



Asetek

SUSTAINABILITY REPORT

FISCAL YEAR 2021



Asetek A/S

Assensvej 2
DK-9220 Aalborg East
Denmark

Phone: +45 9645 0047
Fax: +45 9645 0048
Web: www.asetek.com
Mail: info@asetek.com

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This report provides a status on Asetek's work on Corporate Social Responsibility (CSR) for the fiscal year of 2021, covering the period from January 1st 2021 to December 31st 2021.

The report is part of the management commentary section in Asetek's 2021 annual report as stated in section 99a, 99b and 99d of the Danish Financial Statements Act, through which Denmark has implemented Directive 2014/95/EU on non-financial reporting.

Find the report here: <https://ir.asetek.com/reports-and-presentations/annual-reports>

We welcome feedback, including suggestions, comments, and questions.

Please direct any feedback to Peter Dam Madsen, CFO at Asetek, at pdm@asetek.com or tel. (+45) 20 80 72 00.

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CEO STATEMENT

DEAR READER,

For us at Asetek, 2021 was an extremely busy. A year, which brought us significant changes in our business with the opening of a new, promising business area and the gradual scaling back of another.

2021 was also a year where we continued our committed work in the sustainability area. One year ago, we launched a whole new sustainability framework. At this point, we are entering into a phase of continued evolution and impact rather than foundation building.

Among the activities carried out during 2021, I would like to mention our first human rights impact assessment; following a commonly acknowledged methodology. We believe that if we adhere to a methodology, where we are transparent about our own impact, in exchange, we can expect an equal level of transparency at other levels of the supply chain from end to end. This exercise plays well into our activities around responsible business relations where we have now received confirmations from over 95% of our top-50 component suppliers, that they understand and acknowledge our code of conduct.

We have also been doing high level life cycle analysis on our products to gain better insights into their impact on the world around us. This work has laid the foundation for us to begin work at a detailed level with specific products and their subcomponents. In the years to come, our product development efforts will naturally incorporate intelligence around reusability of raw ma-

terials and less negative impact on scarce resources.

The Asetek SimSports business segment is a new venture for Asetek. Not only are we working with a new palette of product types and component suppliers; we are also working with end-user interaction at a much more sophisticated level than ever before. The way we approach sustainability as a business concept has had a role to play in all the deliberations made during the launch phase of the new business model.

We clearly see our investors' focus on ESG performance increase these years. In response, we are upping our game in terms of structure and reporting. And we communicate actively with various rating firms to aim our measurements and communication even better.

Thank you for your interest in Asetek,



André Sloth Eriksen
CEO and founder



2021 SELECTED HIGHLIGHTS

In 2021, Asetek has:

- // Reached an all-time high on product performance in terms of energy efficiency
- // Continued efforts to implement our sustainability strategy
- // Analyzed product material use as part of Life-cycle Assessment
- // Continued implementing our policy commitments
- // Conducted our first Human Rights risk assessment
- // Trained our sales force in anti-corruption practices
- // Improved ESG data management
- // Improved our overall ESG rating since we working systematically with sustainability
- // Conducted first sustainability strategy review

2021 Selected Financial Key Figures

Category	2021	2020	2019	2018	2017
Comprehensive Income (\$000's)					
Revenue	79,803	72,750	54,334	67,314	58,194
Income before tax	1,397	9,426	1,454	4,870	1,499
Ratios & Metrics					
Organic growth	9.7%	33.9%	-19.3%	15.7%	14.3%
Share price (NOK)	41,00	108,80	31,00	40,60	105,00
Market capitalization (\$000's)	119,825	323,054	90,205	119,083	322,972
Business Drivers					
Sealed loop units shipped (000's)	1,386	1,201	895	1,119	1,020
Revenue per employee (\$000's)	528	661	560	709	626
Number of employees	151	110	97	95	93
Balance Sheet (\$000's)					
Total assets	75,413	71,393	54,105	51,398	49,176
Total equity	48,668	47,525	39,008	38,958	33,394
Investment in property, plant and equipment, net	11,732	7,049	6,115	4,103	3,856
Investment in intangible assets, net	10,938	3,217	1,920	2,414	2,754

OUR BUSINESS EXPLAINED

A GLOBAL LEADER

Founded in 2000, Asetek is headquartered in Denmark and has operations in California, Texas, China and Taiwan.

Today, Asetek is a global leader in liquid cooling solutions for computer hardware enthusiasts, gamers, servers, and data centers. Asetek's products enable increased performance and provide lower acoustic noise, power savings and improved efficiency when compared with traditional air cooling.

Asetek's Gaming and Enthusiast products are all-in-one coolers that provide reliable, maintenance-free liquid cooling to gaming and high-performance PC customers. Through the use of circulating liquid, which by nature is a much stronger heat capacitor than air, Asetek's products provide significantly higher cooling per consumed wattage than competing products based on air cooling. At scale, our technology enables our customers to significantly reduce energy and mitigate climate change.

Our data center products offer direct-to-chip liquid cooling solutions to OEM (Original Equipment Manufacturers) customers for delivery of cost effective high performance data center solutions. These products can reduce the consumption of electrical power in data centers by up to 50%, and may in addition offer recapture of waste heat in the form of hot water, which can be used for subsequent heating of buildings, etc.

With over nine million liquid cooling units deployed, Asetek's patented technology is being adopted by a growing portfolio of OEMs and channel partners.

In 2021 Asetek decided to exit the High-Performance Computing (HPC) niche of the data center segment. Scalability was an issue in this sub-segment, and so we decided to prioritize the general data center market going forward.

REVOLUTIONIZING THE SIMRACING MARKET

In 2021, Asetek expanded into the rapidly growing Sim-Sports Gaming market, unveiling our initial sim racing products designed to give sim racers full immersion and the feel of a real racecar. We believe our sim racing pedals will excite and immerse sim racers like nothing else on the market.

GLOBAL OPERATIONS

Asetek's business model begins with its R&D team and technology labs based in Aalborg, Denmark, which manage collaboration with the Asetek's global customer base to define requirements and develop cutting edge technology. The Aalborg team works closely with the R&D team in Xiamen, China, to identify the optimal sources for the necessary components to fulfill specific customer requirements.

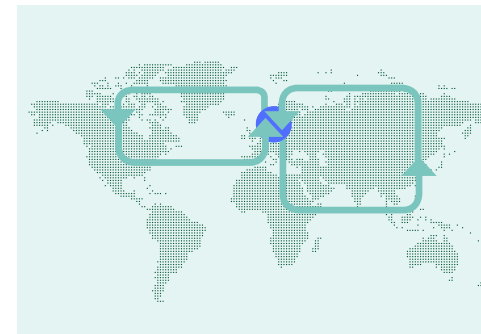
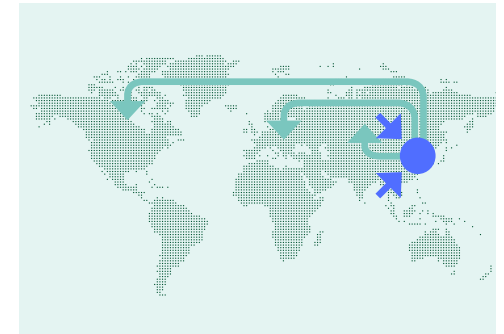
The sales and product management teams, based principally in USA and Taiwan, oversee customer relationships to facilitate communication and development, ensuring the developed product meets or exceeds customer demands.

