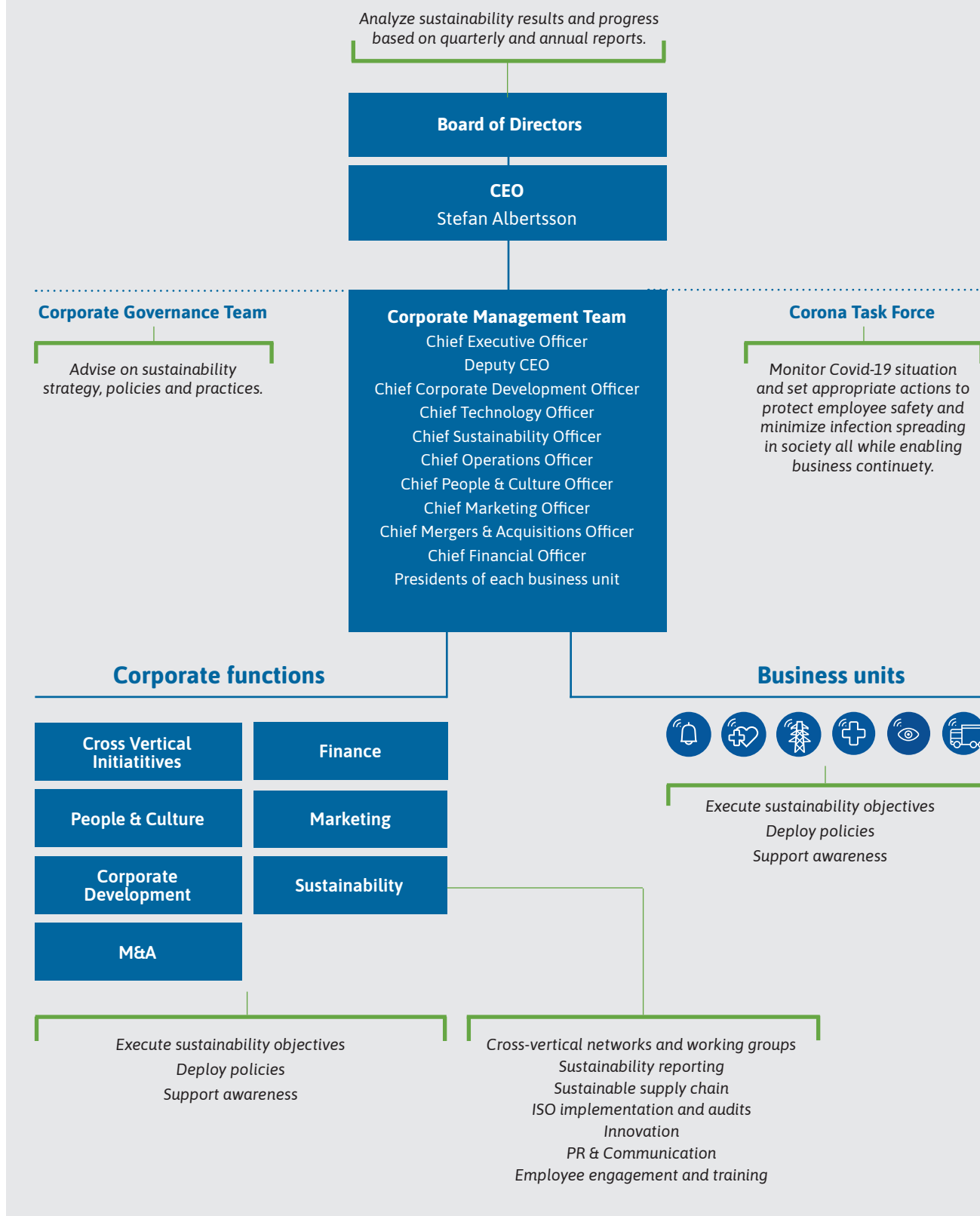
Risk management

The risk assessment process is performed annually by the Corporate Management Team. Identified risks are categorized into four groups; strategic, operational, compliance and financial risks. The risks are assessed based on impact, probability, and response effectiveness. Identified risks are consolidated in a risk map at group level, each risk being owned by a Corporate Management Team member. Annual reviews of AddSecure's risk environment are presented to the Board.

Environmental and social aspects form an integral part of the risk management process to understand trends on macro level. Identified ESG-related risks correspond well to AddSecure's strategic focus areas. For example, data intrusion, downtime or loss of data related to production platforms, failed GDPR compliance, theft of digital assets and lack of security in product design are all managed within the strategic area Secure data (see page 18). Risks related to employees (e.g. loss of key personnel and employee health and safety) and innovation are handled within the focus area Smarter together (see page 21). Brand and customer experience are aspects handled within Customer focus (see page 18).

Climate change has been assessed at group level, noting that natural disasters and severe weather events are expected to occur more frequently, leading to risks for physical assets, interrupted logistics/supply chain and increased cost. Warmer temperatures may also lead to safety risks and diseases impacting workforce health and/or ability to work. On the other hand, heightened risk of extreme weather is expected to increase the need for strong, resilient communications networks. Current measures in place to manage climate-related risks – and opportunities – are deemed to be moderately effective. For example, supply chain-related risks need to be further assessed and managed on business unit level.

