

2023

Making the connected world a safer and smarter place

Sustainability report



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We live in an increasingly connected world where IoT and data have 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 way. AddSecure offers secure IoT connectivity and managed services, helping customers optimize operations, drive business and uphold vital functions. This way, we help transform society and make the connected world a safer and smarter place.

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About this report

This is AddSecure’s fourth 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 solutions. Additionally, the report informs and reports on AddSecure’s 2023 objectives and progress within our strategic focus areas. The report is inspired by global standards for sustainability reporting, including the European Sustainability Reporting Standards (ESRS) and the GRI Standards.

Contact

Johanna Giorgi
Chief Sustainability Officer
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Inspire, optimize and transform

As we look back at yet another year in the history of AddSecure, I am filled with a deep sense of pride and optimism. Our journey thus far has been marked by countless achievements, each fueled by our commitment to pushing the boundaries of what's possible in the realm of IoT. In 2023, we marked yet new milestones by adding three new solution areas, Connected Mobility, Mobile Security and Waste & City Care, growing our workforce with 7%.

The world around us is undergoing a remarkable transformation, driven by the convergence of technology and connectivity. From smart homes to industrial automation, the potential of IoT to revolutionize every aspect of our lives is virtually limitless. As a provider of secure IoT solutions, we stand at the forefront of this digital revolution, poised to shape the future in ways we've only begun to imagine.



Understanding the opportunities and potential risks of IoT and related technologies is critical to ensuring the maximization of their benefits.

World Economic Forum "State of the Connected World 2023 Edition"

At AddSecure, we are more than just a technology company. We design innovative solutions that empower our customers. Every product we create reflects our commitment to excellence and innovation.

However, with great innovation comes great responsibility. As stewards of IoT technology, we recognize the impact our solutions have on the world around us. That is why we are unwavering in our commitment to security, reliability, and integrity in everything we do. Our customers trust us to power their operations, safeguard their data, their privacy, and their peace of mind, and we take that trust very seriously.

Looking ahead, the opportunities before us are limitless. As the IoT landscape continues to evolve, so will our commitment to pushing the boundaries of innovation. Whether it's developing new technologies, forging strategic partnerships, or expanding into new markets, we remain steadfast in our pursuit of excellence. Our strategy rests on five interconnected pillars: growth, creating customer value, building trust in our solutions, integrating sustainability, and accessing talent. These are all fundamental for our ability to continue our journey and mission to make the connected world a safer and smarter place.

Imagination is our only limit.

Stockholm June 2024
Stefan Albertsson, CEO



2023 highlights

- We continued to broaden our portfolio by establishing a new business unit, Smart Mobility, and the emerging technology area Waste & City Care.
- We increased the number of SIM cards connected through our connectivity platform Link with 54%, making the connected world a safer place.
- We reduced 24 400 tons of CO2 emissions together with our customers in our annual Eco-Driving Challenge.
- We partnered up with the European Green Digital Coalition to develop methodologies measuring digital solutions' net-climate impact.
- We kept our EcoVadis sustainability gold rating, placing us in the top 5 percent of the more than 100 000 companies rated globally.
- We were recognized as one of the Top 50 most inspiring workplaces in the EMEA region.
- We passed the test and had our group-wide ISO 9001 and 14001 certifications renewed, while making significant progress towards an extended ISO 27001 certificate (which we achieved in March 2024).

TOP RANKED AND CERTIFIED SUSTAINABILITY PROGRAM



This is AddSecure

AddSecure is a leading European provider of secure IoT connectivity and end-to-end solutions. We help customers optimize their operations and drive business value. Our solutions are used within the areas of buildings, alarms, transportation, personal safety, elderly care, construction, power grids, waste management – and more.

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.

Majority owned by **Castik Capital** since 2019

1,000+

Employees (end of 2023)

70,000

Customers

700,000

Managed SIM connections

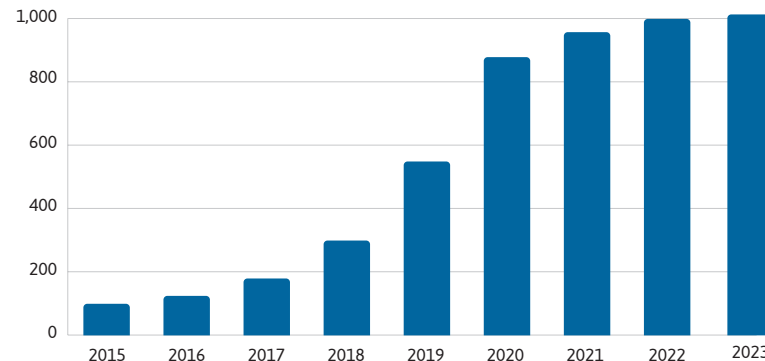
€200M

Annual revenue (2023)

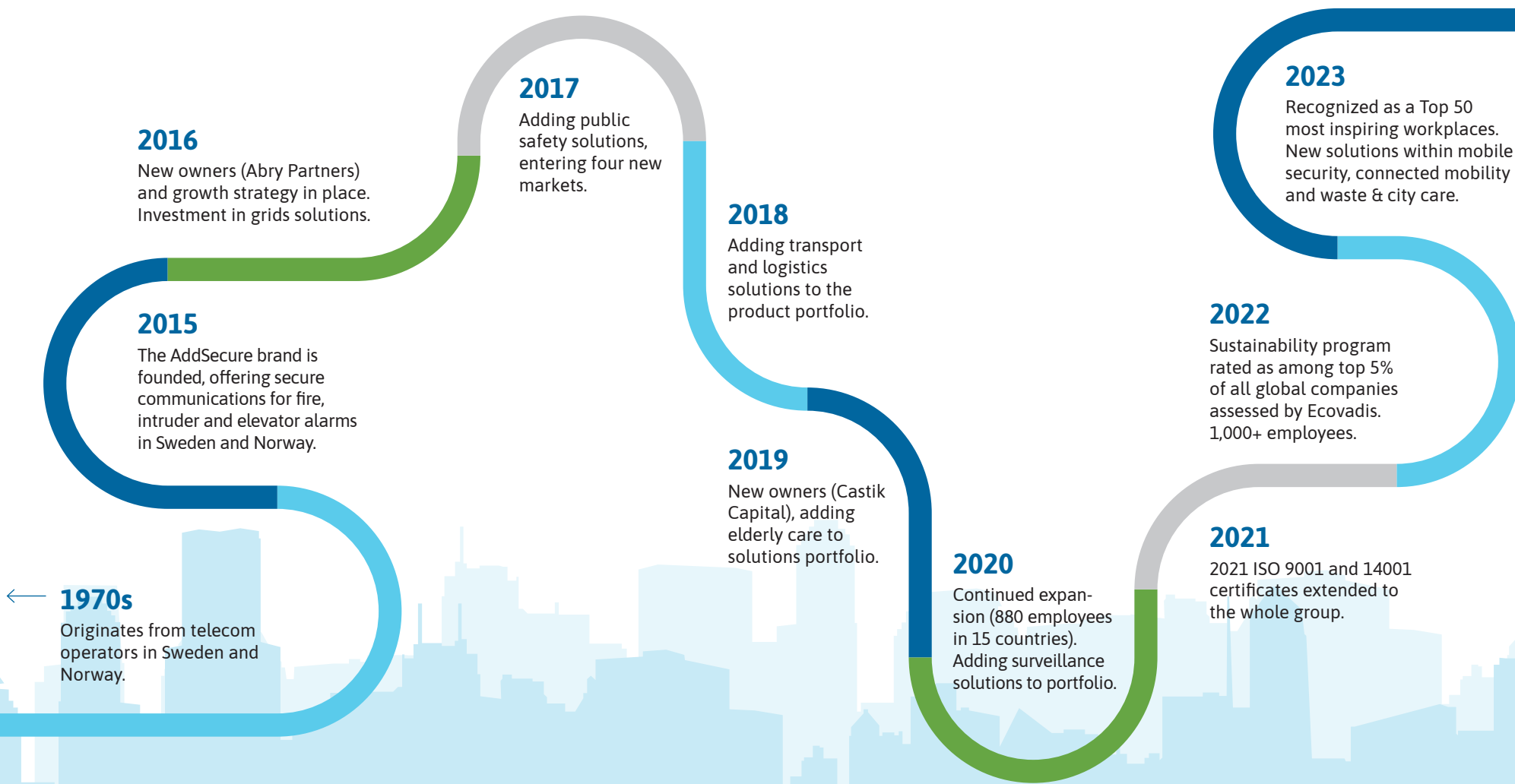
Headquarters in
Stockholm, Sweden



Employees



Our journey



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, life- and business-critical applications. This makes it more important than ever to handle data and communications in a secure way. Our secure IoT solutions used within public safety, rescue services, building security and automation, elderly care, transport and logistics, construction, utilities, smart cities, and more, are all contributing to the United Nations' Sustainable Development Goals (SDGs). By offering secure IoT solutions end-to-end, we help reshape the way we produce, consume and live in a connected world.

Our secure IoT solutions provide deep customer value by solving complex needs, provide quick responses to events, and improve operational efficiency and productivity.

AddSecure's secure IoT solutions actively contribute to the UN sustainable development goals.



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.

6 CLEAN WATER AND SANITATION



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

8 DECENT WORK AND ECONOMIC GROWTH



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

11 SUSTAINABLE CITIES AND COMMUNITIES



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

13 CLIMATE ACTION



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

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

4 QUALITY EDUCATION



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

7 AFFORDABLE AND CLEAN ENERGY



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

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



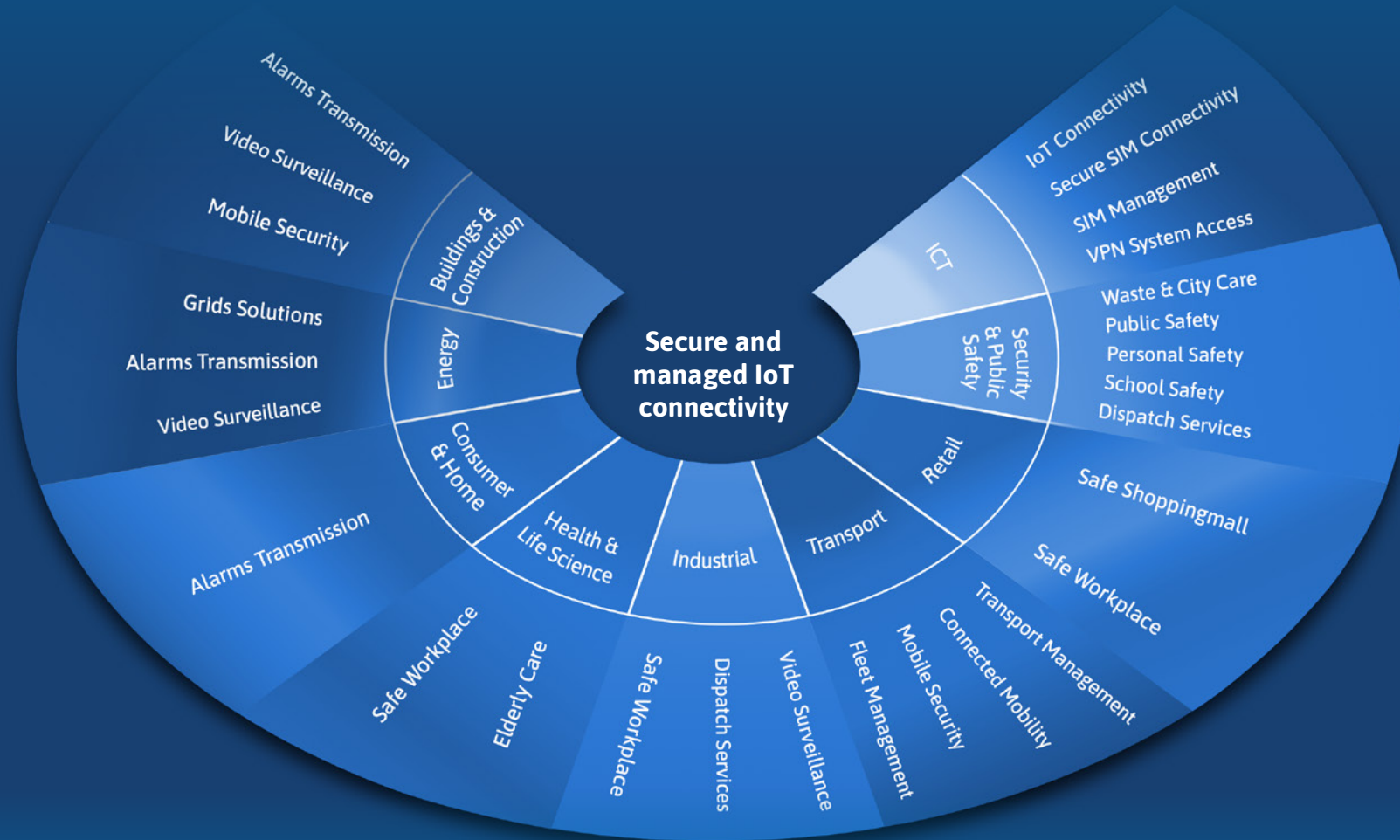
Using secure data and secure critical communications help prevent and respond to alarms, threats and emergencies.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