The flow of physical products generally commences throughout Asia. Asetek's manufacturing and logistics team in Xiamen, China, evaluates and sources components and suppliers for the finished product to be assembled

by the Asetek's principal contract manufacturer based in Xiamen. Asetek only has a contractual relationship with the tier-1 contract manufacturer but carries out qualitative evaluations and oversight of the suppliers further up the value stream. Finished products are delivered directly to customer hubs in China, with smaller quantities shipped to Europe and USA. Lower volume, highly complex data center products and components are manufactured in Asetek's own plant in Aalborg.

A sizeable quality team is divided in two groups: one in Denmark and one in Xiamen. Their main focus is to ensure cradle-to-grave control over all aspects of quality and compliance with a growing number of regulated parameters.

The first of Asetek's innovative racing simulator gear, the premium performance Invicta sim racing products, includes a throttle and brake pedal, and as an add-on, a clutch pedal, along with intuitive RaceHub™ software for quick and easy adjustments and calibration. In 2022, Asetek will continue working on establishing the product value chain of these components and start delivering to customers.

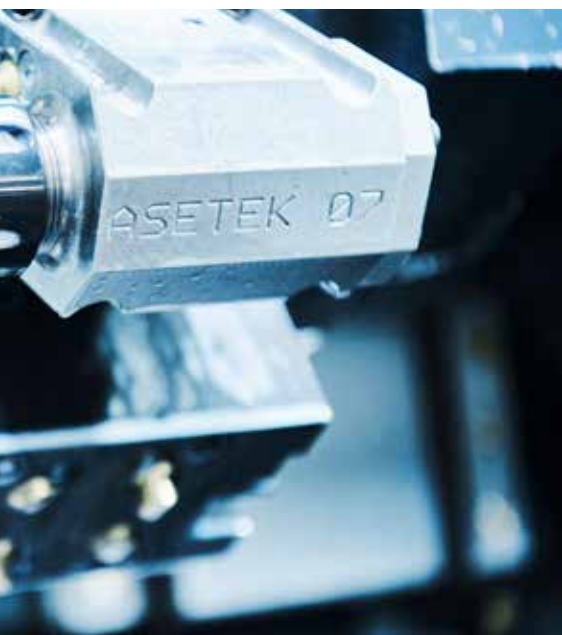


OUR COMMITMENT AND STRATEGY

OUR STRATEGIC SUSTAINABILITY FRAMEWORK

In the Spring of 2020, we concluded Asetek's first comprehensive sustainability strategy which runs until end of 2023.

Asetek's Strategic Sustainability Framework outlines our general commitment to sustainable development and how it is supported by a number of strategic focus areas and overall ambitions for addressing our material topics. The framework also forms the structure of the following report chapters.



OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT	AS THE GLOBAL LEADER IN HIGH PERFORMANCE LIQUID COOLING AND SIMSPORTS SOLUTIONS FOR GAMERS, ENTHUSIASTS, AND DATA CENTER OPERATORS, ASETEK IS COMMITTED TO PROVIDING CUTTING EDGE TECHNOLOGY THAT RESPONDS TO THE CHALLENGES OF THE WORLD AND PROMOTES SUSTAINABLE DEVELOPMENT			
OUR CORE STRATEGIC FOCUS AREAS	OUR PRODUCTS AND OPERATIONS	OUR ROLE IN SOCIETY	OUR PEOPLE	OUR BUSINESS PARTNERS
OUR AMBITIONS	Responsible Products Minimize the environmental and climate impact of our products by developing responsible liquid cooling and SimSports solutions Responsible operations Walking the talk by mitigating adverse environmental impacts of our operations and working towards climate neutrality	Working for a Greener Future Engage with key external stakeholders and lobby for a greener future Protecting Business Integrity Promote transparency and prevent corruption Being a Good Corporate Citizen Foster strong local communities through engagement and sponsorships with end-users	Promoting Human Potential and diversity Ensure healthy, fair, and safe working conditions for all people in Asetek Promote inclusive and effective learning and working environments to inspire skills and potentials of all employees Promote diversity among all employees and management	Fostering Responsible Business Relationships Ensure that Asetek's business relationships, including suppliers and partners, demonstrate responsible business conduct Act against the use of conflict minerals
OUR FOUNDATION	ASETEK'S SUSTAINABILITY POLICY FRAMEWORK			
	OUR VALUES			

OUR MATERIAL CSR ISSUES AND STAKEHOLDERS

It is central to our goals and efforts that we continuously address the topics that are most relevant to Asetek and our surrounding business environment and society. Our most recent materiality assessment from Spring 2020 identified 25 topics. Among these are topics about climate, product design, suppliers, human rights

and lobbying among the most relevant.

Our stakeholder analysis is primarily aimed at creating a good foundation for ensuring that our goals and actions cover the requirements and desires of our internal and external stakeholders in the best possible way. Our most significant stakeholders are owners, customers, the board of directors, employees, the EU and politi-

cians. In 2022, we will revisit the stakeholder analysis as we embark on engaging directly with B2C customers as part of our SimSports business.

OVERVIEW OF OUR MATERIAL ISSUES

CATEGORY	TOPIC						
Society	Responsible purchasing	Conflict metals	Local engagement	Anti-corruption	Human Rights		
Finance	Responsible sales	CSR data and reporting	Sustainability communication	CSR compliance	Lobbying	Tax matters	CSR organisation
Environment	CO2 emissions	Energy consumption	Waste	Packaging			
Products	Product design	Hazardous substances	Safe end-of-use disposal	Product information	Design	Hazardous substances	
Employees	Employee satisfaction	Diversity	Discrimination	Training	Stress		

Based on the preceding analyses and identification of 25 identified CSR and ESG topics, we decided to prioritize seven material topics for Asetek to work on in the period 2020-2023.

OVERVIEW OF OUR MOST MATERIAL ISSUES

MATERIAL TOPIC	ABOUT	READ MORE ON PAGE
Responsible purchasing	...Ensuring that that our work on responsible purchasing is at least equal to standard practice in the area, globally recognized principles, and advisory industry standards	XX
CSR data and reporting	... Ensuring effective and systematic CSR and ESG data management and continuous reporting on our development and actual results to our primary stakeholders	XX
Lobbying	... Conducting responsible lobbying in our mission to change the rules of the game in the market for cooling solutions	XX
CSR communication (internal and external)	... Increasing our CSR and ESG communications efforts internally and externally to improve transparency, awareness, knowledge, and initiative	XX
CSR compliance	... Ensuring a solid and appropriate foundation of policy commitments and obligations that drive our future work and help us avoid adverse impacts on internationally recognized principles for responsible business conduct (UNGPs/OECD/RBA)	XX
CO2 emissions	...Taking our own medicine by reducing CO2e emission to enhance our integrity as per our climate mitigating product solutions	XX
Product design	... Implementing a holistic approach to sustainability in our product design and use phases, fx life cycle considerations, circular economy etc., besides being the market leader in energy-efficient cooling systems	XX

PERSPECTIVES ON RISK

Being a fast-growing technology company that sources, develops, manufactures, and distributes high-tech cooling and SimSports solutions globally is inevitably associated with the risk of causing or contributing to adverse impacts on human rights, the environment and anti-corruption.