Governance structure - Sustainability



AddSecure's corporate governance structure. In italics the different functions' roles and responsibilities for overseeing sustainability processes. In 2020 a temporary corona task force was installed to coordinate the organization's response to the Covid-19 pandemic. The task force was in place all through 2021.

CASE

Eco-Driving Challenge reduces 12 900 tons CO₂

“AddSecure Eco-Driving Challenge” is a voluntary competition among AddSecure’s Smart Transport customers. During 2021, almost 11,000 drivers from 75 companies participated, organized through 135 teams with approximately 7,400 vehicles.

“Equipping drivers with performance and behaviour monitoring tools help improve fuel savings and reduce CO₂ emissions” says Claes Ödman, Business Unit President of Smart Transport. “Moreover, by giving drivers personal feedback, our solutions also help improving driver and fleet safety.”

The competition is based on the AddSecure Eco-Driving Index. The analysis of the 2021 results show that participating companies reduced their yearly diesel consumption by approximately 4,9 million litres, corresponding to 12,900 tons of reduced CO₂ emissions and 7,4 million Euros in savings. Claes Ödman means that even more can be achieved by introducing smart connected devices in the transport industry.

“By helping our customers shift focus from driver and fleet management to a more holistic trans-

port management view, we can help our customers achieve even greater operational efficiency gains. Our Transport Management System supports customers optimize route planning, maximize productivity, maintain cold chains for sensitive goods, and increase road safety – all important challenges the transport industry is facing.”

And what about secure data? According to Ödman the transport industry is slowly realizing the importance of secure communications.

“I believe many industries have come to a realization just in the last few years that cyber security is an issue for any company relying on connected devices. We notice an increased interest from our customers on this issue, and expect to see a lot more in the next coming years.”

Back to Eco-Driving challenge – who won? The most prestigious awards for greatest reduction of CO₂ and best eco-driving score were won by the Finnish transport companies Powder-Trans and Ahola Transport. Congratulations!



ECO



Equipping drivers with performance and behaviour monitoring tools help improve fuel savings and reduce CO₂ emissions



Claes Ödman, President Smart Transport, AddSecure

Contributing to the world's sustainable transformation

According to the World Economic Forum, 70% of the UN Agenda 2030 and its 169 targets can be directly supported by technology applications, where IoT plays a role in 33% of the technological applications mapped.¹ Data will continue to have a transformational impact on economies and societies, seeing benefits in every single aspect of our lives, ranging from more conscious energy consumption and product, material, and food traceability, to healthier lives and better healthcare.

As sensor-based and internet-connected devices multiply, they will handle even more societal and life- and business-critical applications. This makes it more important than ever to handle data and communications in a secure way. Our IoT solutions within Smart Alarms, Smart Care, Smart Rescue, Smart Surveillance, Smart Transport, and the emerging technology area Smart Grids are all contributing to the United Nations' Sustainable Development Goals (SDGs) by offering IoT solutions based on secure communications and data. This is how we help reshaping the way we produce, consume and live.



THE GLOBAL GOALS

¹ World Economic Forum, "Unlocking Technology for the Global Goals" http://www3.weforum.org/docs/Unlocking_Technology_for_the_Global_Goals.pdf



Smart Alarms



Smart Care



Smart Grids



Smart Rescue



Smart Surveillance



Smart Transport

3 GOOD HEALTH AND WELL-BEING



Smart homecare, monitoring and wearables give access to health-care services that combine human care with reliable and safe technology.

Right information to the right people at the right time helps provide safe, nonviolent, inclusive and effective learning environments for all.

4 QUALITY EDUCATION



6 CLEAN WATER AND SANITATION



IoT solutions for remote monitoring and configuration help secure water supply and guarantee water quality.

Smart grid solutions help expand infrastructure and upgrade technology for modern and sustainable energy services for all.

7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



Remote monitoring and management enable end-users to improve their resource efficiency and create safe working environments.

IoT enabled tracking devices help optimize transports of goods and lower emissions.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



Connected sensor-based grid, building and mobility management systems help minimize pollution, emissions, and energy consumption.

IoT solutions help monitor and optimize logistics and distributions networks, optimizing use of resources and reducing emissions and waste.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



IoT solutions for remote monitoring and management of transports, buildings and grids help optimize use of energy and resources.

Using secure data and secure critical communications help prevent and respond to alarms, threats and emergencies.