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

An expanding portfolio of solutions



**CASE: IoT connectivity**

Making the charging infrastructure happen

The increased usage of electric cars places high demands on a smart infrastructure for electric car charging to ensure efficient communication between charging stations and system platforms. With a growing business and an increasing number of charging points Voltiva, a provider of property-close electric vehicle charging, looked for an IoT connectivity solution that could provide scalability, secure communication, and cost control.



We exclusively work with smart connected charging systems, which means the charger is always in contact with our system platform. The collaboration we have with AddSecure enables a very smooth local installation for our partners who set up SIM cards and perform the local system configuration. And most importantly, it allows our central staff to easily administer the cards and accounts we have in Link Manager.



Mikael Ring,
CEO and co-founder of
Voltiva

**CASE: Grids solutions**

Contributing to smarter and safer energy supply

Electricity grids are becoming increasingly digitized and connected with sensors and control units, so-called IoT nodes. But each individual node has limited capacity and is vulnerable to hacker attacks. As a provider of digital solutions that help grid operators optimize power utilization, increase power accessibility, and reduce operational costs, AddSecure has since long advocated the need to address cyber security in power grids. To develop and demonstrate new methods to create more secure networks for the energy sector, AddSecure has joined the international project CISSAN (Collective Intelligence Supported by Security Aware Nodes). Connecting partners in six different countries, the project will investigate a new method for connecting IoT nodes, using, among other things, AI and blockchain technology, to optimize network operations and render them more secure.



CASE: Transport Management



We firmly believe that IoT is key to transform society in a sustainable direction. We're very happy to work with EGDC and its partners to estimate the environmental benefits of digitalization and push the industry to use transparent and science-based methods to calculate digital solutions' net impact

Johanna Giorgi,
Chief Sustainability Officer
at AddSecure.

Calculating digital solutions' net climate impact: the difference between impact and intent

There's a need for a common framework for assessing the environmental benefits and net impacts of digitally enabled solutions. This to make for greater transparency and build trust within the industry and among users. In 2022, AddSecures transport management solution Logic TMS was among the case studies selected by the European Green Digital Coalition. (EGDC)

The EGDC is an initiative aiming to highlight the ICT sector as a key player in the fight against climate change. The EGDC pilot project provides science-based methods to estimate the net environmental impact of real-life digital solutions across sectors six priority sectors (Energy/Power, Transport, Smart cities, Construction/Buildings, Manufacturing and Agriculture). Based on the developed methods, the EGDC pilot project will create recommendations for green digital transformation across sectors and promote a widespread take-up by industry players.



CASE: Video surveillance



Using solar power to protect solar power

Solar parks consist of a large number of photovoltaic panels, which, like inverters, cables and tools, are sought-after goods. The flexible and mobile camera systems from AddSecure offer protection against theft and vandalism. Thanks to photovoltaics and a battery pack, they can be operated independent of the main power grid over long period of times, even in remote areas. As soon as the camera detects an intruder, trained employees in the control center evaluate the image material. If necessary, the control center can address the perpetrators directly via active loudspeakers, asking them to leave the premises, or call in the police or security guards.

Sustainability statement

As of FY2025 AddSecure must report in line with the EU's CSRD directive and the ESRS reporting standards. In short, this means sustainability information needs to be disclosed within a dedicated sustainability section of the management report, using standardized metrics and structure.

We welcome the CSRD, seeing it will moderate and strengthen rules related to ESG reporting and make for increased transparency and integrity. More importantly, by essentially asking us whether we're on top of our main impacts, risks and opportunities, we do believe that by applying these new guidelines we will improve our operations as well as our relations with investors, customers, business partners and other stakeholders. This being said, there's no doubt that the

CSRD directive and ESRS standards challenge us, pushing us to treat ESG data with the same level of suspicion as financial data and making sure sustainability is integrated in main business processes and systems.

In 2023, we established an internal CSRD/ESRS task force with representatives from finance, quality and control, and cross vertical operations. The group works to identify and close data gaps, develop appropriate company governance structures and review business systems' adequacy. With the 2023 report, we're taking the next step, applying the ESRS standard as feasible. Bear with us, we're well aware that there are a lot of gaps to be filled. But practice makes perfect and that's where we aim to be when the time has come to issue the FY2025 sustainability statement.



Johanna Giorgi, Chief Sustainability Officer, AddSecure

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Basis for preparation

The AddSecure sustainability statement informs and reports about AddSecure's 2023 progress and management of identified material impacts, risks and opportunities. The reporting period is January 1, 2023, to December 31, 2023. The report uses the ESRS standard as a guideline for its preparation, outline and content. The 2023 company report and sustainability statement has not been assured by any third-party assurance provider.

The materiality assessment forms the basis for the sustainability statement. The annual assessment reflects and prioritizes AddSecure's most important sustainability aspects from the perspective of internal and external stakeholders.

During 2023, the assessment was adjusted in terms of structure and terminology. This as a first step towards the type of materiality assessment required under new EU Corporate Sustainability Reporting Directive (CSRD). Sustainability data is collected from all business units, premises and group functions to the internal reporting system. This has resulted in a consolidated summary for the AddSecure Group. Unless otherwise stated, the data presented pertains to the 2023 calendar year.

The following general reporting principles are applied:

- The report encompasses all of AddSecure's units that have employees and where ownership exceeds 50 percent.
- Data is collected as centrally as possible as to not burden business operations with additional admin, but stored back to lowest possible level (group, business unit, solution) as to allow for better analysis and transparency.
- We expect and push partners to deliver data as part of general agreements with no additional fee, but if costs arise these are carried by the entity/function holding the contract.
- With regard to acquisitions, data is added as of the closing date.
- AddSecure aims for all information and data to be relevant, transparent, consistent, accurate and complete, providing an objective picture of the company's operations.
- Any specific circumstances that may have influenced the statement are reported alongside the disclosures to which they refer.

In conjunction with the ongoing implementation of reporting based on the CSRD, AddSecure has adjusted the presentation of this year's reporting to the accepted framework in the EU legislation for the three ESG areas: Environment, Social, and Governance.



Global commitments

By securing IoT connectivity and end-to-end solutions 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 cut our direct emissions by 40% by 2030 (compared to 2021), 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.





Our strategy

Our corporate strategy sets out from an understanding of the world's need for smart IoT solutions to address the challenges of our time, while also recognizing the connected society's vulnerability in terms of connectivity and information security.

Our strategy is based on four interconnected objectives that we consider fundamental for our ability to deliver on our mission to make the connected world a safer and smarter place:

Grow existing verticals – and add new ones

We have set an ambitious growth target of 500M€ by 2027 (from 200M€ 2023). The target reflects the potential we see in the increasing adoption of IoT, the rapid development of commercial use cases and growing cyber security concerns. With M&As being central to reach our growth targets, our organizational outline has been designed to allow for successful onboarding of acquired companies, structured around business units with a high level of autonomy in terms of sales, product management and go-to-market strategy. We operate an asset-light, mainly subscription-based business model with a high share of recurring revenue (>70%).

Build trust in our solutions

Our name is AddSecure for a reason. Only by creating trust in our solutions can we deliver

on the potential IoT holds for customers and society at large. Our IoT connectivity platform, Link, plays a central role in our ambition to deliver secure IoT solutions, integrating SIM cards into VPN clouds while also offering high level of admin control and scalability. Acquired SIMs are continuously onboarded to Link. Moreover, we're investing heavily in our management system with the objective to encompass all acquisitions in the scope of our ISO certificates (9001, 14001 and 27001). Learn more about our work to build trust in our solutions on p. 34.

Create customer value and insight


We serve over 70,000 customers globally. Our solutions address customers' challenges within often complex and regulated areas which require significant know-how and experience, often in a national context. Close customer relations and understanding of local markets is therefore of utter importance. At the same time we need common processes and tools to enable synergies and cross-sell across our ever-expanding portfolio of solutions, facilitate the integration of new acquisitions,

improve customer insights and support innovation and marketing strategies.

The outline of our organization with highly autonomous business units is made with this in mind. Customer feed-back (relational and transactional NPS with use NPS being underway) is measured in a unified way across the group, managed by the central marketing team with results looped back to the business units’ sales, product and management teams.

Access talent

Our strategy recognizes our need for individuals with high levels of self-leadership and individual drive, with a joint vision and sense of purpose. Growth is a defining feature of our company strategy, continuously welcoming new companies and colleagues to the group. Our culture is based on the understanding of the transformative impact IoT solutions present, and the need to handle information and data in a secure way. In short, we like to create a notion of the opportunity AddSecure has to make a difference, “making the connected world a safer and smarter place”. As an international, fast-growing company we strive towards the vision “one company, one culture”. We actively look to increase the level of diversity in our workforce on all levels in terms of gender, age, nationality and ethnical background, using a number of key indicators to follow up on our performance. To learn more about our workforce, see p. 32.

 **Be yourself, make a difference and have fun!**

GROUP STRATEGY

Make the connected world a safer and smarter place

Grow existing IoT verticals

Organically, M&As, new services and value chain expansion, geographically

Add new IoT verticals

Smart Industry, Smart Cities, Smart Infrastructure – imagination is our only limit...