Some overall risk perspectives include:

// **Compliance risks** due to faulty systems for identifying, preventing, or mitigating actual and/or potential adverse impacts on principles defined by the UNGPs/ OECD guidelines and the RBA industry standard. Partially also with respect to conflict metals.

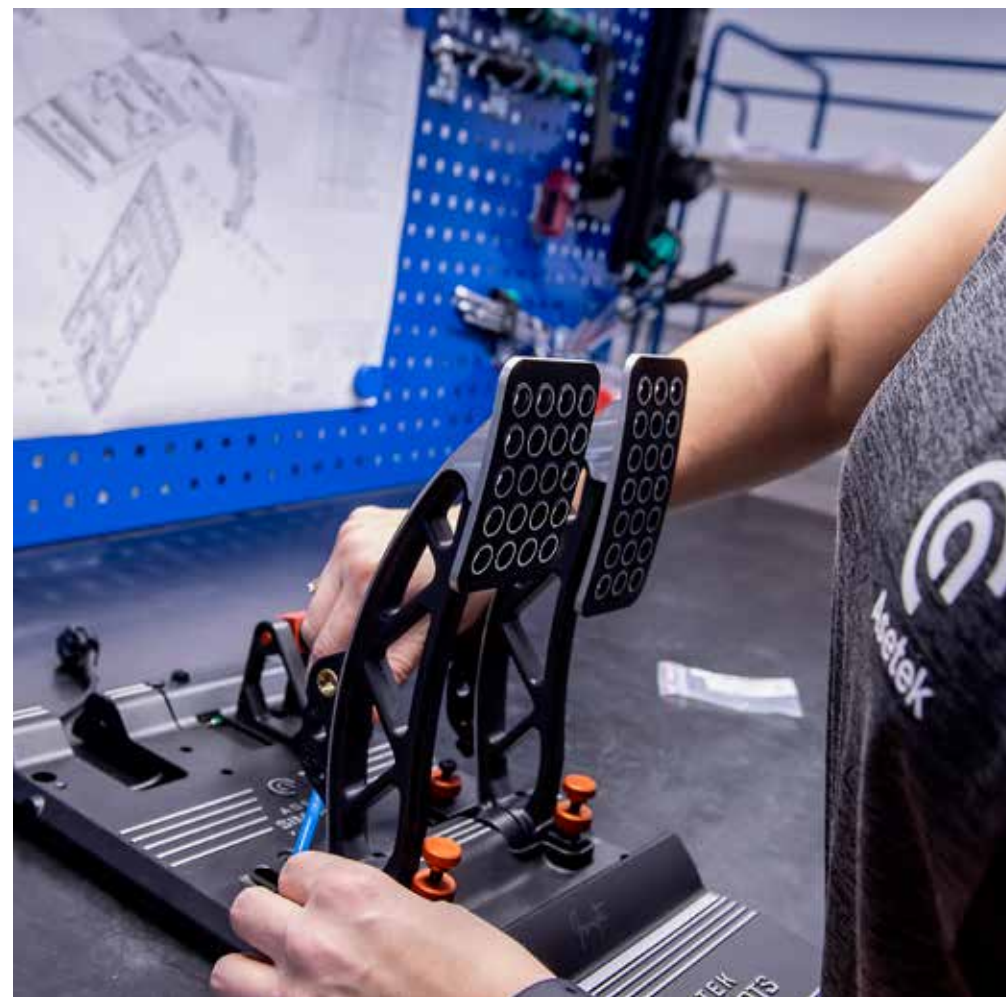
// **Product and operational risks** due to immature systematic management of climate and environmental matters with regard to waste, waste from products' end-of-use-phase, chemicals, hazardous substances, responsible business relationships etc.

// **Management risks** in a fast-paced growth company due to poor or lacking assessment of staff conditions, physically and mentally, with respect to satisfaction, stress, accidents etc.

// **Business risks** due to lack of transparency, communication and reporting on CSR issues to our primary stakeholders.

As a consequence, we are especially focused on maintaining and developing an agile organization that adheres to sound practices and strengthens its resilience to avoid adverse impacts on our business, our customers and society at large. We aim to hedge risks through strategy, policy commitments and practices that align with globally recognized principles for responsible business conduct and industry standards.

In 2021 we conducted our first impact assessment to identify potential or actual adverse impacts that we may cause or contribute to according to our Commitment to Sustainability. We will run this assessment systematically bi-annually in the years to come. Read more about the results in this sustainability report.



GOALS

Setting the level of ambitions and actionable goals is an iterative and very dynamic process. Hence, we will revise our goals and ambitions yearly at a minimum.

In December 2021, halfway through the strategy period, we conducted our first strategy review as planned. In the review, the steering committee concluded that all sustainability goals remain relevant.

Hence, in our sustainability strategy we continue to pursue these ambitious goals that are to be attained before the end of 2023:

- // Asetek's operations are climate-neutral (Scope 1 + 2, partly 3) by 2023
- // We have reduced our absolute CO2 emissions by a minimum of 50% (index year 2019)
- // We have conducted an LCA assessment on 100% of our products
- // 100% of our primary suppliers have signed Asetek's Responsible Business Relationships Code of Conduct
- // 100% of our employees have a high understanding of Asetek's goals within sustainability
- // We systematically collect quantitative data for all our CSR policy areas to ensure a high-quality standard of our sustainability data and the ability to monitor progress of our efforts
- // Our goals align 100% with RBA
- // We have defined and implemented a process for continuously identifying, preventing, or mitigating potential and/or actual adverse impacts according to the principles reflected in our CSR policy commitments and the UNGPs/OECD
- // We have significantly increased communication, transparency and awareness of our efforts towards our stakeholders

The goals are further described in later sections of this report and more goals will be presented in each chapter.



SUSTAINABILITY GOVERNANCE IN ASETEK

SUSTAINABILITY MANAGEMENT

Our CSR committee that was established in 2020 and the board of directors continues to assess the risks, opportunities, and progress of Asetek's sustainability efforts and decide which initiatives are relevant to launch, adjust or discard.

The committee consists of VP's and managers that cover all areas of Asetek's operations. Asetek's CFO heads the committee and reports to the board of directors. A sustainability project manager coordinates the many projects that have been initiated as part of the sustainability strategy. She reports directly to the CFO and the sustainability steering committee meets with the project manager monthly to discuss and coordinate progress or issues

ASETEK'S SUSTAINABILITY POLICY FRAMEWORK

Asetek's Sustainability Policy Framework ensures a solid and appropriate foundation and obligations that drive our future work.

We expand the Policy Framework with more relevant policy commitments when appropriate for our business conduct.

ASETEK'S COMMITMENT TO SUSTAINABLE DEVELOPMENT

CORE POLICIES	THEME POLICIES	RESPONSIBLE BUSINESS RELATIONS	COMPLIANCE MANAGEMENT
Environment	Staff handbook	Business Relationships Code of Conduct	Whistleblower
Human Rights	Diversity		Grievance mechanism (Tell us mechanism)
Anti-corruption	Lobbying		
	Data Ethics		

Asetek's Commitment to Sustainable Development (our general CSR policy) and Asetek's Business Relationships Code of Conduct (our expectations to all business relations including suppliers) are fundamental to all other policies.