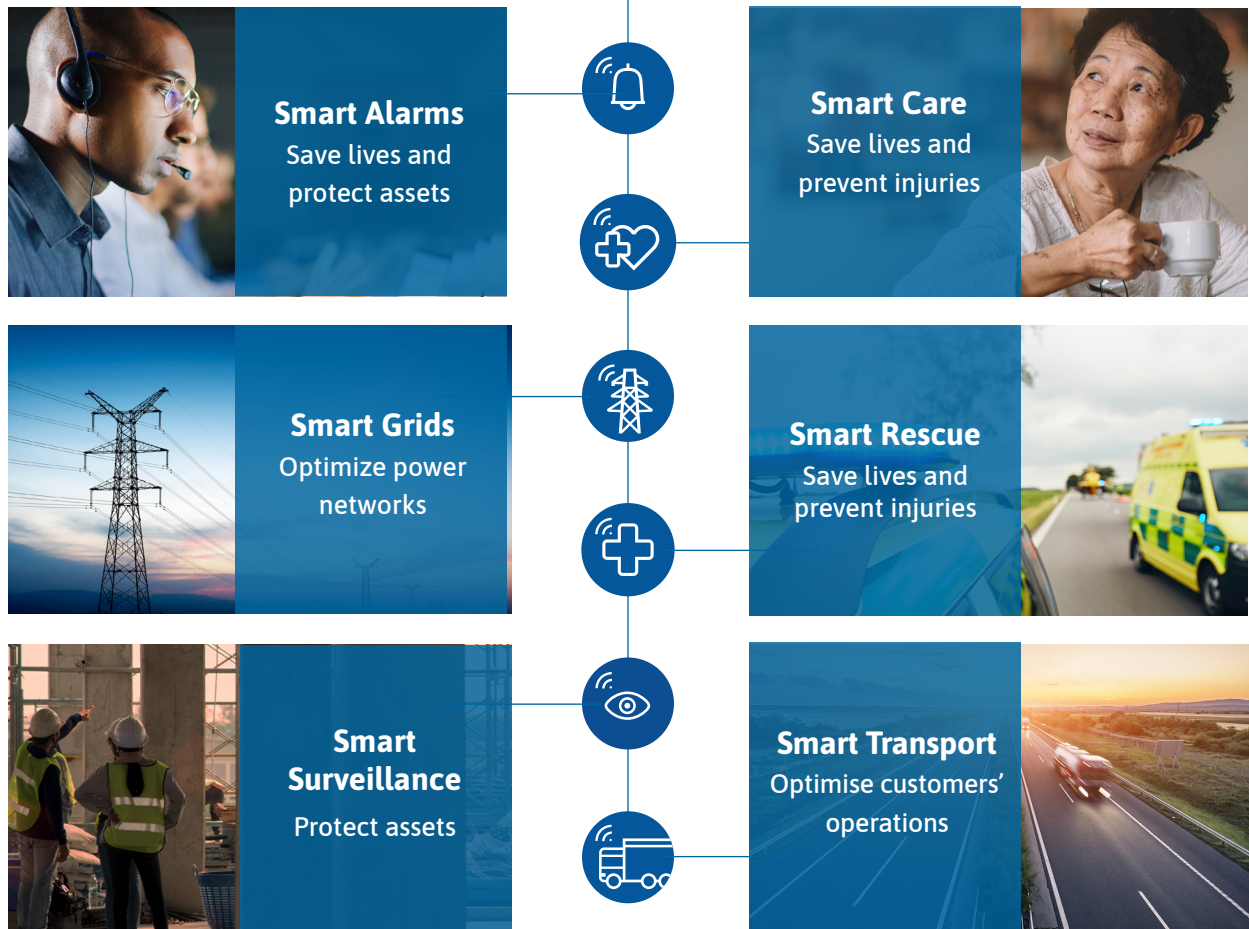
16 PEACE, JUSTICE AND STRONG INSTITUTIONS



AddSecure's IoT solutions are actively contributing to the UN sustainable development goals.

Our solutions

The delivery of secure critical IoT communications and secure data is the key common feature across all AddSecure's offerings. Secure IoT connectivity solutions are vital for our customers' life- and business critical operations. They will help save lives, protect property and vital public services, and drive our customers' business operations.



Secure critical communications and secure data – our definition

The delivery of secure critical communications and secure data is the key common feature and the enabler for all AddSecure's offerings and vital for our customers' life- and business critical operations. This helps save lives, protect property and vital public services, and drives our customers' business operations.

We define critical communications as in two or more devices communicating information that is truly critical to either a business' operation, to people's lives or to

vital societal functions. To us, secure critical communications means that this connection between the devices is reliable, accessible and that it cannot be intercepted or interfered with.

Data is the information itself. To us, secure data means that this information not only get from point A to point B without interception or interference, but also that it is reliable, only available to authorized parties, and that it is stored and used in an ethical manner with regards to privacy.



Smart Alarms

Ensure your alarm reaches the right recipients every time

The ever-changing complexity of the world calls for new, fast, and smart solutions that can transfer and respond to event-based data. Our reliable and secure Smart Alarms solutions for monitored alarm transmissions provide a clear communication path from incident to response.

Our Smart Alarms solutions are used in different types of facilities, proposing remote monitoring and system upgrades that enable greater resource efficiency and reduced emissions. Customers can move from reactive to proactive facility maintenance, bringing down costs and emissions by reducing unnecessary site visits.