Glue it all together and enable synergies

One company, one culture, optimize internal systems and processes, common hardware and platforms, use local offices as bridge heads to expand to new geographies

2023 results

10.4%
YoY growth

76.8%
recurring revenue
(min. target 70%)

CREATE TRUST IN OUR SOLUTIONS

ISO 27001 certification
2023: 8% (2025 target 100%)

Secure connectivity
Managed SIM's on Link
2023: 13% (2030 target 75%)

Employee security awareness
75% high, 0% low (2025)

OPTIMIZE CUSTOMERS' OPERATIONS

Customer satisfaction
rNPS 2023: 23
(2025 target 30)

tNPS 2023: 44
(2025 target 50)

ACCESS TALENT

Employee satisfaction
eNPS 2023: 16
(2025 target 25)

Equal rights & opportunities
Equality index 2023: 0.8
(target 1)

SUSTAINABLE BUSINESS & SOLUTIONS*



*Learn more about our sustainability framework, targets and results on p. 14.

Sustainability framework

As a “meta” megatrend sustainability has an influence on all industries through the current or future megatrends that can be observed or predicted. As such, sustainability impacts customer demands as well as our own operations.

Our sustainability program covers the whole AddSecure Group and rests on three main pillars: Smarter company, Smarter solutions, and Smarter and safer world. It 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.

Our sustainability program forms an integral part of the corporate strategy. Striving towards the vision to make the connected world a safer and smarter place by providing secure IoT solutions that help transform and optimize customer operations put sustainability at the very core of our mission.

SMARTER COMPANY



- Reduce our carbon footprint and drive resource-efficient operations (for targets and results, see p. 25)
- Create a great place to work, based on diversity, equal rights, fair business and engagement (for targets and results, see p. 36)
- Implement a shared commitment to sustainability with our supply chain (for targets and results, see p. 36)

SMARTER SOLUTIONS



- Ensure solutions are based on secure connectivity and data (for targets and results, see p. 34)
- Power our solutions with clean energy (for targets and results, see p. 25)
- Propose circular products and business solutions (for targets and results, see p. 30)

SMARTER AND SAFER WORLD

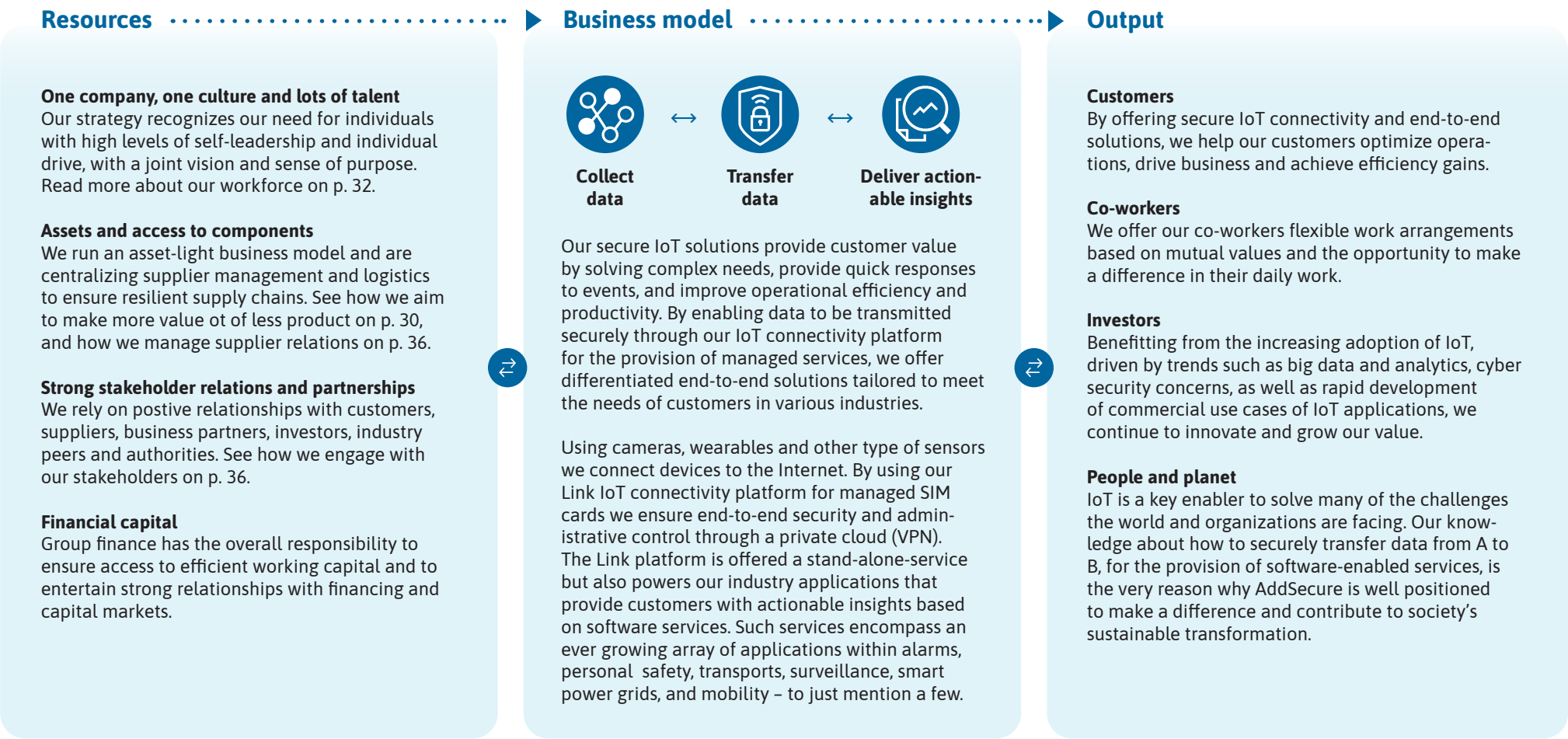


- Optimize customer operations
- Lower customer emissions
- Enable sustainable power grids
- Create safer work and learning environments
- Better elderly care
- Smarter waste management
- And more

In 2024, much of our focus will be on:

- Extending and quantifying impact by adding IoT solutions to the portfolio and applying scientific methods to estimate net impact.
- Continued development of the group's management system to ensure readiness for the evolving regulatory landscape and stakeholder demands.
- Improve management of CO₂ related impacts, risks and opportunities, and implement actions in line with established transition plan.

Our business model – how we create value





Powering our offerings with secure IoT connectivity

Only by creating trust in our solutions can we deliver on the potential IoT holds for customers and society at large. Our IoT connectivity platform, Link, plays a central role in our ambition to deliver secure IoT solutions, integrating SIM cards into VPN clouds while also offering high level of admin control and scalability. Our objective is to have 75% of all of our managed SIM cards on Link by 2030.

The Link IoT connectivity platform 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 IoT connectivity platform powers our different market offerings. IoT connectivity is also offered as a stand-alone solution to customers seeking to secure the communication of connected devices. 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.

Value chain



AddSecure’s business concept is to develop and offer secure IoT connectivity and solutions. The principle value chain is presented above. The differences between AddSecure’s business units are mainly in terms of materials, suppliers and products, but the different steps in the value chain are the same. Our main risks lie within supply chain (manufacturing of products, transports), product design and use of products.

The Covid pandemic and the last years’ geopolitical activities, notably Russia’s war on Ukraine, have shown us the need for rigid processes to manage and ensure access to components. As a company operation within the area of IoT, and the growing threat posed by cyber attacks, information security is a top priority. This puts imperative demands on our ability to design solutions that are built on the notions of secure information management, and that can withstand cyber related threats when put to use in our customers’ operations.

Stakeholder dialogue and engagement

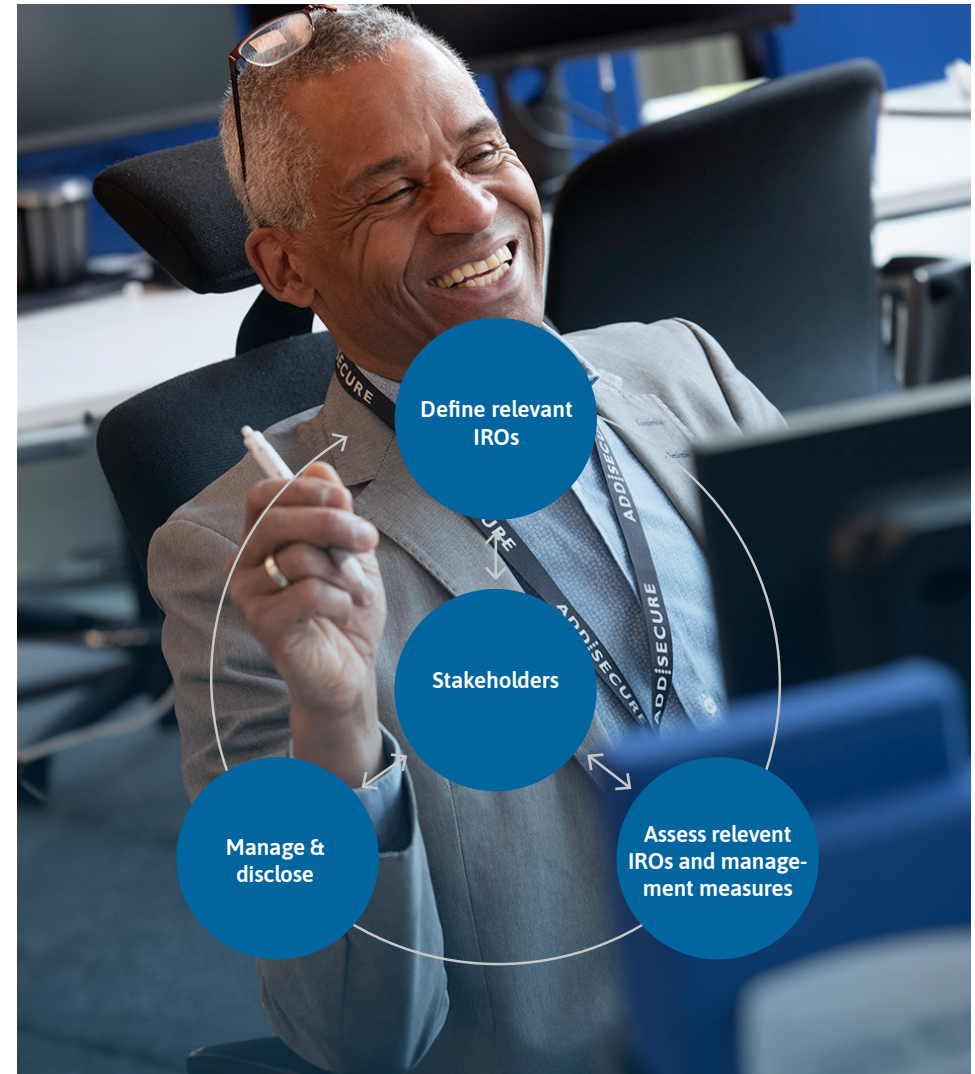
By considering impacts to external stakeholders and ecosystems in addition to those directly affecting the company we can better assess the systematic and longer-term risks that inevitably arise through these impacts.

The stakeholder dialogue is an ongoing process whereby we take into consideration stakeholders' views to identify relevant impacts, risks and opportunities (IROs). Identified IROs (topics, sub-topics and sub-sub-topics) are assessed using a double materiality approach. Depending on the subject matter and target group, stakeholders are invited to the assessment process, and/or to verify the output.

For each material topic, issues have been identified that we work on in order to realize long-term results and values. A risk register is set up including information on how topics are managed and disclosed. Performance is shared to stakeholders using formal reports as well as more informal communication channels (meetings etc).

The matrix below showcases our main stakeholders, our means for engaging with these on a recurring basis, the stakeholders' expectations and requirements as well as the topics that have been identified as most relevant for each stakeholder group.