Our general and associated policies support our business decision making at all levels and provide a frame of reference for how we want to deal with business opportunities and risks. Our general commitment as well as the other policies are applicable to all Asetek's products, services, and organizational units as well as our business relations.

KEY MESSAGES IN OUR POLICY COMMITMENTS

Rule of law	We respect the rule of law and comply with national regulations in all countries in which we operate.
Human Rights	We respect human rights by embedding this policy commitment in all our policies and processes in line with the UN Guiding Principles on Business and Human Rights (UNGPs).
Environment (including climate)	We commit to promoting and supporting environmentally sustainable practices. We will continuously work to reduce our own adverse environmental impacts by applying and developing climate and environmentally friendly services, solutions, and technologies in our operations and product range.
Anti-corruption	We commit to being open and transparent about our business activities. We will not accept any form of bribery, corruption, or fraud.
Business relationships	We expect all our business relationships to meet the same global minimum standard for responsible business conduct (UNGPs/OECD) to which we hold ourselves accountable.
Data Ethics	We commit to high data ethics standards and to comply with all applicable data and privacy laws and regulations. We expect employees to prevent and mitigate all data and privacy risks and to inform, through our management system or grievance mechanisms, any breach of this expectation or doubts that our expectations are being met.

Read more about Asetek's Commitment to Sustainability and our Business Relationships Code of Conduct here:

<https://ir.asetek.com/governance/governance-documents-and-policies>

HOW WE MEASURE PROGRESS

We want to ensure a high-quality standard of our sustainability data and thereby a robust basis for monitoring and reporting on our policy commitments, our efforts, and results. In 2021, we continued developing a sustainability KPI structure and data collection process based on leading data calculation and reporting standards.

Further, we conducted our first comprehensive impact assessment according to the principles reflected in the UNGPs/OECD guidelines to identify and address actual and potential adverse impacts in our business practices and value chain.

Read more about the results in this report or read the full impact assessment reports here: <https://ir.asetek.com/governance/governance-documents-and-policies>



WE SUPPORT THE UN SUSTAINABLE DEVELOPMENT GOALS

With Asetek's Commitment to Sustainable Development and our concrete actions, we seek to contribute to the UN Sustainable Development Goals (SDGs) in the best possible way. The global goals continue to give us a frame of reference in our strategy and a perspective on the business opportunities that lie within our sustainability work.

ASETEK HAS PRIORITIZED THE FOLLOWING SDGs	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
ABOUT	Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Ensuring sustainable consumption and production patterns	Taking urgent action to combat climate change and its impacts
HOW WE CONTRIBUTE (A BRIEF OVERVIEW)	<p>Asetek believes in promoting and developing talent across the organization,</p> <p>Asetek employs and supports apprentices across the organization, both in workshop, finance, R&D and marketing.</p>	<p>We have initiated life-cycle-assessments of our product lines and production methods to improved cradle to cradle design and production practices.</p> <p>Asetek's own data center setup delivers waste heat to Aalborg district heating network.</p> <p>Aseteks excludes more hazardous substances from our products and packaging than required by law</p>	<p>Asetek's liquid cooling solution for data centers can reduce the energy used, and reuse 7% of the energy used as for example hot water.</p> <p>Asetek lobbies to support sustainable energy and less energy waste.</p>



ASETEK IS A VALUABLE PARTNER IN HI-TECH SOCIAL EDUCATION PROJECT

YOUNGSTERS LIVING WITH CONDITIONS SUCH AS ADHD, CHILDHOOD AUTISM, ASPERGER'S AND TOURETTE'S SYNDROME ARE FINDING THEIR WAY BACK INTO PRIMARY AND SECONDARY EDUCATION WHILE WORKING WITH ASETEK'S LIQUID COOLERS AT THE EXZENTRIQ ESPORTS CENTER.

The moment you step inside, the Exzentriq eSports center in Aalborg stands out as somewhere at the cutting edge of technology, with its rows of highly tuned gaming PCs, and at the same time as a welcoming place with its muted lighting, relaxed hangout spaces and cosy café.

But Exzentriq, which Asetek has been providing with support including liquid cooling systems for several years, has grown into something more. For example, there are also workshops where children and young people from 12 to as old as 40 can learn skills such as replacing tablet screens and fitting computers with efficient liquid coolers.

At the same time, the premises host a social education programme offering special youngsters who have been losing their way in the education system for years a welcoming, socialising place to come and meet likeminded people. Through their interest in gaming, and with the help of committed staff, shy young people often find a way back despite diagnoses including ADHD, childhood autism, Asperger's and Tourette's syndrome.

Yet another step is currently being taken as privately-run Exzentriq, in collaboration with local secondary school Aalborghus Gymnasium, gets ready to offer a Higher

Preparatory Examination course that will be based around passion for gaming and computers, but on which young people from 17 to 20 will also get back into the habit of getting up in the morning and generally being with other people in the physical world. The course, which will be the first of its kind in Denmark, will be specially adapted: for example, it will not start until 10 in the morning for the first year, partly because of the young people's diagnosis-related sleep problems. All municipal primary schools in Aalborg already have the option of referring especially challenged children aged 12 and up to Exzentriq, and this has proven a success in more than 90% of cases, with primary/lower secondary schooling being completed.

During the same period, Asetek's commitment has grown deeper and deeper. As well as liquid cooling systems and teaching, the company now provides cash support for the operation. And the tech firm, which is based just 3 miles away, is also working toward taking on interns from among Exzentriq's students, who often dream of a professional future in the IT industry.

'Although the young people may have been pretty much adrift in today's performance race, often they are also dedicated people with a natural enthusiasm and almost nerdy interest in products like ours. We definitely want to help them get on', says Michael Hermansen, Product Test Specialist at Asetek.

At Exzentriq, too, manager Casper Skafte is very happy:

'In a future where we all have to get climate-aware, collaborating with Asetek makes a great deal of sense, because

the company's liquid cooling technology can also make a significant difference to the global CO2 footprint, while our students can experience being of value to an exciting technology firm that into the bargain has also begun developing sim racing products - something that naturally interests many gamers', he explains.

Exzentriq students being taught by Exzentriq instructor Mick. In the background are Exzentriq manager Casper Skafte (left) and Asetek's Michael Hermansen.





Fun and concentration at Exzentriq's Asetek-cooled gaming computers.

OUR PRODUCTS AND OPERATIONS

2021 HIGHLIGHTS

Reached an all-time high on product performance in terms of energy efficiency

Launched Asetek's first SimSports products

0 non-compliance cases in 2021 with reference to EU Regulation

First results from our product life cycle assessment

RESPONSIBLE PRODUCTS

OUR APPROACH

It is Asetek's ambition to minimize the environmental and climate impact of our products by developing liquid cooling and SimSports solutions that are responsible in all relevant aspects of the product's lifecycle and performance.

Our current state of innovation has already given Asetek a head start as our solutions for data center cooling enable our customers to drastically reduce energy consumption by more than 50% and recover 75% of the energy in the form of 60°C degree hot water, e.g. for district heating purposes.