Safety and security are basic needs for a good life. At the same time, security and integrity breaches are increasing as the number of connected devices in society grows. Our solutions ensure that any event-based data safely reach the right recipients, every time.



Smart Care

Peace of mind for both caretakers and caregivers

The elderly population is growing. The number of people aged 65 and older is projected to double and reach 1.5 billion by 2050. As many as 85% of people aged 65 and over claim that they want to live at home for as long as possible. In parallel, 20% find it difficult to live independently or accomplish daily tasks. Chronic diseases are rising, as well as the costs of care and nursing.¹

Our Smart Care solutions combine human care with reliable and safe technology, helping elderly to live independently at home. Our digital solutions collect and transfer information to an alarm receiving center or care provider. This way, elderly, disabled, and people with medical conditions are cared for in real time while maintaining their autonomy at home. Our safety solutions make it possible for elderly to receive help whenever they need it.

There is a need to improve the efficiency level of treatment and monitoring to reduce risks and costs, all while ensuring quality of life for our elderly.

¹ <https://www.un.org/development/desa/en/news/population/our-world-is-growing-older.html>



Smart Grids

Smart, secure, and sustainable energy services

Global demand for energy is expected to increase by almost 30% by 2040.¹ This calls for intelligent and responsive grids that can anticipate imbalances in supply and make room for renewable energy production (including small scale).

Our Smart Grid solutions help expand infrastructure and upgrade technology for modern and sustainable energy services. We help grid operators by providing reliable real-time information from the network to optimize power utilization, increase power accessibility, and reduce operational costs. By digitizing the power distribution grid, our customers achieve smarter and more secure operations, as well as full control through systems for network-station monitoring and analysis. We ensure smart and secure access to electricity for a more sustainable future.

¹ <https://www.capp.ca/energy/world-energy-needs/>

Future power grids give grid operators, producers, and consumers new opportunities to actively contribute to a modern power system that optimizes the energy use while enabling a more sustainable power mix.



Smart Rescue

When every second counts

In emergency response, every second counts. Whether it is for crisis teams, emergency services, schools or other workplaces. Incidents, including accidents and acts of violence, is a growing problem, creating challenges in health, wellness and productivity in schools and workplaces. Despite safety regulations and procedures, risk management remains a great challenge.

Our Smart Rescue solutions help organizations respond properly, act quickly and ultimately save lives. We offer solutions that are specifically designed for rescue teams and for employees who work alone and/or in environments prone to threats and violence. We propose tailored solutions using connected personal alarms and training to prevent incidents happening, and to ensure rapid emergency responses when needed. Monitored 24/7, our solutions are applied in industries, event arenas, hotels, schools, and other critical societal functions such as ambulances and rescue services.

Professional groups exposed to threats and violence need to be equipped not only with knowledge and training, but also with technical aids.



Smart Surveillance

Keep an eye on your assets

With IoT comes new opportunities to secure assets and prevent value-depreciating incidents like breakins, theft, and vandalism.

We offer Video Surveillance-as-a-Service, a fully integrated service offering combining market-leading hardware and software in easy-to-use, readily available solutions. The solutions consist of mobile surveillance towers, combined with AI-enabled video analytics and a 24/7 control center service as a subscription. We help customers keep an eye on assets in construction sites, logistics centers as well as in industrial and public facilities.

The demand for video surveillance in both business and the public sector is growing significantly as many organizations are expected and required to have a certain level of security and monitoring measures.



Smart Transport

Driving your business forward

Transport and logistics are becoming increasingly complex due to global supply chains, large increases in volume, new locations, products and markets. In parallel, logistic companies are pressured to improve working conditions and to lower emissions – transport currently represents close to 25% of Europe's greenhouse gas emissions.

Our Smart Transport solutions optimize distribution chains by maximizing precision, predictability, transparency, and delivery planning while minimizing costs, emission levels and contributing to safer routes. AddSecure's fleet and transport management systems offer a comprehensive suite of functionalities to support customers' transport and logistics operations such as time and salary management, order management, data analytics for the reduction of fuel consumption, real-time tracking, and driver behaviour control. Our solutions enable data-driven improvements in profitability and full control of transport and logistics operations – across the entire order-to-cash process.

IoT is key to transforming the transport sector, enabling systematic gathering and use of data, increasing safety, reducing energy use, and improving operational performance.

CASE

Intelligent site monitoring powered by solar energy

Smart Surveillance offers “Security-as-a-Service” to protect assets and prevent business-damaging incidents like theft and vandalism. The business unit proposes a fully service-based business model including mobile surveillance towers operated on solar power.

Business Unit President Jörn Windler explains why integrating the video towers in the service offer makes sense:

“Most of our customers use our monitoring services for temporary sites, such as construction sites or provisional warehouses. They have no interest in acquiring security cameras by buying them, but prefer having access to the them only for the exact time needed.”

Keeping the ownership of the towers also helps Smart Surveillance improve its own operational and environmental performance.

“The towers are continuously being redeployed. When a contract comes to an end, we collect the towers, refurbish them and redistribute them to

the next customer. This helps us tighten up our use of resources, improving our environmental impact but also lowering supply chain risks such as lack of components,” says Windler. “So far, not one single tower that Smart Surveillance has acquired since 2016 has been taken out of circulation.”