We use 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 is reviewed annually. For more information on risk management and materiality assessment, see p. 19.



Stakeholder overview

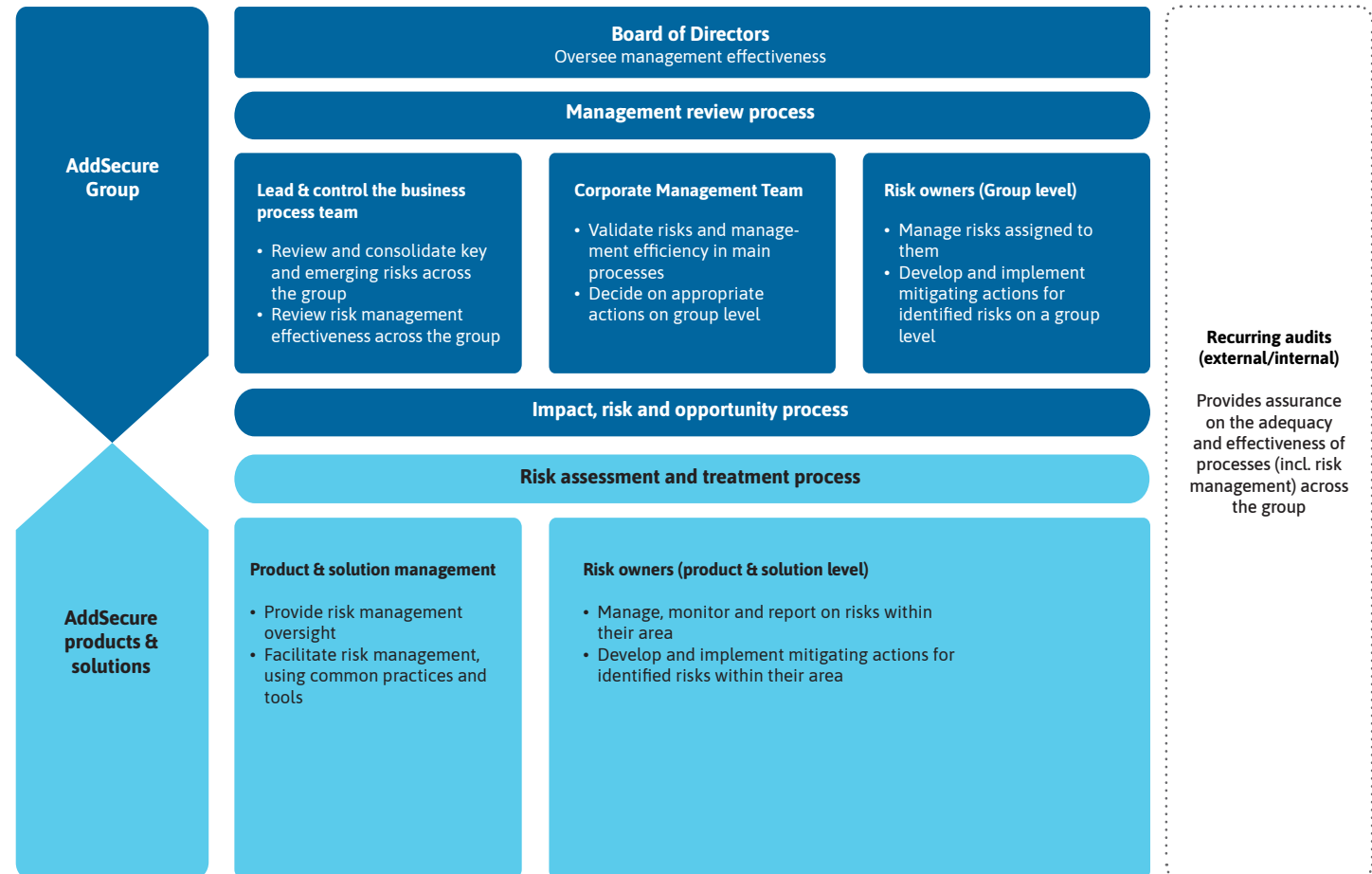
Who	How we engage	Requirements	Expectations	Top 3 topics of specific interest and concern
Customers and end-users	Technical and customer support, sales, surveys, web, media (incl. social media), Requests for information (RFI's)	Quality solutions and delivery on time, protected data	Simple and smooth ordering and installation process, available support when needed	<ul style="list-style-type: none"> • Innovation and development of products & solutions • Management of critical incidents • Management of cyber, data and information security (production)
Current and future employees	GROW meetings, yearly performance review, team meetings, town-halls, all-hands company meetings, intranet, surveys, internal trainings	Remuneration, occupational health & safety	Positive company values and culture, personal development, equal opportunities, compensation and benefits, protected data	<ul style="list-style-type: none"> • Employee satisfaction/health & safety • Innovation and development of products & solutions • Internal communication & information sharing
Investors, shareholders and lenders	Investor meetings, annual and monthly reports, budget and business strategy review	Transparent and adequate information sharing	Achievement of set targets	<ul style="list-style-type: none"> • Sales performance • Employee satisfaction/health & safety • M&A management and integration
Business partners and suppliers, bankers and raters	Joint initiatives, quality meetings, assessments, audits, reporting	Honoring contracts and agreements, legal compliance and adherence to relevant standards and guidelines, protected data	Professional and timely forecasting and ordering, clear requirements, payment on time, responsible, transparent and fair business practices	<ul style="list-style-type: none"> • Management of supply and value chain • Business ethics • Company reporting
Policymakers, communities and general society	Industry association memberships, media (incl. social media), external reports, CSR programs and initiatives	Legal compliance	Responsible, transparent and fair business practices	<ul style="list-style-type: none"> • Business ethics • Management of legal and regulatory requirements • Innovation and development of products and solutions

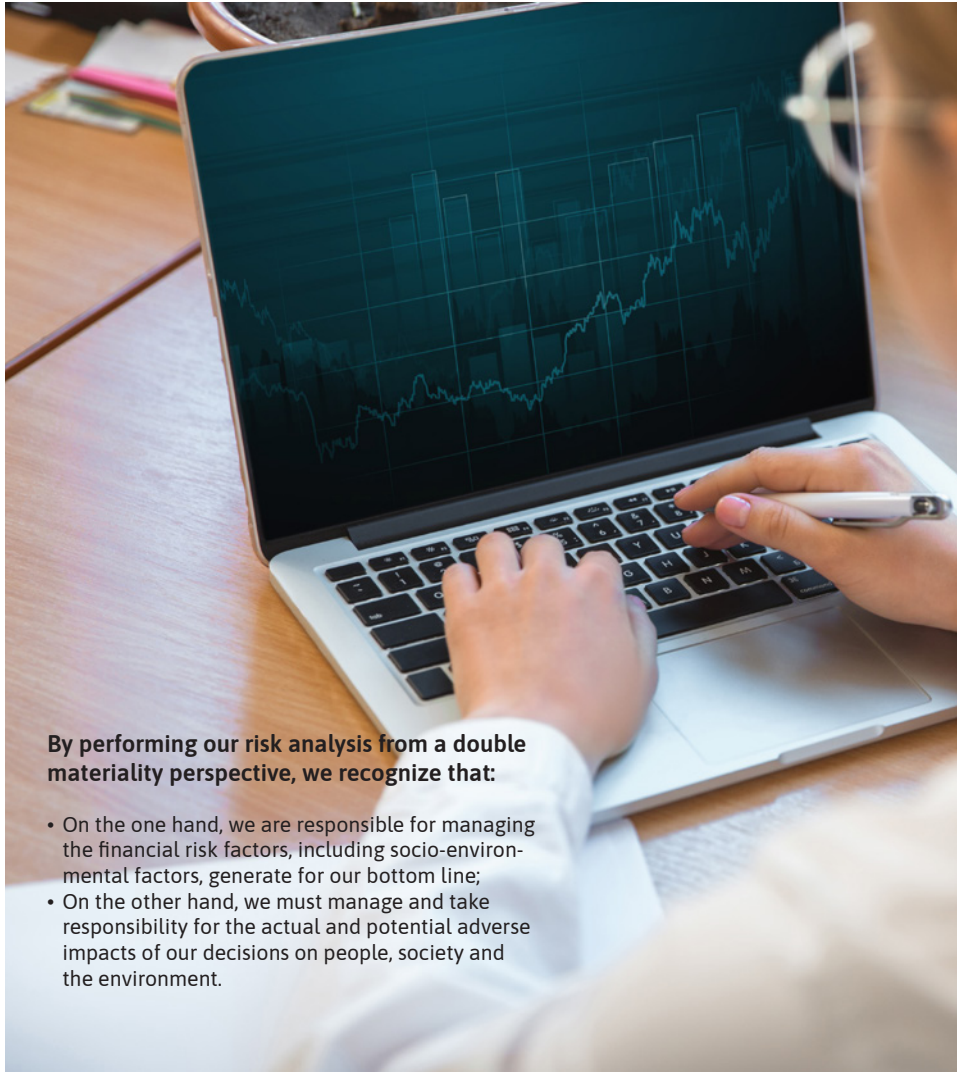
Materiality assessment process

Risk management at AddSecure is about supporting our strategic objectives in the medium term and ensure our endurance in the long term. Our risk management framework is designed to enable a consistent approach to the identification, management and oversight of key risks, allowing a holistic and meaningful comparison of the risks faced and how they are managed across the company.

To identify relevant topics, we analyze macro and market trends in relation to the company's strategic direction. We consult market and industry reports as well as reporting guidelines, benchmark against industry players and sustainability forerunners, and engage with our stakeholders. To assess impacts, risks, and opportunities on group level we use focus groups consisting of internal stakeholders and experts throughout the organization, gathered around five central themes: governance, information security, environment, workforce, and business development and performance. These internal focus groups are tasked to define relevant sub-topics within each theme and assess these with regards to financial and impact materiality, performance, and mitigation measures in place.

The assessed topics are documented in a risk register, mapped to AddSecure's main processes and assigned to an owner





By performing our risk analysis from a double materiality perspective, we recognize that:

- On the one hand, we are responsible for managing the financial risk factors, including socio-environmental factors, generate for our bottom line;
- On the other hand, we must manage and take responsibility for the actual and potential adverse impacts of our decisions on people, society and the environment.

responsible for monitoring and mitigation of the topic/risk. The IRO assessment is up for review in the Corporate Management Team, discussing identified impacts, risks and opportunities, KPI performance, mitigation measures and proposed actions. The management review is presented annually to the Audit Committee and the Board of Directors.

The management review forms the basis for the Corporate Management Team's annual strategy deep dive where main prioritizations for the coming year are made. The management team's strategy review is followed by budget discussions held with group functions and business units' management teams. Once the budget is approved by the Board, the commitment setting process starts on team and individual level. This way we ensure that the strategy stays relevant and takes into consideration the whole company's knowledge base. By letting the strategy review form the basis for the budget and commitment setting procedures, we make certain that there's a clear line between what we want to achieve (strategy), the dedication of resources (budget) and execution (commitments).