However, to incorporate more sustainability aspects into our products, including our products for gaming and enthusiasts, besides energy efficiency we are on a mission to better understand our products' lifecycles, our material use and how we can integrate circular product design practices into our innovation processes.

Our results goals in 2023:

We have conducted an LCA assessment of 100% of our products

We have completed a substitution assessment of 100% of our product materials with respect to use of alternative, sustainable materials

We have integrated LCA assessments into our design processes

We continue to lead energy efficiency within our product category

We currently measure progress by these KPI's. More KPI's will be added in future reports

Year	Relative Power Draw
2009	100%
2012	47%
2015	31%
2020	26%
2022	16%

OUR ACTIONS AND RESULTS IN 2021

Climate mitigating solutions – greener data centers

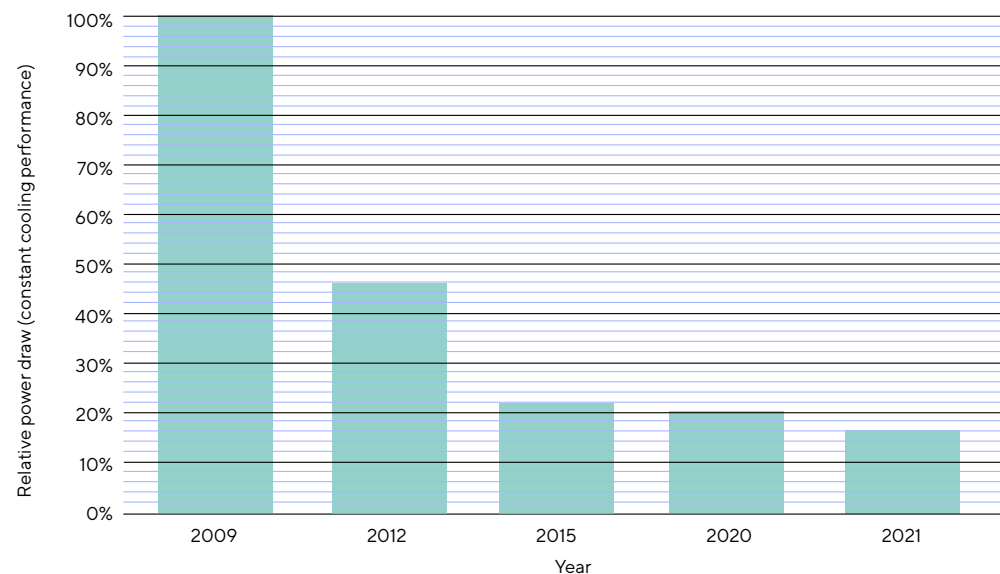
Asetek's liquid cooling technology provides an energy efficient alternative to air-cooled data centers. Our data center product line enables significant reductions in energy consumption and thereby create climate benefits for our customers. In 2021, we continued developing our green solutions for data centers.

The below figure shows the relationship between Asetek's pump generations and the power needed to achieve the

same thermal performance in °C/W, which is a performance parameter widely used in the industry.

As seen in the figure, Asetek has reduced the amount of power needed to achieve the same thermal performance by 84 % from 2009 to 2021.

In 2021 Asetek's own data center setup continued to deliver waste heat to Aalborg district heating network and has been doing so for 4 years by 2021. Aalborg District Heating network receives 60 degree hot water directly from Asetek's own datacenter.



SUSTAINABLE FROM CRADLE TO GRAVE

IN ADDITION TO DESIGNING PRODUCTS THAT HELP CUSTOMERS REDUCE THEIR CO2 FOOTPRINT, ASETEK'S ENGINEERS ALSO HAVE THEIR EYES SET ON FINDING MATERIALS THAT ENHANCE PRODUCTS' CRADLE-TO-GRAVE SUSTAINABILITY.

Since the company's inception, Asetek has worked relentlessly on creating cooling products that not only live up to the highest functional demands but are also best-in-class on energy efficiency. Both when it comes gaming computers and when it comes to large-scale data center solutions, Asetek's liquid cooling is recognized worldwide for its energy-saving design.

In server cooling for data centers, in particular, Asetek's products offer a substantial energy-saving, because liquid cooling of processors simply consumes less power than traditional air cooling. Nowadays, more and more users are also realising that, with the water-cooling technology, waste heat from data centers can be put to circular reuse in municipal and private district heating networks etc. at an appropriately high temperature of 60-65° Celsius.

That's all well and good, as it helps customers markedly reduce their CO2 footprint – but what about the sustainability of the materials used to produce Asetek's products?

'Choice of materials has always been a priority for us, both as a means to sustainability, and not least because the right materials improve product quality. In recent years, though, our attention has become strongly focused on whether the materials we use in our products are as sustainable as they can be, in the green sense of the word',

explains Thomas Ditlev, Asetek's VP Global R&D, mentioning copper, plastic and aluminium, among others.

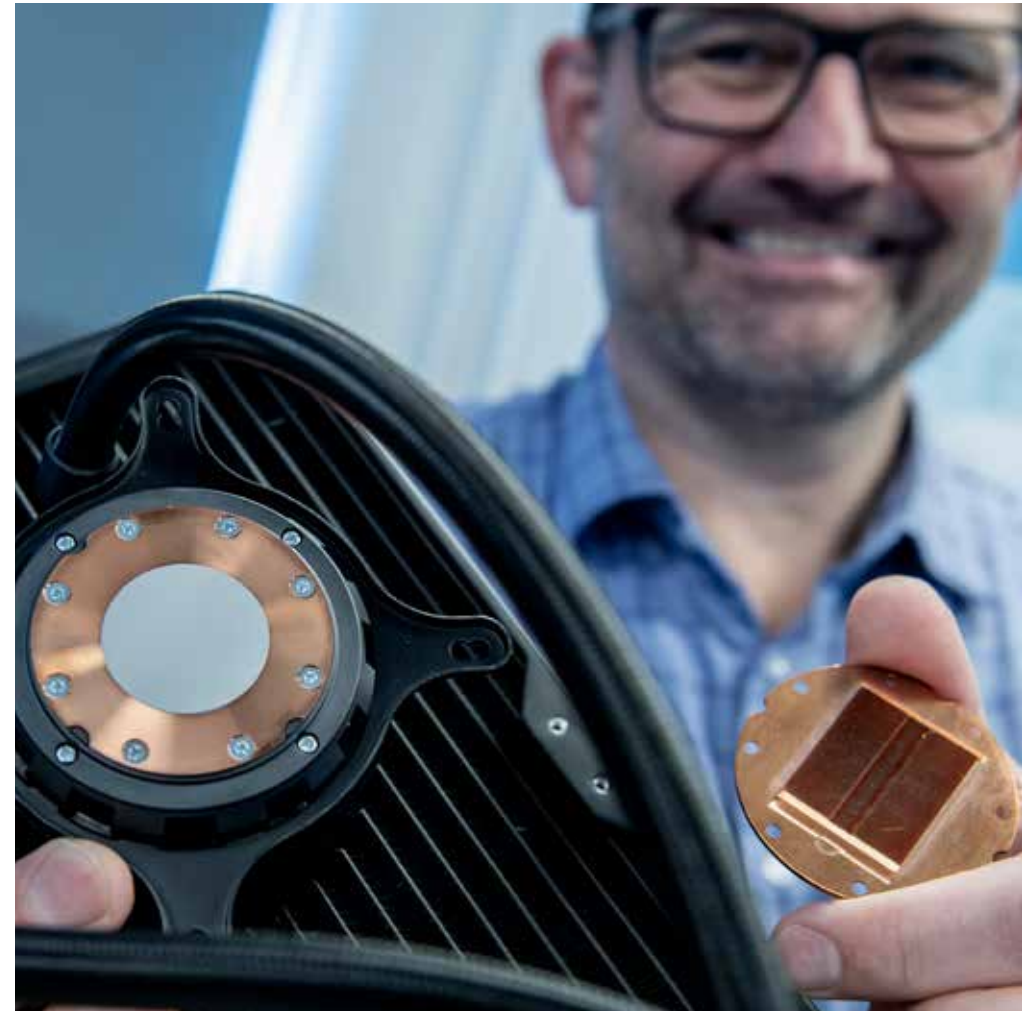
As a new initiative, Asetek has decided to carry out comprehensive life cycle assessment, i.e. analyses where product sustainability is assessed from cradle to grave.