The use of solar power is another example where business rationale meets environmental objectives.

“Using fuel cells, supported by solar panels, we deliver off-grid power for months without any user intervention,” explains Windler. Only small amounts of carbon dioxide and water are produced, making it possible to be used in nature reserves as well as in closed vehicles and rooms.

Remote system monitoring further reduce the need for unnecessary site visits and transport.

“There is no alternative to renewable energies in the long term. But by showing the business rationale we are able to speed up the transition,” concludes Windler.



Using fuel cells, supported by solar panels, we deliver off-grid power for months without any user intervention.



Jörn Windler, President Smart Surveillance, AddSecure



2021 objectives and results

As technological progress brings us daily benefits, it also raises complex questions and concerns on how technology will affect society and our planet. A changing climate, demographic shifts, globalization, and technological advances also bring new expectations and conditions for how we run our business.

Create a safer and smarter world

Smart Alarms Smart Care Smart Grids Smart Rescue Smart Surveillance Smart Transport Smart New

Secure IoT connectivity

MANAGEMENT BUSINESS AND SUPPORT PROCESSES

STRATEGIC FOCUS AREAS

Customer Focus

Secure data

Smart use of resources

Climate neutral

Smarter together

Our sustainability program covers the whole AddSecure group and is designed to manage and integrate sustainability throughout the organization, while also creating a structure to help us improve our ability to efficiently respond to changing stakeholder demands.

Important steps made in 2021:

- ✓ We published our first external sustainability report.
- ✓ We revised our sustainability reporting system in line with updated reporting guidelines and stakeholder demands.
- ✓ We restructured our emission data to better align with the GHG protocol and to set the basis for our carbon strategy, including goals and actions.
- ✓ We ran a pilot project to investigate how to use circular business principles to leverage our business model.
- ✓ We implemented a risk analysis tool to assess suppliers in purchasing and M&A processes.
- ✓ We managed to successfully transfer existing 9001 and 14001 ISO certificates to the whole AddSecure group.

In 2022, data driven management, employee engagement, and business support are on top of our agenda.

Agenda for 2022:

- Access to quality data and reporting are areas subject for continuous improvement. Non-financial reporting guidelines and regulations are developing in a fast pace. We need data sets that help us comply all while helping us reach our own goals. Focus during 2022 will be on relevance, reliability, and accountability.
- To achieve our targets, co-workers need to be onboard and processes need to be aligned to allow for sustainability to be integrated in daily tasks. During 2022, we will put much focus on increasing employee engagement and awareness and keep developing adequate tools and procedures.
- When it comes to sales and customer relations, sustainability continues to grow in importance. Supporting sales in describing how our solutions can help customers meet their sustainability objectives, and to answer ESG related assessments and requests for information will be a priority in 2022.

In the following pages we present results and highlights from 2021 within each of our focus areas.

2021

Objectives and results



Customer focus

GOAL : Transactional NPS of 50 by 2025

We serve over 50,000 customers globally with secure IoT connectivity solutions with a focus on secure critical communications and secure data. Understanding our customers' experience of doing business with us is key for a long-standing relationship and helps us understand our customers' changing needs and expectations.

In 2021, we started up the internal Business Improvement Forum for processes close to the customer. We onboarded five acquisitions and 183 new users

to our CRM system that is used to help us achieve a 360 viewpoint of all customer touchpoints with AddSecure. We started to roll out a Configure Price Quote (CPQ) module as well as an integrated phone solution. We regularly measure customer satisfaction (NPS) based on a transactional customer relationship view. Our goal is to reach a total NPS score of 50 by 2025, based on an industry average for international IoT B2B companies, and derived from a total of all AddSecure's business units and solutions.

Results in 2021



NPS: -2 (35)

In 2021 we saw a decline in the NPS score, due to an organizational change where customer service within a couple of business units was in-sourced and the training of staff was delayed.



Secure critical communications and secure data

GOAL : Secure connectivity and data across all AddSecure's offerings

Cyber threats seeking to damage data, steal digital assets, or disrupt digital life in general, is constantly evolving. The delivery of secure critical communications and secure data is the key common feature across all AddSecure's IoT solutions. We combine reliable IoT solutions and 24/7 operations with uncompromising, secure hardware and software. During 2021 we have taken the first steps towards a streamlined process for secure data management, guided by the ISO 27001 standard.

Our solutions provide deep customer value by solving complex needs, provide quick responses to events and improve operational efficiency and productivity. Our focus is on customers for whom secure signal transmission or safe data transfer is the key to operate successfully and profitably. For example, signals from fire or intruder alarms, communications from fleet management systems, and feeds from video surveillance are all transmitted through our IoT connectivity platforms, enabling data to be securely transmitted for the provision of services.