Material impacts, risks and opportunities

Operating within the area of IoT connectivity and end-to-end solutions, it comes as no surprise that cyber, data, and information security is identified as a highly material topic, from an impact as well as a financial point of view. Data intrusion, downtime or loss of data, failed GDPR compliance, theft of digital assets,

and lack of security in product design are all managed within the strategic area Secure IoT connectivity and data (see p. 34). The awareness of risks within the supply and value chain (see p. 36) has increased compared to previous years, impacted by the global shortage of components and its bearing on cash flow and the ability to deliver solutions. Upcoming legislations within the area and supplier due diligence (including information security) has further impacted the analysis of risks within the supply chain. For a company offering solutions for customers' critical communications, the ability to manage incidents and service outages is assessed as highly material, not least from a customer point of view (see p. 34 (Secure connectivity and data) and p. 18 (Stakeholder dialogue).

All in all, topics identified as material and included in the annual assessment correspond well to AddSecure's strategic focus areas. For more more information about relevant policies, actions, targets and metrics are to be found in the sections Secure connectivity and data (p. 34), Customer focus (p. 12), and Our workforce (p. 32). See also specific sections on Climate change (p. 25) Resource use and circular economy (p. 30).

Current measures in place to manage risks and opportunities are for most topics deemed efficient. Management measures related to supply chain, cyber security, critical incidents, climate change and GHG emissions, and innovation are deemed to be moderately effective. See each of these topics for more information.

Material aspects

Overview of material topics, sub-topics and related management processes identified in the 2023 double materiality assessment. AddSecure continues to develop its DMA process to align with the ESRS standard.

	Topic	Sub-topic	Related processes	Description
GOVERNANCE	Internal communication and awareness		Lead & control the business, Organize & develop employees	Develop, manage, and use information to support decision making and value creation
	Risk management	Managing critical incidents incl. service outages (business continuity)	Operations of products & services	Identification, evaluation, and prioritization of risks followed by application of resources to minimize, monitor, and control the probability or impact of negative events or to maximize the realization of opportunities
	Management of legal and regulatory environment	New legislation or regulation impacting business	Lead & control the business	Adherence to rules, policies and processes that regulate business practices
		EU/global ESG regulations	Lead & control the business	
		Compliance data protection regulations	Lead & control the business, Operations of products and services	
	Management of supply and value chain	ESG due diligence of suppliers	Manage suppliers & contracts	
		Cost optimization and sourcing	Manage suppliers & contracts	
		Workers in the value chain	Manage suppliers & contracts	
	Business ethics	Respect for human rights and labor rights	Lead & control the business, Manage suppliers & contracts	
		Anti-corruption and bribery, fair competition	Lead & control the business, Manage suppliers & contracts, Organize & develop employees	
INFORMATION SECURITY	Cyber, data and information security	Cyber and information security (production)	Product life cycle management, Operations of products & services	Cyber threats towards production platforms, eg. data intrusion, downtime, loss of data, unlawful/unethical handling of data etc.
		Cyber and information security (corporate IT)	Business system management	Cyber threats towards corporate IT environment, eg data intrusion, downtime, loss of data, unlawful/unethical handling of data etc.
		Data privacy (GDPR)	Business system management, Operations of products and services	
ENVIRONMENT	Climate change	Management of energy and GHG emissions	Lead & control the business, Product life cycle management	Increasing regulations and stakeholder expectations on companies to manage and report GHG emissions and climate mitigation
		Impacts of climate change (on company performance)	Lead & control the business	A changing climate and more frequent severe weather events increase the risk for physical assets, including production platforms, and interrupted logistics/supply chains. Warmer temperatures may lead to safety and health risks impacting the workforce. The need for energy and resource efficient solutions likely to increase, as well as the need for solutions helping customers to manage their climate impact.

	Topic	Sub-topic	Related processes	Description
ENVIRONMENT	Management of resources and components	Access to components	Product life cycle management. Manage suppliers & contracts	Lack of components risk haltering delivery of solutions. Legal and financial responsibility for treatment and disposal of electronic equipment (WEEE), batteries and packaging. Legal responsibility (REACH, RoHs) for use of chemicals and hazardous materials. Circular economy part of upcoming EU legislations, incl the taxonomy, influencing access to "sustainable" funding and reporting.
		Recycling and waste management (in connection to products and devices)		
		Management of water		
		Management of chemicals, hazardous materials and conflict minerals		
HUMAN CAPITAL	Own workforce	Employee satisfaction, health and safety	Organize & develop employees	Expected legislation on representation in BoDs. Diversity key for competence and innovation.
		Diversity and equal opportunities	Organize & develop employees	
		Leadership, culture, competence & talent management	Organize & develop employees	
BUSINESS MODEL & INNOVATION	Financial performance	Currency risk	Finance management	Cost increases and price erosion driven by inflation; impact on customer investments and activity.
		Economic downturn and inflation		
		Interest levels and hedging	Finance management	
	Financial management	Taxation/tax compliance		Financial and non-financial (eg CSRD and EU taxonomy) reporting guidelines keep evolving
		Reporting (quality & compliance)		
	Growth	M&A management and integration	Manage mergers & acquisitions	
		Sales performance	Sell products & services	
	Innovation & development	Legacy & migration	Operations of products & services	
		R&D projects delay	Operations of products & services	
		Customer focus & satisfaction	Sell products & services	
		Business model resilience	Lead & control the business, Sell products & services	
		Innovation for impact	Product life cycle management	
		Performance & quality	Product life cycle management	
		CAPEX spend	Product life cycle management, Finance management	

Governance

Efficient management is crucial for reaching our long-term objectives. To stay close to customers and local markets, we run a partly decentralized organization. While the Board of Directors, the CEO, and the Corporate Management Team hold central functions, Business Unit Presidents are responsible for attaining objectives set within each business unit and manage customer facing processes, operations and R&D. Chief Officers are responsible for managing cross-vertical organizational support and development, set up and manage joint structures (processes, KPIs, business systems, joint services) throughout the group with the aim to achieve synergies and optimize operations.

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 reports directly to the CEO.

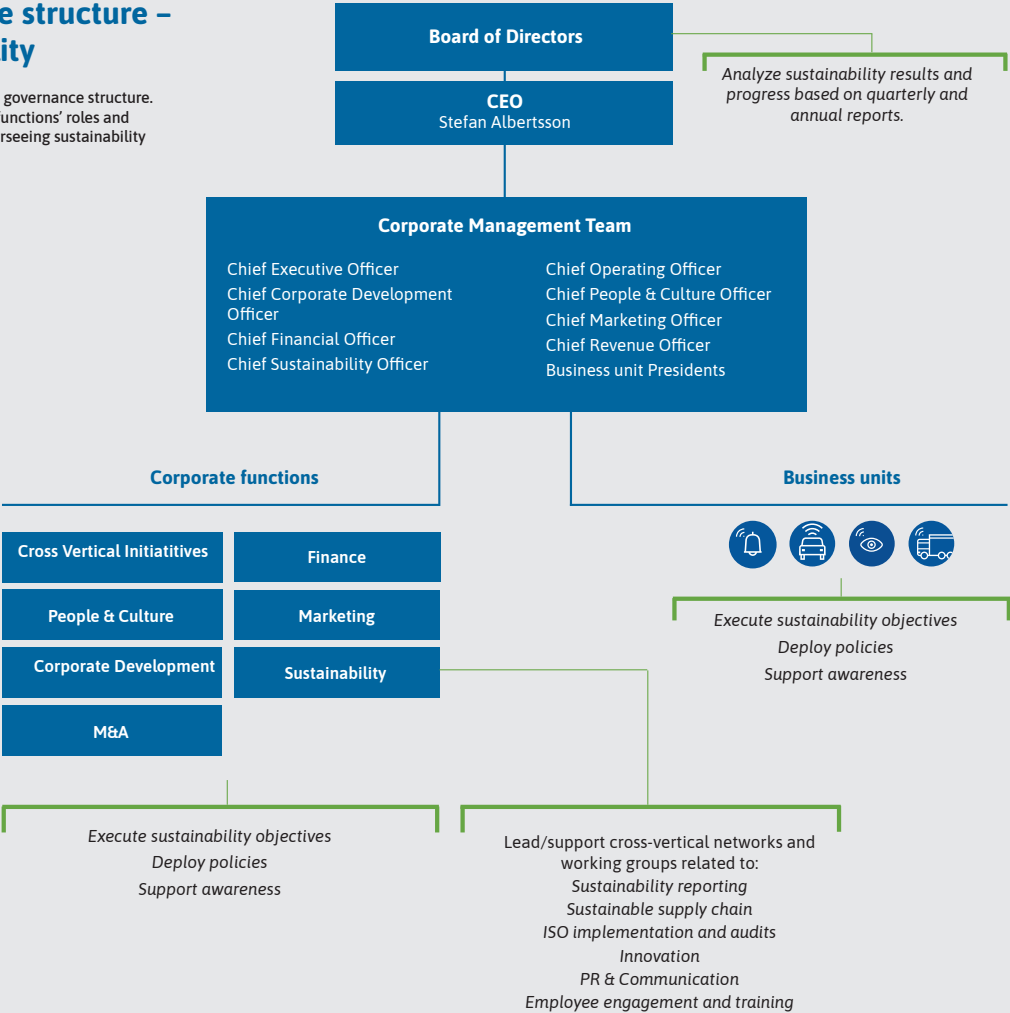
Sustainability related incentive schemes

Non-financial metrics, such as CO₂ emissions, energy use, circular performance and employee satisfaction and commitment, are included in monthly reports to the Board. During 2024, the incentive scheme principles for senior executives, including the CEO and other members of Corporate Management Team, are to be reviewed as to link variable remuneration to material sustainability related impacts, risks and opportunities. Decisions on the design of the incentive programs and the adoption of outcomes are taken by the Board.

RISK MANAGEMENT AND INTERNAL CONTROLS:
The annual risk analysis is part of the double materiality analysis.
See p. 19 for more information.

Governance structure – Sustainability

AddSecure’s corporate governance structure. In *italics* the different functions’ roles and responsibilities for overseeing sustainability processes.





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

Climate change

Governance

The changing climate causes more frequent natural disasters and severe weather events, 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.

To further our understanding of long-term climate related risks and opportunities within the context of a changing climate, we're reporting in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. This means disclosing our climate-related risks and opportunities, following the guidelines set by the TCFD framework. The analysis is structured around TCFD's four pillars, and according to the guidelines stated in the European Sustainability Reporting Standard (ESRS), to meet the requirements of the Corporate Sustainability Reporting Directive (CSRD).

As part of our sustainability framework, climate mitigation and adaptation are governed by the Group's Code of Conduct and Sustainability Policy. Climate related metrics, on group and business unit level, are included in the quarterly and annual reports presented to the Board and the Corporate Management Team. Climate related impacts, risks and opportunities are reviewed in the group's annual materiality and risk assessment, informing decisions on actions to meet our climate related targets.



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.

Strategy

Our carbon strategy stretches over our entire value chain and includes our own direct activities, as well as upstream and downstream activities. Our carbon strategy is based on three pillars.

Measure and disclose

We use dedicated reporting teams and software to gather, analyze and communicate all sustainability and ESG data, including carbon emissions. Our emission data is structured according to the GHG protocol.

Reduce

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

Compensate

We compensate for unavoided emissions through Gold certified climate projects. In 2023, we offset all our 2022 direct (scope 1 and 2) emissions as well as scope 3 emissions related to business travel and employee commuting. Scope 3 emissions are added stepwise to our offsetting program.

In 2024, the carbon strategy is being reviewed as part of the development of a carbon transition plan aligned with the Paris agreement.