'Our aspiration has two sides: Firstly, we will not and cannot compromise on Asetek's recognized quality. Secondly, we are striving to identify and incorporate the most sustainable materials wherever – with our engineers' knowledge and ingenuity and based on plenty of testing. Even though it may mean slightly higher costs', explains Thomas Ditlev:

'Naturally, Asetek is also taking its own medicine and using as many sustainable high-quality materials as possible.'

Thomas Ditlev also points out that Asetek supplies lots of milled aluminium for reuse, while the R&D department is considering whether liquid cooling systems can achieve an even greater cooling capacity with the same volume of materials, e.g. by having a higher density of cooling fins on the same area of copper cooling plate.

'In reality, there is no end goal. Asetek will always be in the process of making further product improvements in a race against time, partly because we constantly need to match the best possible cooling with more and more high-performance – and consequently hotter – processors. Now, though, we have not just efficiency improvement but also a focus on sustainability as a significant parameter in our ongoing quest for perfection', concludes Asetek's VP.



PRODUCT DESIGN

In 2021, our life-cycle assessment project took a big leap forward as we concluded a comprehensive analysis aiming to shed light on our material and resource use and assess opportunities for optimization, both climate-wise and type-wise. The analysis paid special attention to our use of copper, aluminum, and different types of plastics.

We will use the knowledge from the initial analysis in 2021 to assess the opportunities for designing products, packaging, transport etc. smarter with respect to a circular economy and reuse of materials. A group of engineers is now looking at a new cooling plate design that will reduce the amount of copper used by 5 - 10%. We expect to launch this new optimized design in 2023.

PRODUCT SAFETY

Asetek is subject to a number of EU regulations like REACH and RoHS regarding product safety and we are also met with customer requirements about the use of hazardous substances.

At Asetek we prefer to stay ahead of the industrial changes to environmental requirements. This means that we not only continue to live up to the most recent revisions of 3TG (conflict minerals), California Proposition 65, REACH and RoHS directives, but also more stringent requirements not dictated by law.

These additional requirements are the result of environmental responsibility, not only to climate and health, but

also towards our customers to make sure our products stay ahead of the game in order to avoid any future surprises as more and more substances are phased out from industrial use.

Examples of extraordinary efforts include, but are not limited to, reduction/removal of halogenated flame retardants in wires and plastics, use of low-halogen PPS, exclusion of PVC and use of non-lead aluminium and steel alloys.

Our efforts to ensure product safety have resulted in 0 non-compliance cases in 2021 with reference to EU Regulation 1907/2006; Annex XVII of REACH, Candidate List of SVHC of the REACH Regulation, RoHS Directive 2011/65/EU, 3TG Conflict Minerals and Proposition 65 of OEHHHA under CalEPA.

All of our products are marked with standard markings such as the CE and UL marking.

To prevent risks of any legal changes falling through the cracks unnoticed, we continue to assess our products in partnership with Mediator A/S. Mediator is specialized in legal and practical consultancy within chemical, environmental, safety and transportation requirements for international businesses.

We have a list of substances where use is either prohibited or proactively reduced by Asetek (going above and beyond legal requirements under RoHS, REACH etc.).

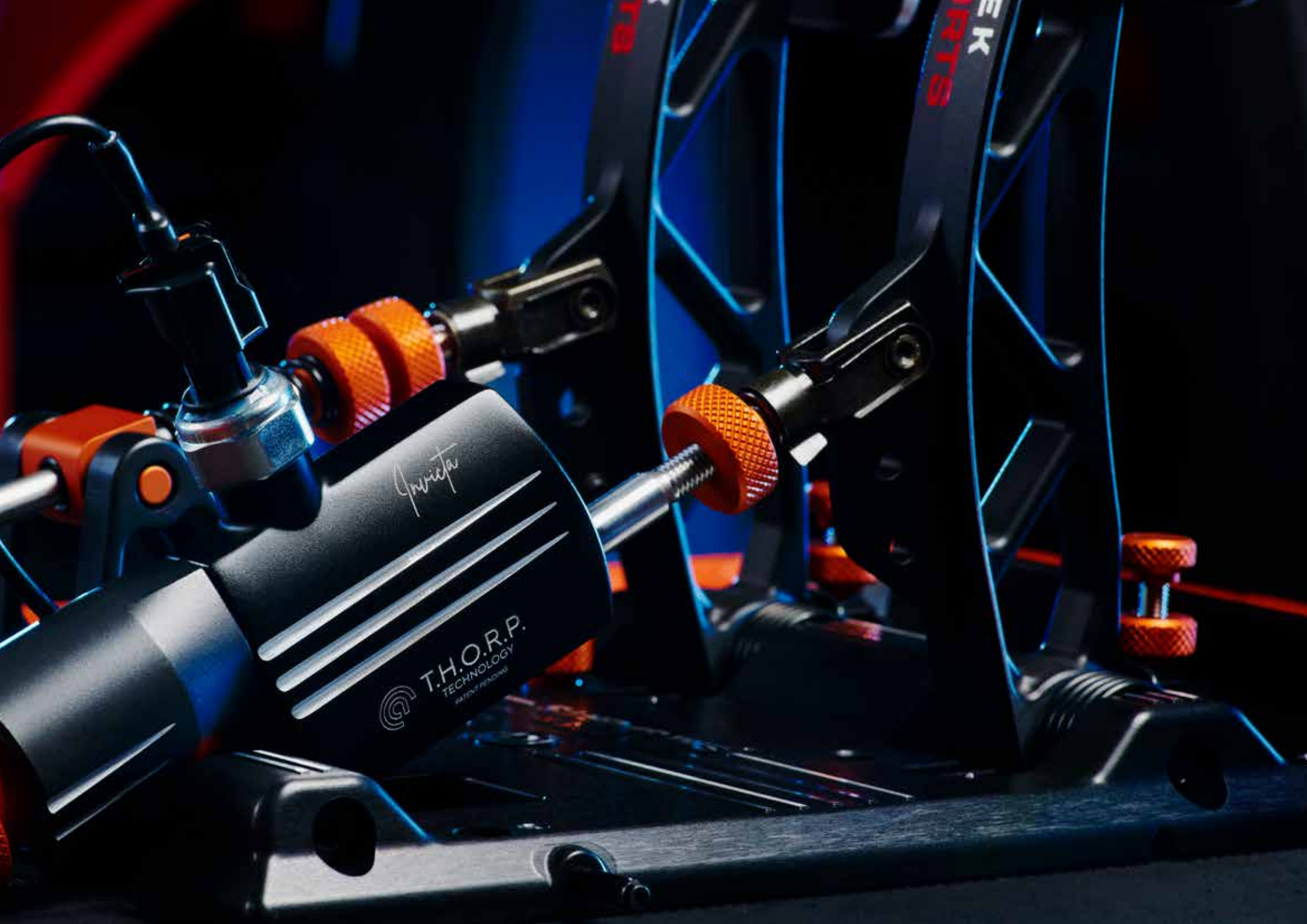
The list includes but is not limited to:

- // PVC
- // All brominated flame retardants
- // All chlorinated flame retardants
- // PPS with >1000 ppm residual chloride

THE WAY FORWARD IN 2022, WE EXPECT TO:

- // Further increase energy efficiency of our cooling solutions
- // Scale our product life-cycle assessment project and include product lines.
- // Include our new SimSports business line in our life-cycle assessment
- // Further develop our sustainability KPI's





RESPONSIBLE OPERATIONS

OUR APPROACH

On equal terms with our ambitions for responsible products, we are committed to reducing our own environmental and climate impacts by promoting and supporting environmentally sustainable technologies and practices in our operations. This is not least because our data center product solutions have a recognized climate profile by virtue of energy efficiency, which is why it makes sense that we also take our own medicine to enhance our integrity in the climate area.

Our results goals in 2023:

Our operations are climate neutral
(Scope 1 + 2, possibly 3)

We have reduced our absolute CO2 emissions by a minimum of 50% (index year 2019)

We have implemented all appropriate reporting areas from the GHG Protocol in our calculation method

We currently measure progress with these KPI's. For data breakdown see data section page 31. More data will be included in the aggregation in future reports.

Category	2021	2020	2019
Total Scope 1 emission	42.9	43.0	52.5
Total Scope 2 (location-based method)	156.5	143.7	159.6
Total Scope 2 (market-based method)	263.2	284.0	321.6
Total Scope 3 emission	1,060.7	822.1	930.5
Total (location-based method)	1,260.1	1,008.8	1,142.6
Total (market-based method)	1,366.8	1,149.1	1,304.6
Percentage change	18.9%	-11.9%	

OUR ACTIONS AND RESULTS IN 2021

Walking the talk – A Greener Asetek

Based on our first carbon accounting in 2020, we looked into areas for improvement on our company sites in 2021.

We first looked at Scope 1 and 2 reduction opportunities. We considered implementing an energy surveillance system and an external consultant advised us on energy optimization on our Danish site. However, we concluded that neither of the two alternatives would lead to significant reductions compared to the investments needed. Not least because Asetek is building new headquarters which we will move to in 2024. Hence, we decided to allocate the budget to scale our life-cycle assessment in 2022. Investing in LCAs and circular product design

can lead to significant emission reductions compared to reducing energy use in our office buildings.

We have compensated our Scope 1 and 2 CO2 emissions in 2021 with certified carbon credits from a leading provider of such.

We conducted an internal impact assessment according to OECD's guidelines on environment and found no severe impacts.

We continued our efforts to reduce waste production by means of our waste sorting system (only Danish operations) and use of paper and water in our daily operations.

THE WAY FORWARD IN 2022, WE EXPECT TO

- // Conduct a comprehensive scope 3 screening to refine our climate accounting report and consider Scope 3 emission reductions.
- // Consider revising our 2023 result goal regarding CO2 emissions due to the building of our new headquarters (to open in 2024).

OUR ROLE IN SOCIETY

2021 HIGHLIGHTS

Had 0 whistleblower cases

We have implemented a strong policy for lobbying

Zero breaches of the guidelines in our Lobbyist Policy

Anti-corruption training of all vice presidents and the sales organization

Launched Asetek's sustainability website online

Publish all Asetek's sustainability policy commitments online

WORKING FOR A GREENER FUTURE

OUR APPROACH

Asetek is on a mission to change the rules of the game within our business category. In Denmark alone, 300,000 households could have carbon-neutral heating using surplus heat from data centers—if they were water cooled. This is certainly feasible and Asetek has the solution.

But we need politicians to support our ambitions by setting CO2 requirements for data centers to reduce climate-damaging energy consumption. Hence, Asetek may from time to time engage advocacy representatives in various countries to further our interests and to assist in policy development that impacts our company positively. Our ambition is to always conduct responsible lobbying.

Therefore, we have set these 2023 goals:

Our results goals in 2023:

We have zero breaches of the guidelines in our Lobbyist Policy

OUR ACTIONS AND RESULTS IN 2021

Lobbying for positive impact

We have implemented our Lobbyist Policy that was formulated in 2020. The policy states, among other things, that Asetek believes in and is committed to full transparency in our policy and regulatory outreach. We will comply with all required ethics and transparency requirements and strive to strictly adhere to the various laws and regulations concerning gifts, entertainment, political expenses and reporting requirements in each jurisdiction.

Asetek continued to participate in several dialogues with politicians during 2021 to push forward the agenda for greener data centers.

THE WAY FORWARD IN 2022, WE EXPECT TO

// Continue our course of action to pave the way for more efficient and climate friendly cooling solutions. .

PROTECTING BUSINESS INTEGRITY

Our approach

As a responsible company, we believe that sustainable behavior in every aspect of our business is a natural prerequisite for promoting innovation, building stronger relationships with customers and employees, and contributing to positive development in society.

Asetek wants to be a good corporate citizen in everything that we do. Hence, we will not accept any form of bribery, corruption, or fraud. We support high-quality standards for data protection and integrity.

We are committed to being open and transparent about our business activities and we will provide timely, regular, and reliable information on our business practices, our impact assessments and how we manage adverse impacts to all relevant shareholders, employees, customers etc. We believe regular assessments and transparent communication will help anchor our commitment and spur sustainable development and a strong image throughout our company and context.

Therefore, we have set these 2023 goals:

Our results goals in 2023:

100% of our employees have a high understanding of Asetek's goals within CSR

75% of our employees see Asetek's CSR goals as relevant to a high degree

75% of selected customers regard Asetek's CSR goals as relevant

50% of selected customers regard Asetek as a sustainable company

We have conducted stakeholder dialogues regarding CSR goals and expectations toward Asetek with 20% of our combined customer base

OUR ACTIONS AND RESULTS IN 2021

In 2021, we developed Asetek's first independent sustainability report, covering the fiscal year 2020. We published it on Asetek's website which was also updated with a dedicated sustainability chapter including all our policy commitments.

Throughout 2021 Asetek's CSR steering committee held monthly meetings to discuss CSR/ESG agendas, issues and status on our sustainability-related projects.

We continue to pay attention to risks of corruption in our daily activities. Anti-corruption is a part of the wording of our offers, contracts and other relevant business documents and our internal controls include this topic. Further, all vice presidents and our sales organization completed an anti-corruption training session in 2021 as part of the implementation of our anti-corruption policy. The training was facilitated by an external expert. We will repeat the training bi-yearly moving forward.