CASE

Powering our offerings with secure IoT connectivity

By introducing connected devices as part of the organizational infrastructure, companies and organizations build the very foundation for efficiency gains, better management and improved sustainability and business performance. Connecting and managing a single IoT device over the internet is rather simple today. However, organizations face increasing complexity as the number of connected devices increase together with the need for secure and reliable connections.



Our IoT connectivity platform, Link, is suited for customers and application providers who need effective, secure, and robust communications between equipment and remote facilities, but who do not want to manage the complex technology behind.

Link provides a complete infrastructure for management of SIM cards, data traffic, and remote access and access control, through an interface, either web or app-based, to manage and monitor the connected devices. The user

interface is intuitive and utilizes a high level of automation, limiting the risk of human errors. Communications are completely isolated from other internet traffic and closed off to unauthorized users and devices. Multiple private networks can be created and managed to cater for separation of various end-customers, traffic, and systems.

The Link IoT connectivity platform powers our different business unit offerings. By providing easy administration of virtual private networks, SIM cards, and access management for customers, we enable data to be securely transmitted between customer and end-user, or between customer and AddSecure for the provision of additional services.

LINK AVAILABILITY
(AVERAGE 2021):

100%



Smart power

GOAL

Climate neutral by 2025

As the world becomes increasingly digitalized, information and communications technologies, data centers, and network services are emerging as an important source of energy demand. The current environmental footprint of the ICT sector is estimated to be between 5% to 9% of the world's total electricity use and more than 2% of all emissions.¹

We've set the goal to be climate neutral by 2025. The goal stretches over our entire value chain and includes our own direct activities, upstream as well as downstream activities.



Measure

We use dedicated reporting teams and software to gather, analyze and communicate all sustainability and ESG data, including carbon emissions.

- Scope 1 and 2, 2021 data include all our direct emissions, main sources being company vehicles and purchased energy.
- In 2021, we took some important steps to improve collection of scope 3 (indirect) emissions.
- We introduced a joint travel booking system to improve and facilitate collection and analysis of business travel throughout the group.
- We started to measure emissions related to employee commuting.
- We performed a gap analysis for data on waste and end-of-life treatment of products in the different business units.



Reduce

We aim to reduce our emissions by more efficient use of energy and resources and by increasing the share of fossil free energy.

- In 2021, we decided to commit to the hybrid work model tested during the pandemic, allowing co-workers to alternate between working from home or the office, helping us to use our premises more efficiently and cut emissions related to employee commuting.
- 72,3% of purchased electricity 2021, stemmed from renewable energy sources.



Compensate

We compensate for our un-avoided emissions.

- 2021, marks the first year we compensate for all our direct emissions, aiming to include all indirect emissions by 2025.
- Our climate compensation is performed through Gold certified climate projects.

Results in 2021

Total emissions (tCO ₂ e)*	Scope 1 749	Scope 2 186	Scope 3 744
Emissions per capita**	2.0	Tonnes Offset (tCO ₂ e)	935
			Total kWh use 1,849,364 87% renewable sources

* market based (total location based emissions 1811 tCO₂e).

** total emissions/FTE (tCO₂e/FTE)

About the results

As the reporting system was restructured in 2021, to better align with the GHG protocol, comparison with 2020, is not reasonable. The 2021 CO₂ emissions have been accounted for using DEFRA Carbon Emissions Conversion Factors. Scope 1 and 2 emissions are complete, purchased energy and company vehicles constituting main emission sources. Scope 3 data, including business travel, energy use in leased premises (incl. data centers), transports and employee commuting, need to be developed in terms of scope and method to improve data quality. All 2021, direct emissions (56% of total accounted emissions) have been offset.

¹ <https://ictfootprint.eu/en/about/ict-carbon-footprint/ict-carbon-footprint>



Smart use of resources

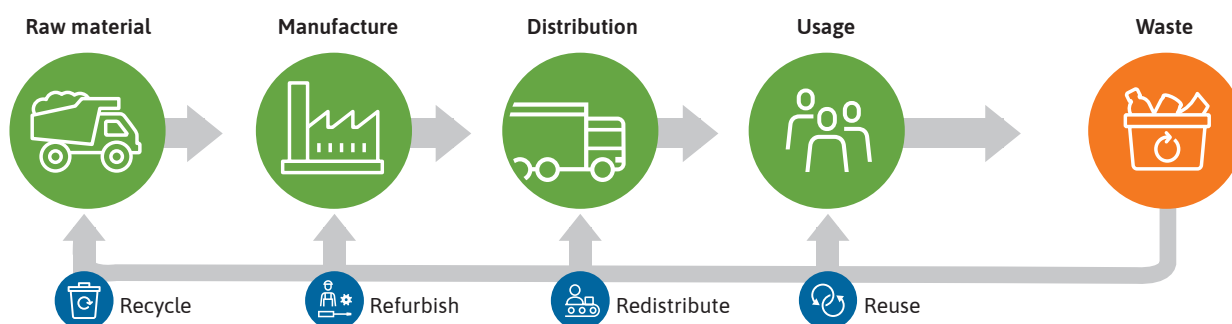
GOAL | Creating more value out of less product

45% of global CO₂ emissions come from the way we make and use products. Waste of electronic devices is one of the world's fastest growing waste streams, while production of modern electronics often requires scarce and expensive resources. During the pandemic, we saw shortage of components growing in importance, impacting business operations. To handle these challenges, nations, and companies, are moving away from a traditional linear economic model (take - make - dispose) to a circular economy.