Management of climate related impacts, risks and opportunities

Climate-related risks and opportunities have been analysed using SSP1-1.9 for transition risks and opportunities, which meets the Paris Agreement's 1,5°C target. For assessing physical risks, SSP5-8.5 was utilized, which anticipates a 4.4°C or higher increase in average global temperature by 2100. The scenario source used was UN Intergovernmental Panel on Climate Change (IPCC) 2021. Additionally, short-term, medium-term and long-term time horizons were followed when analysing the climate-related risks and opportunities.

The table below outlines the climate-related risks and opportunities that we have identified as most critical to our operations, in a short-, medium- and long-term perspective based on the two scenarios. These are managed by the respective business units and overseen by the Corporate Management Team and respective risk owner.

Physical climate risks have a potential negative impact on AddSecure's operations, such as extreme weather causing interruptions in supply chains and service delivery. However, mitigation measures in place are deemed effective. Material risks and opportunities are rather found within the transition to a low-carbon economy. We already see increasing demands from customers, business partners and financial actors for more detailed information and quality data related to carbon management and strategies. Demands that request dedicated resources to fulfil. However, as our customers are facing similar demands and legal obligations, we see an increasing surge for sustainable digital solutions that can support customers in their quest to optimize operations and lower emissions through automated processes and quality insights.

The findings from the analysis are integrated in AddSecure's annual risk management system and evaluated annually. The identified risks and opportunities are managed as part of our work to ensure that our operations are sustainable, do no harm, and contribute to the vision of creating more opportunities for our clients to mitigate climate change and ensure the Paris Agreement is met.



Climate-related risks and opportunities

Category overview	Risk/opportunity	Likelihood	Magnitude	Duration	Primary potential economic impact	Geography (geospatial coordinates)	Affected assets/business activities	Current mitigation/implementation strategy
Transition risks Potential negative impact of climate change on AddSecure due to the transition to a low-carbon economy.	Changes in customer demands related to climate data and solutions for lower emissions may call for additional resources for product development to keep competitive edge.	Possible	Critical	N/A	Higher direct costs, reduced revenue	All operations	Group-wide effects	Insufficient
	Additional costs related to compliance for new regulations and sustainability frameworks.	Likely	Low	N/A	Higher direct costs	All operations	Group-wide effects	Effective
Physical risks Potential negative impact of climate change on AddSecure due to physical effects of climate change	Disruption in service delivery due to climate pattern changes and extreme weather events affecting stable electricity, internet supply, office spaces, critical network infrastructure and components, warehouses, etc.	Possible	Critical	Months	Higher indirect costs	All operations	Group-wide effects	Effective
Opportunities Potential positive impact on an organization related to climate change.	Increased demand for greener IoT solutions for sustainable digitalization to facilitate the transition for AddSecure's customers.	Very likely	High	Sustained	Increased revenue	All operations	Group-wide effects	Moderate
	Increased lifespan of purchased products. Increased share of recycled products. Use of low-emission energy sources.	Likely	Moderate	Sustained	Lower indirect costs, reduced emissions	All operations	Group-wide effects	Effective

Metrics and targets

Our goal is to lower our direct emissions with 40% by 2030 (compared to 2021), in line with the Paris agreement’s 1.5 degree target. We continuously working to improve scope 3 data, with regards to quality as well as scope, with the ambition to also set scope 3 target(s) aligned with the Paris agreement.

About the data

The 2023 tCO₂ emissions have been accounted for using DEFRA Carbon Emissions Conversion Factors. Activity data related to scope 1 and 2 emissions are deemed complete. Scope 3 emissions include GHG emission categories purchased goods and services (data storage), transport and logistics (upstream/downstream), leased premises, business travel and employee commuting. Data quality remains an important challenge, especially so concerning indirect (scope 3) emissions. Scope 3 data suffers from important cavities, mainly due to incomplete data and uncertainties concerning methodologies. This makes year on year comparisons beyond scope 1 and 2 far from straight forward.

During 2024 we’ll be working to address data gaps, primarily related to data coverage, but also introducing new subcategories, not least within purchased goods. This in order to get a fuller picture of AddSecure’s carbon impact.

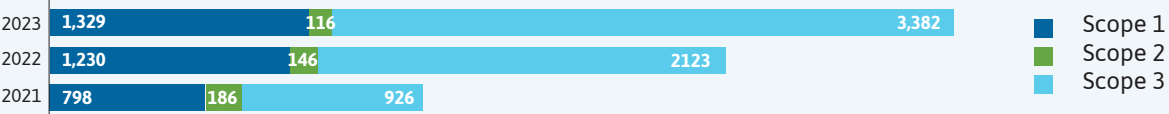
Progress and insights

In comparison to 2022, total 2023 emissions increased with 38%. This is mainly due to one company aquired company being added to the carbon reporting (as of H2), additional subcategories being included e.g. purchased IT equipment and business travel with private vehicles), as well as more partners providing requested data (foremost related to data storage and transports).

Performance

	2023	2022*	2021**
Total emissions (tCO ₂ e)	4,828	3,499	1,910
GHG intensity***	0.000024	0.000021	0.000011
Emissions per capita****	5.40	4.19	2.23
GHG removals	0	0	0
Tonnes offset (tCO ₂ e) *****		1,741	935
Total non-transport related kWh	609,161	714,185	881,747
Share renewable electricity of total purchased electricity	82.8%	77%	72%

Emissions per scope (tCO₂e)

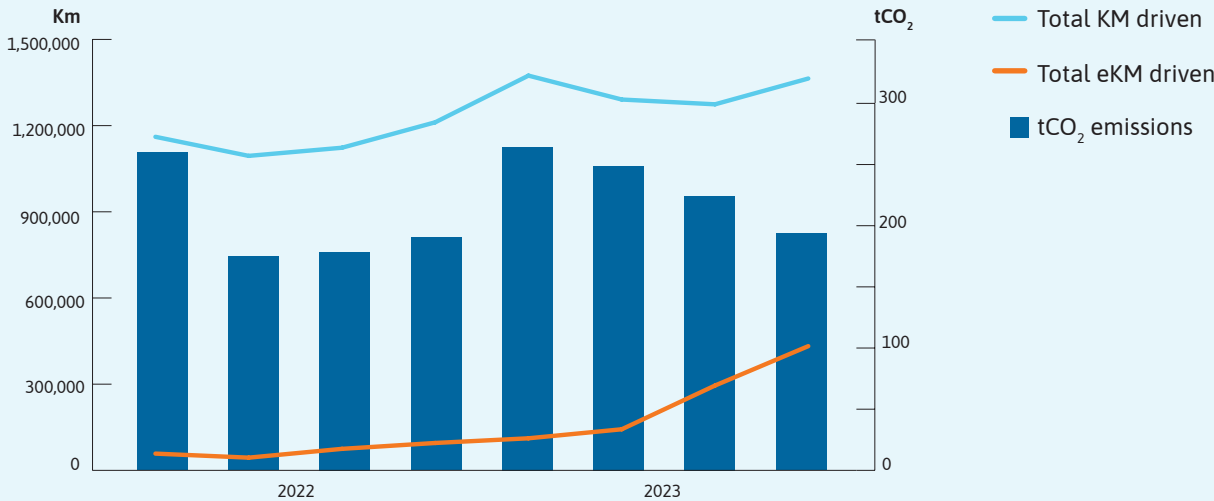


* market based (total location based emissions 1811 tCO₂e).
** 2021 results updated to align with 2022 accounting methodology
*** total emissions /total revenue (tCO₂e/€)
**** total emissions/FTE (tCO₂e/FTE)
***** offsetting being reviewed as part of overall carbon strategy review

Direct emissions increased in comparison to 2022 with 5%, putting us behind the target trajectory to lower direct emissions with 40% by 2030 compared to 2021. However, in H2 car related tCO₂ emissions (which stand for 70% of our direct emissions) started to fall as more electric vehicles were deployed. At year end, electric vehicles constituted 18,5% of total kilometers travelled, to be compared to 5,9% in 2022. Moreover, emissions from purchased energy decreased with 21%. This due to more efficient energy use (kWh used went down with 10% in 2023) and an increased share of renewable purchased electricity (up from 77% in 2022 to 83% in 2023).



AddSecure tCO₂ emissions related to company vehicles



Water and marine resources

AddSecure has recognized water as a material environmental aspect in the context of data storage and cloud services. We're working to establish proper governance structure to manage this area.

Resource use and circular economy

Governance

We operate a subscription-based business model with a high share of recurring revenue (>70%) for predictable and stable revenue over time. Our business model is asset-light and instrumental to our ability to grow long-term customer relations and secure profitability and growth, even during last years' turmoil in terms of economic downturn and growing resource constraints. Examples of circular principles such as virtualization, sharing, and looping are already to be found within our offerings. "Creating more value out of less product" is set as a strategic focus and part of the of the overall business strategy and the M&A process. By working for a smarter use of resources we expect to lower our environmental impact while also cutting costs of produced goods and improve risk management in our supply chain.

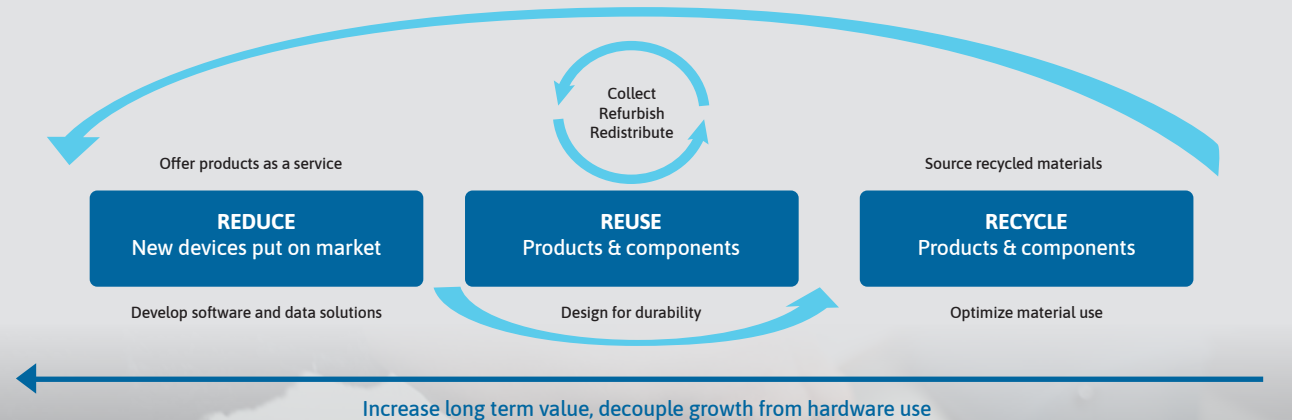
During 2022, we've initiated a company-wide project to improve our ability to track and manage product streams and to fulfil our producer responsibility on markets we serve. We've continued to develop our strategy on group level, introducing joint KPIs in monthly management reports that connect to the business rationale and reflect our ability to make more value out of less product.

Strategy

Waste of electrical and electronic devices is one of the world's fastest growing waste streams, while production of modern electronics requires the use of often scarce and expensive resources. In the last few years, we've seen the

CREATING MORE VALUE OUT OF LESS PRODUCT

AddSecure's strategy for optimized use of resources



Picture from Finland where AddSecure has a partnership with the non-profit organization Väylä ry. Väylä ry advocates for better employment opportunities and conditions for individuals with intellectual disabilities, providing them with professional roles tailored to their strengths. The collaboration will see to that approximately 90% of all of AddSecure's safety devices – such as phones and watches – are being recycled.

shortage of components grow in importance, posing an increasing risk to business operations.