AddSecure operates a service-based profit model that has been instrumental to our ability to handle growing resource constraints all while building long-term customer relations. Virtualization, sharing, and looping are examples of circular business principles that are

already in use in our different offerings, helping us to lower our environmental impact while also cutting costs of produced goods and tackle supply chain related risks.

In 2021, we ran a pilot, investigating how circular business principles may be applied to structure and leverage our aim to create "more value out of less product". Based on the pilot findings, we'll continue to develop our strategy on group level, using a governance structure based on joint KPIs that connect to the business rationale and reflect our ability to make more value out of less product. Short term focus will be on improving internal competence and to expand the infrastructure to track and manage product streams.



Results 2021

Material productivity*	6.1	Recurring revenue	78%
Products put on market 2020: 86,421	99,853	Products collected 2020: 10,649	15,312
Products recycled 2020: 2,547	1,604	Products redistributed 2020: 9,067	18,241
Ratio redistributed/new products 2020: 10.5	18.3%		

*Total revenue/(non-recurring COGS + CAPEX customer equipment)

Since 2020, more business unit (five out of six) have been added to the data scope. YoY results are therefore not entirely comparable.



Smarter together

GOAL

eNPS of 25 by 2025

As an international, fast-growing company we strive towards the vision “one company, one culture”. What leads us is our core values: customer focus, simplicity, team spirit and cooperation. We actively look to increase the level of diversity in our workforce on all levels in terms of gender, age, and background, following up through a number of key indicators.

AddSecure grew its workforce by 13,4% in 2021. We continued to build our digital platform for all things employee related. For example, we developed tools and support for recruitment, onboarding and training, launching the AddSecure Employee Academy.



AddSecure were recognized, for the second consecutive year, as an “Excellent Employer” by Swedish Nyckeltalsinstitutet, placing AddSecure among the top 10 percent in the IT industry.

Results in 2021

Our co-workers

Headcount (FTE): 2020: 846	959	Locations: 2020: 22	33	FTE: 2020: 729	857
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Great place to work

eNPS: 2020: 16	19	Goal: 25	Personnel turnover: 2020: 1.4	1.5	No of employees/manager: 2020: 6,7	6.4
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Diversity

Gender equality men 2020: 1.11	1.04	Gender equality women 2020: 0,78	0.91	Gender distribution Goal: 40/60 ratio
Average age male 2019: 42	42	Average age female 2020: 38	39	
Nationalities DK FI FR DE NL NO PL SE UK US Other				

CASE

ReMade in response to e-Waste

In 2021, AddSecure acquired Swiss telematics provider LOSTnFOUND. The company markets “ReMade”, an initiative perfectly in line with AddSecure’s ambition to create more value out of less product. With ReMade, customers can return devices they no longer need. Customers who use “ReMade” products benefit from an attractive price-performance ratio, with no restrictions in terms of functionality nor quality of the products. Each remanufactured and re-commissioned unit saves 10 to 20 kg of CO₂ emissions and up to 10 kilo of raw material extraction compared to new production. Since the end of 2019, well over a thousand devices from the different product families have been reused in a systematic process.

LOSTnFOUND’s founder Daniel Thommen explains:

“The prevention of e-waste begins with the production of our high-tech products. Already during the development of our end-devices, we make sure that high-quality components and production techniques are used wherever possible. Basically, we prefer the modular, somewhat more elaborate construction, to an integral design. With the “ReMade” label we subsequently support the efforts to achieve a closed loop with the aim of reducing the downcycling of secondary raw materials,” Thommen concludes.



1 Inspection and separation

Devices are checked for technical functions and integrity, disassembled into individual parts and cleaned. Thanks to the modular design of the terminals, up to 18 components such as housing parts, screws, batteries, antennas, cabling, connectors, or entire circuit boards can be replaced. Defective and non-repairable individual parts are further disassembled, sorted, and handed over to partners for professional recycling.

2 System update

Devices are loaded with latest available software update, configured, and prepared for testing.

3 Device testing

All devices undergo a multi-stage test and are subjected to extensive functional and performance tests. The same criteria apply for the evaluation of performance as for our new devices. End-devices that do not meet the test criteria are consistently sorted out.

4 Reassembly

We keep an extensive spare parts warehouse for additional and replacement components. In this step, the thoroughly tested end-devices are completed with the corresponding accessories, packed in an environmentally friendly manner and marked with the “ReMade” label.

5 New application with a history

With the dispatch of the “ReMade products” we redistribute as good as new end-devices, giving them a second life.

About the report

The AddSecure external sustainability report presents how our IoT connectivity solutions contribute to a safer and smarter world, responding to many of the sustainability challenges the world faces. Additionally, the report informs and reports about AddSecure's 2021 progress within its strategic focus areas.