Service-based profit models are recognized as key for society’s transition into circular economy and for businesses that must handle growing resource constraints and shifting consumer attitudes towards ownership and consumption. By keeping the ownership of physical products, companies are able to apply offerings where products are shared, rented, upgraded and reused, allowing for recurring revenue that’s disconnected from the hardware life-cycle and that’s subject to low customer churn.

Metrics and targets

As a consequence of the ongoing technology shift and customer migrating from 2G/3G to 4G/5G networks, sales of hardware (e.g. alarm transmitters) increased, decreasing non-material creation and share of recurring revenue. The 2G/3G sunseting is expected to have a continued impact on our business until at least 2027 when the copper networks are expected to be shut down.

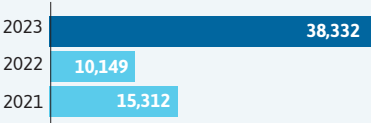
Due to issues in our ERP system, Q4 2023 data for products put on market, collected, redistributed and recycled are surrounded by a great deal of uncertainties. Figures are investigated further and therefor left uncommmented here. During 2024 a new ERP system for central warehousing is put into place that will improve data quality and insights to product streams, from manufacturing to customer delivery, take-back and redistribution.

Moving forward we continue to work on increasing internal awareness and understanding of circular business performance and how this is supporting bottom line results. We continue to set up and improve processes to ensure that producer responsibility is met within different geographies and legal entities. We are also looking to introduce additional to metrics related to resource inflows and outflows as to align with the ESRS standard.

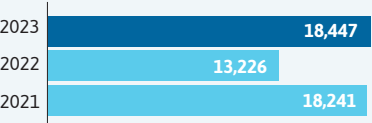
Performance

	2023	2022	2021
Non-material value creation (%)*	5.1	5.7	5.2
Recurring revenue (%)	76.8	77.3	77.3
Ratio redistributed/new products	0.10	0.13	0.18
Products put on market	177,982	101,497	99,853

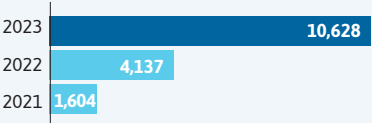
Products collected



Products redistributed



Products recycled



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



After several decades in service, the phasing out of 2G and 3G in favor of 4G and 5G is well underway across Europe. Companies relying on 2G and 3G networks need to replace old transmitters and make sure connected devices are compliant with 4G and 5G networks to avoid disruptions in their operations. This is particularly important for equipment used within alarms transmission and other critical communications.

Own workforce

Governance

People & Culture is a group function, tasked to ensure adequate workforce related processes and to build a strong company culture. P&C is responsible for the overall work environment, including monitoring, and wellness measures. Respective managers are responsible for reviewing employees' work situations. All AddSecure employees are covered by the systematic work environment agenda, managed by P&C.

We use pulse surveys to monitor issues related to our workplace and culture, including commitment, equal opportunities, freedom of harassment and satisfaction. We train all our leaders in using the tool to develop their teams, their own leadership and to address issues of concern early on. This way, employees are given the opportunity to share thoughts and comments on a recurring basis. For those who want to ensure absolute anonymity we have established a third party operated whistle blower system, creating a safe environment where employees (and stakeholders outside AddSecure) can share information about issues they believe are not in line with company policy and culture.

Having geographically, structurally, and culturally diverse teams with different areas of responsibilities, our leaders are crucial to relay common values and goals. To support our leaders as "ambassadors" we operate a mandatory leaders program including aspects such as managing diverse and remote teams, dilemmas, culture etc. Culture forms an integral part of the annual, global pay review where "behaviour" and "living our values" are integrated in the performance assessment. Employee engagement and commitment



(eNPS) is a central target and part of the KPIs used for BoD reporting and business reviews.

Strategy

Our people strategy recognizes our need for individuals with high levels of self-leadership and individual drive, with a joint vision and sense of purpose. With growth being a defining feature of the AddSecure journey, our culture plays a significant role in welcoming colleagues to the group. Building "one company, one culture" is a significant part of the company strategy. Our employee proposition underlines IoT's potential to contribute to society's sustainable transformation, inviting our co-workers to a workplace where they can "be themselves, make a difference and have fun". Seeing diversity as key for innovation 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 several key indicators.

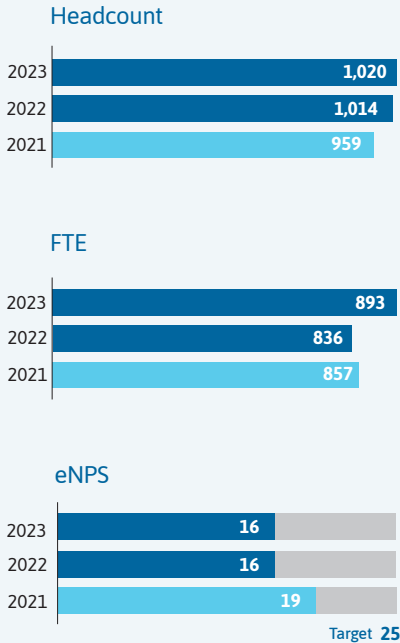


AddSecure is the obvious choice for those who want to shape their career in an international and dynamic environment. With a strong focus on secure IoT and tech solutions, the company has created a workplace where competence and commitment are at the center. Here you are given the opportunity to be part of an organization that takes sustainability seriously and strives to create a safer, smarter, and more sustainable future for society. With a culture characterized by collaboration and constant development, AddSecure is an attractive employer that gives you the space to be yourself, grow and make a positive impact in a world that is becoming increasingly connected.

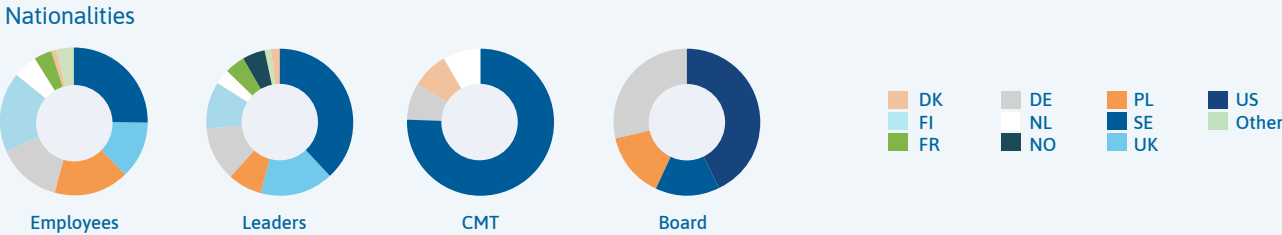
Patrik Wigton, Karriärföretagen



Metrics and targets



	2023	2022	2021	Goal
Diversity				
Gender distribution (% women/men/non-binary)	31/68/1	32/68	33/67	
Board	14/86	14/86	25/75	40/60 ratio
CMT	25/75	25/75	29/71	40/60 ratio
Leaders	28/71/1	26/74	30/70	40/60 ratio
Employees	31/68/1	32/68	32/68	40/60 ratio
Gender equality (women)*	0.9	0.8	0.9	1.0
Average age (women/men)	39/44	39/42	39/42	-
Great place to work				
Personnel turnover	1.3	2.3	1.5	-
No of employees per manager	16.8	12.1	12.7	-



*Number of female/male managers in relation to number of female/male employees

Secure IoT connectivity and data

Cyber threats seeking to damage data, steal digital assets, or disrupt digital life in general, are constantly evolving. Operating in the space of the connected world, creating trust in our solutions is fundamental. Only by creating trust in our solutions can we deliver on the potential IoT holds for customers and society at large.

Governance

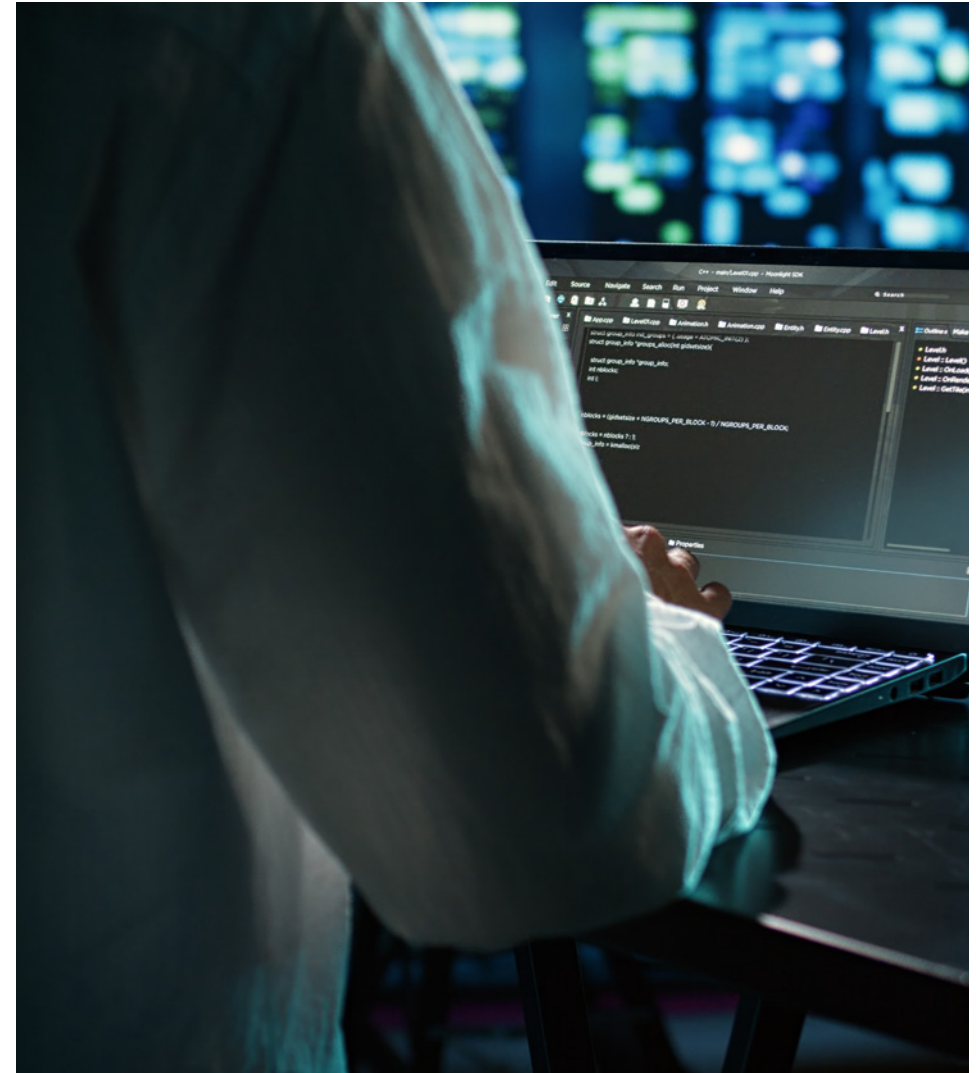
Throughout 2023, the AddSecure Group worked towards an ISO/IEC 27001:2022 certification for the entire Smart Alarms business unit's operations across Europe and all corporate functions within the group. This was the first step towards a group-wide certification against the new cybersecurity and privacy protection version of the ISO 27001 standard.

The ISO 27001 framework provides a systematic approach to managing sensitive company information, ensuring its confidentiality, integrity, and availability within AddSecure's Management System. ISO 27001 ensures that adequate security controls are in place to protect information from corruption or loss and establishes robust procedures to prevent data security breaches and theft, as well as identifying, controlling, and

managing risks to the security of information assets. The operational work is based on the Addsecure Security Framework governed by the Information Security Forum tightly connected to our Management System.

Strategy

In response to the growing threat landscape, we seek to install a proactive approach to cybersecurity. Offensive testing, encompassing real-time defense mechanisms and robust tech barriers (including our own Link platform, see p. 16) are applied to fortify our defenses against cyber threats. We recognize the role of human error in perpetuating cyber breaches. A significant portion of corporate data breaches stems from employee mistakes or malicious intent. Phishing scams, malware downloads, weak passwords, and negligence toward security protocols contribute to breaches,





highlighting the urgent need for enhanced cybersecurity awareness among our workforce. To this end we have implemented a digital training program consisting of micro trainings and attack simulations. The training program targets all employees and is followed up in a regular basis.

Our IoT connectivity platform, Link, plays a central role in our ambition to deliver secure IoT solutions, integrating SIM cards into VPN clouds while also offering a high level of admin control and scalability. Our objective is to have 75% of all managed SIM cards on Link by 2030. Acquired SIMs are continuously onboarded to Link, with business units having it as part of their annual commitments (balancing added value with migration costs). Moreover, we’re investing heavily in our information management system with the objective to extend current ISO 27001 certifications to all business units and products in 2025, seeing it as an important tool (together with the 9001 and 14001 certificates we hold) to streamline our way of working as well as a differentiator in sales and customer relations.

Metrics and targets

As part of our work towards achieving an ISO 27001 certification for AddSecure’s information security management system, we reviewed objectives and targets on group level.

Performance

Connected devices with managed services using SIM connectivity on Link

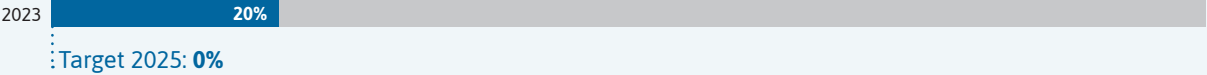


Employee security awareness

High awareness



Low awareness



Mirroring our ambition to secure IoT communications – making the connected world a safer place – we’ve set an ambitious growth target for the number of connected devices with managed services using our Link IoT connectivity platform. From 13% at the end of 2023 to 50% in 2025 and 75% by 2030. During 2024 we’re working with the business units to integrate the target in the units’ business plans and commitments.

Whether it’s a man-in-the-middle attack over Wi-Fi, a social engineering scam or something else, humans are

inadvertently involved in most data breaches. In fact 74% of incidents include some human element, such as clicking on a phishing link. At AddSecure we have therefor made employee security awareness a priority. We have introduced a training program on group level, containing micro trainings and attack simulations. Our target is to make sure that the majority (75%) of our co-workers have a high awareness, with no one with a lower than median awareness. During 2024 we’re working to relay the targets to our leaders, including them in the commitment making process.

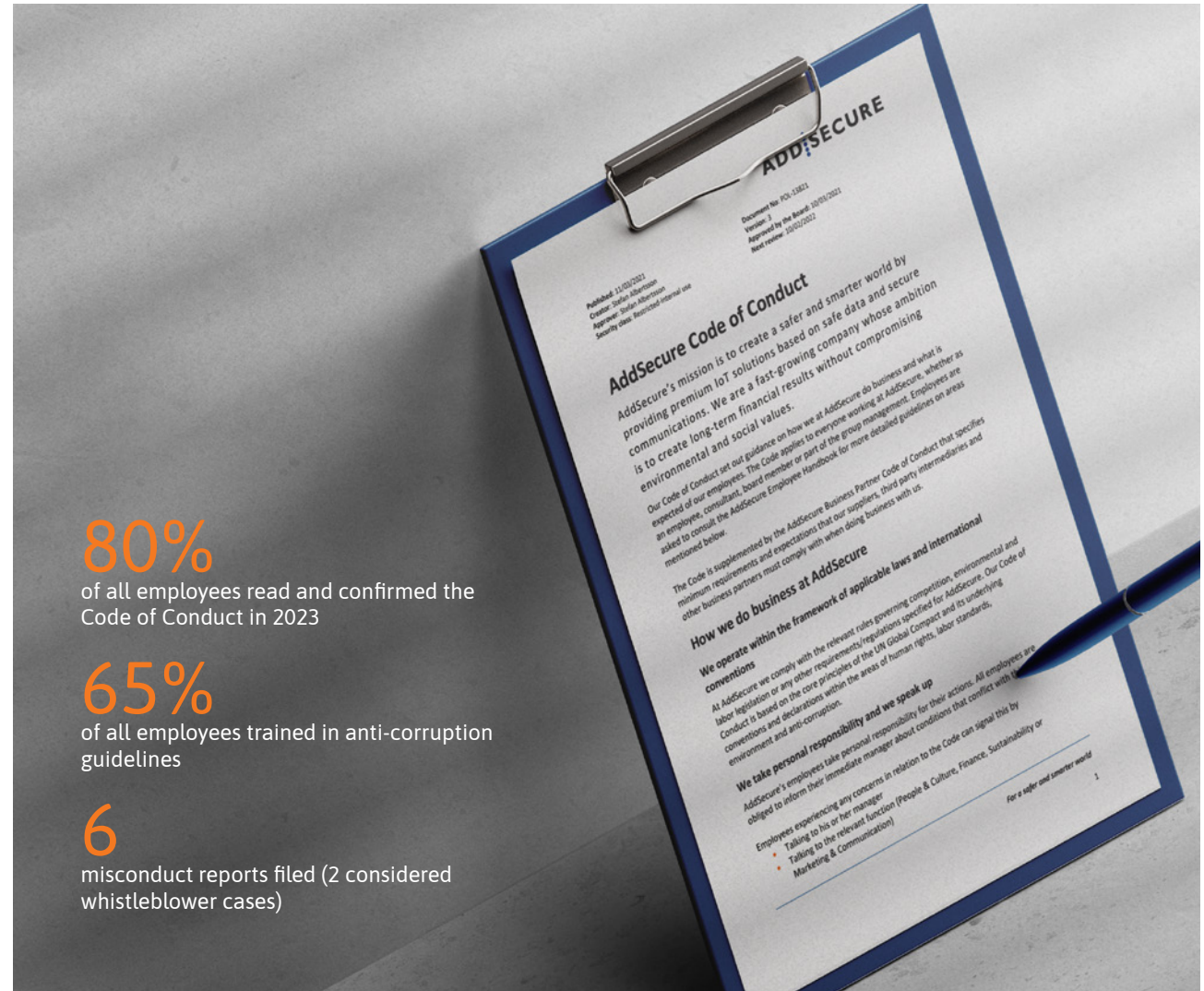
Business conduct

Governance

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. All new employees are introduced to our business principles in connection with the onboarding process. All employees receive regular training in our fair business practices and anti-corruption guidelines. We offer 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.

Strategy

AddSecure works with its supply chain to implement a shared commitment to sustainability. Our Human Rights and Labor Practices are developed to comply with legal requirements relating to enterprises’ transparency and work on fundamental human rights and decent working conditions, including the Transparency Act (Åpenhetsloven) and the upcoming EU directive CS3D. We structure our work by following the six steps and supporting measures set forth in the OECD Due Diligence.



80%

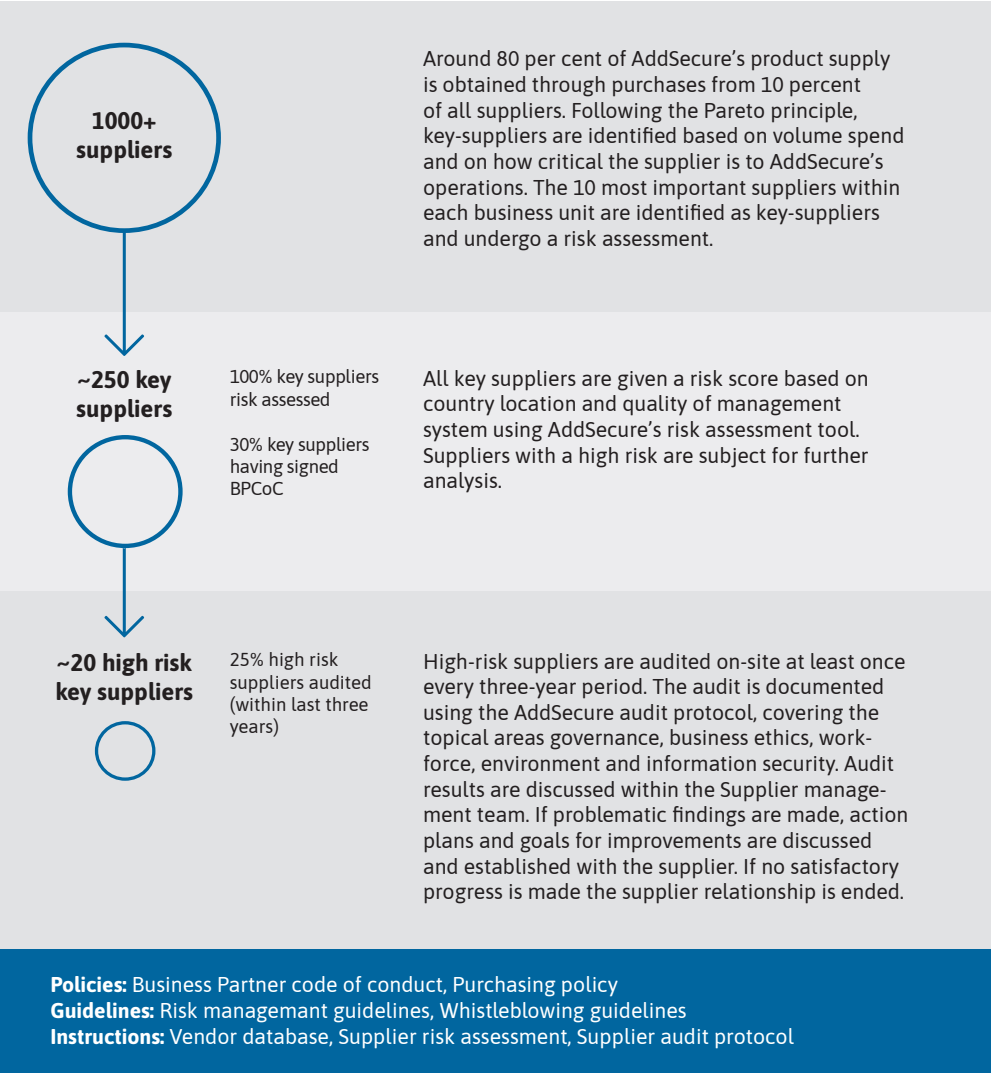
of all employees read and confirmed the Code of Conduct in 2023


65%

of all employees trained in anti-corruption guidelines

6

misconduct reports filed (2 considered whistleblower cases)



An aerial photograph of the Øresund Bridge, a long cable-stayed bridge spanning a body of water. The bridge's two tall, slender pylons are the central focus, with numerous stay cables fanning out to support the deck. The bridge is silhouetted against a vibrant orange and yellow sunset sky. Below the bridge, a dense forest of green trees is visible, and in the distance, a cityscape with various buildings and a large stadium can be seen.

ADD:SECURE

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