AddSecure aims to ensure that all information and data is relevant, transparent, consistent, accurate and complete and that it provides an objective picture of the company's operations. The reporting period is January 1, 2021, to December 31, 2021. The report is inspired by the global standards for sustainability reporting, GRI Standards. The 2021 sustainability report has not been assured by any third-party assurance provider.

Global commitments

By securing critical communications and data in a connected world, we recognize our opportunity, and responsibility, to contribute to society's sustainable transformation and the United Nations Sustainable

Development Goals. Aiming to be climate neutral by 2025, we support the Paris Agreement. Our Code of Conduct and our Business Partner Code of Conduct are based on the core principles of the UN Global Compact and its underlying conventions and declarations within the areas of human rights, labor standards, environment, and anti-corruption.

Materiality assessment and stakeholder dialogue

By considering impacts to external stakeholders and ecosystems in addition to those directly affecting the company we can better assess the systematic and longer-term risks that inevitably arise through these impacts.

Strategic priority areas	Focus areas	Topics	Boundaries
Management and control	Governance	Sustainability management structure	AddSecure group
	Supply chain	Requirements on and management of suppliers	Production, transport and distribution, use (data storage) and other key suppliers
	Business ethics	Business ethics (anti-corruption)	AddSecure group, suppliers & business partners
Smart power	Climate change	GHG emissions and actions to lower these	Scope 1-3
Smart use of resources	Resource efficiency	Circularity (use, reuse and recycling of material in products)	Business model and product design, production, sales, use
		Energy use	Production, transport and distribution, own and leased premises, use
		Water use	Production, transport and distribution, own and leased premises, use
		Chemical use	Production
Secure data	Data and information security	Data privacy, information security and secure communications	Sales, use
Smarter together	People & Culture	Health and safety among co-workers	AddSecure group
		Diversity, non-discrimination and equal opportunities	AddSecure group
	Innovation	Innovation: Solutions contributing to sustainable development	Business model and product design, use
Leading provider of secure IoT connectivity solutions	Finance	Financial performance	Sales
	Market	Market presence	Product manufacturing, sales
		Customer satisfaction	Sales, use

To identify relevant topics, we have analyzed macro and market trends in relation to the company's strategic direction. We have consulted Agenda 2030, and sustainability reporting guidelines, benchmarked against industry players and sustainability forerunners, and engaged with our stakeholders. A topic is considered material to us if it meets two conditions:

- It impacts people and/or the planet, contributing (positive or negative) to sustainable development.
- It is important to our stakeholders (e.g. customers and end-users, co-workers, owners, suppliers, communities, and governments) who would expect us to take action on the topic.

For each material topic, we have identified issues that we will work on in order to realize our ambition to create long-term financial value without compromising environmental and social values.

Stakeholder engagement and dialogue

In line with international guidelines, we invite our stakeholders to verify the selection of topics we have made and to give additional input. The matrix below showcases our main stakeholders, our mean for engaging with these on a recurring basis, the stakeholders' expectations, and requirements on us, as well as the topics that have been identified as most relevant for each stakeholder group.

Who	How we engage	Requirements	Expectations	Top 3 topics of specific interest and concern
Customers and end-users	Technical and customer support, sales, surveys, web, media (incl. social media).	Quality solutions and delivery on time.	Simple and smooth ordering and installation process, stellar secure communications, available support when needed.	Data privacy, information security, and secure communications; Customer satisfaction; Innovation and impact
Current and future employees	GROW meetings, yearly performance review, team meetings, all-hands company meetings, intranet, surveys, internal trainings.	Remuneration, operational health and safety.	Company values and culture, personal development, equal opportunities, compensation and benefits.	Customer satisfaction; Innovation and impact; Data privacy, information security, and secure communications
Investors and shareholders	Investor meetings, annual and quarterly reports, budget and business strategy.	Financial performance (turnover, growth and EBITDA), ESG governance and reporting.	Achievement of set targets.	Customer satisfaction; Data privacy, information security, and secure communications; Financial performance
Business partners and suppliers	Joint initiatives, quality meetings, assessments, audits, reporting.	Contracts and agreements	Professional and timely forecasting and ordering, clear requirements, payment on time.	Innovation and impact; Supply chain management and requirements; ESG governance
Communities and general society	CSR programs and initiatives, media (incl. social media).	Compliance	Stellar secure communications and data management.	Innovation and impact; Material use; GHG emissions
Polymakers, rankers and raters*	Industry association memberships, reporting, certification/audit process, media (incl. social media), regulations.	Compliance, ESG governance.	Transparency, stellar secure communications and data management.	ESG governance; Business ethics; Diversity and non-discrimination

In the 2020 materiality assessment, we used surveys to validate our analysis with co-workers and owners. We engaged in a dialogue with internal sales and support functions to better understand our customers' expectations. Frameworks, guidelines, regulations, and other external requests for information served us to understand expectations from policy makers, rating institutions and society in general. The stakeholder and materiality analysis were reviewed by the corporate management team at the end of 2021, seeing the need for only minor changes.