Asetek implemented a Data Ethics Policy in December 2021.

The Executive Board of Asetek is responsible for ensuring that the policy is implemented and complied with.

The Executive Board reports at least once a year to the Board of Directors of Asetek on the implementation of the policy, compliance and results created.

Asetek expects management as well as employees to avoid and mitigate all negative data and privacy risks and

to inform, through our management system or grievance mechanisms, any breach of this expectation or doubts that our expectations are being met.

We conducted an internal impact assessment according to OECD's guidelines on anti-corruption and found no severe impacts.

Read the full impact assessment report here:

<https://irasetek.com/governance/governance-documents-and-policies>

THE WAY FORWARD IN 2022, WE EXPECT TO:

- // Increase internal and external sustainability communication efforts
- // Begin developing a method for stakeholder dialogue about sustainability
- // Increase internal and external awareness and capacity-building through training and communication
- // GDPR and cyber security training for all Danish employees
- // Research EU's Taxonomy and take necessary measures





BEING A GOOD CORPORATE CITIZEN

OUR APPROACH

Asetek strives to be a good corporate citizen and to fulfil our responsibilities to the societies and communities in which we operate.

One of our primary focus areas is eSports which is now among the largest competitive sports genres in the world. We want to support this movement, it's in our DNA.

OUR ACTIONS AND RESULTS IN 2021

Asetek launched an eSport gaming academy in 2019 to underline its commitment to the gaming and liquid cooling enthusiast community. The academy continues to be available for use by both local, national, and international talent, and is equipped with the latest in gaming equipment. Including high-end Alienware Aurora R8 PCs, 240hz Gsync monitors, amazing gaming chairs and Razer peripherals.

Once again, Asetek sponsored the top donor prize at the 2021 Alienware and St. Jude Play Live 2021 Campaign. By sponsoring the top donor prize, Asetek played a key role in helping Alienware attain its most successful fundraising year to date for St. Jude Children's Research Hospital, raising \$43,100.

Further, Asetek supported several other fundraising events with donations of both Asetek products and cash.

THE WAY FORWARD IN 2022, WE EXPECT TO

- // Continue running the Asetek eSports Academy
- // Once again support the Alienware and St. Jude Play Live Campaign
- // Participate in the 2022 Play Live campaign as sponsor of the top donor prize
- // Support Aalborg education foundation Excentriq with resources and funding

OUR PEOPLE

2021 HIGHLIGHTS

- We have conducted our first comprehensive human rights impact assessment
- We currently have 20% female representation in Asetek's Board of Directors
- We currently have 18% female representation at other management levels in Asetek

PROMOTING HUMAN POTENTIAL AND DIVERSITY

OUR APPROACH

We will also promote equality and diversity, including increasing the proportion of the underrepresented gender at all levels of management.

As part of our commitment to sustainable development (Asetek's CSR policy), we are committed to continuously work to identify, prevent, or mitigate potential and actual adverse impacts on human rights that we may cause or contribute to.

Therefore, we have set these 2023 goals:

Our results goals in 2023:

- We have implemented a human rights due diligence process
- We have conducted our first comprehensive human rights assessment
- We are systematically collecting data about all relevant employee conditions



We currently measure progress with these KPIs

Category	2021	2020	2019
Health and safety			
Sick leave (Days/FTEs)	3,7	3,1	2,9
Work Accidents	-	1	-
Diversity			
Share of women in other management positions	18%	17%	18%
Share of women in the workforce	27%	25%	26%
People			
Number of employees having benefited from an awareness program on the code of ethics	151	110	97
Full-Time Equivalents (FTEs) (average)	151	110	97
Non-permanent workforce at the end of the financial year	11	13	9
Number of permanent employees hired	31	19	15
Number of permanent employees departures	32	13	6
Share of non-permanent staff	6%	12%	9%
Share of employees who benefited from an annual individual interview	100%	100%	100%
Employee turnover	21%	12%	6%
Share of employees with 5 years or more service	27%	43%	37%
Share of employees at age <31	27%	20%	11%
Share of employees at age 31-55	60%	68%	75%
Share of employees at age 55<	12%	12%	13%
Education			
Education hours	3,840	4,522	5,331
Education expenses	126,328	62,476	55,526
Average number of training hours per employee	22	41	55
Share of employees who benefited from a training during the financial year	43%	59%	67%

Governance Data

Category	2021	2020	2019
Reports via whistleblower website	-	-	-
Share of women in board level positions	25%	20%	20%

OUR ACTIONS AND RESULTS IN 2021

In order to apply a systematic approach in our management of the UN Guiding Principles on Business and Human Rights (UNGPs), we conducted our first impact assessment in 2021 to identify actual and/or potential adverse impacts on human rights that we may cause or contribute to among our employees.

We conducted the impact assessment together with external subject matter experts. The scope of our first impact assessment was our Danish headquarters.

We identified no severe impacts.

Asetek assessed that we have potential adverse impacts on 19 human rights. Asetek takes precautionary actions to prevent and mitigate all potential adverse impacts.

For full disclosure of our impact assessment and the indicators to measure progress on our actions to prevent adverse impacts, please follow this link: <https://ir.asetek.com/governance/governance-documents-and-policies>

HUMAN RIGHTS ACCORDING TO UNGPS	IDENTIFIED POTENTIAL ADVERSE IMPACTS THAT ASETEK MAY CAUSE.
2	Right to non-discrimination
3	Right to work (training, contract, termination)
4. a.	Right to equal pay for equal work
4. b.	Right to a living wage (minimum wage)
4.c.	Right to safe and healthy working conditions
4.d.	Right to equal opportunities for everyone to be promoted
4.e.	Right to rest, leisure, and paid holidays
6	Right to social security, including social insurance
7.a.	Right to protection of mothers before and after childbirth
8.b.	Right to adequate clothing
9.	Right to health
11.b.	Right to benefit from scientific progress
11.c.	Right to material gains from inventions
11.d.	Moral rights of authors (protection of copyrights)
13.a.	Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment
20.	Right to fair trial
23.	Right to privacy
25.b.	Right to freedom of expression
25.c.	Right to freedom of opinion

OTHER RESULTS AND ACTIONS IN 2021

In 2021, all managers conducted employee development dialogues on a regular basis throughout the year. Ongoing dialogue is an important tool that helps us to nurture personal and professional development as well as prevent or mitigate incidents of stress or illness in our busy everyday life at Asetek.

We have IT systems for registering sick leave, so we are always able to monitor the overall level of sick leave in Asetek.

In 2021 the sick leave was 3,7 days per 100 FTE's.

We continue to update and train our employees in safety procedures regarding the use of machinery, electronic equipment and chemistry used in our products and production.

Our employee handbook informs about all relevant aspects of working at Asetek, i.e. work environment, IT, health and safety procedures, legal issues, communication, and Asetek's values and culture. The handbook was last updated in 2020.



PROMOTING DIVERSITY

As of December 31, 2021, the Board consists of 75% male and 25% female members against 20 % in 2020. Hence, Asetek has reached an equal distribution of women and men in the Board accord to Section 99 b of the Danish Financial Statements Act. . Our goal continues to be 30% female representation by 2025.

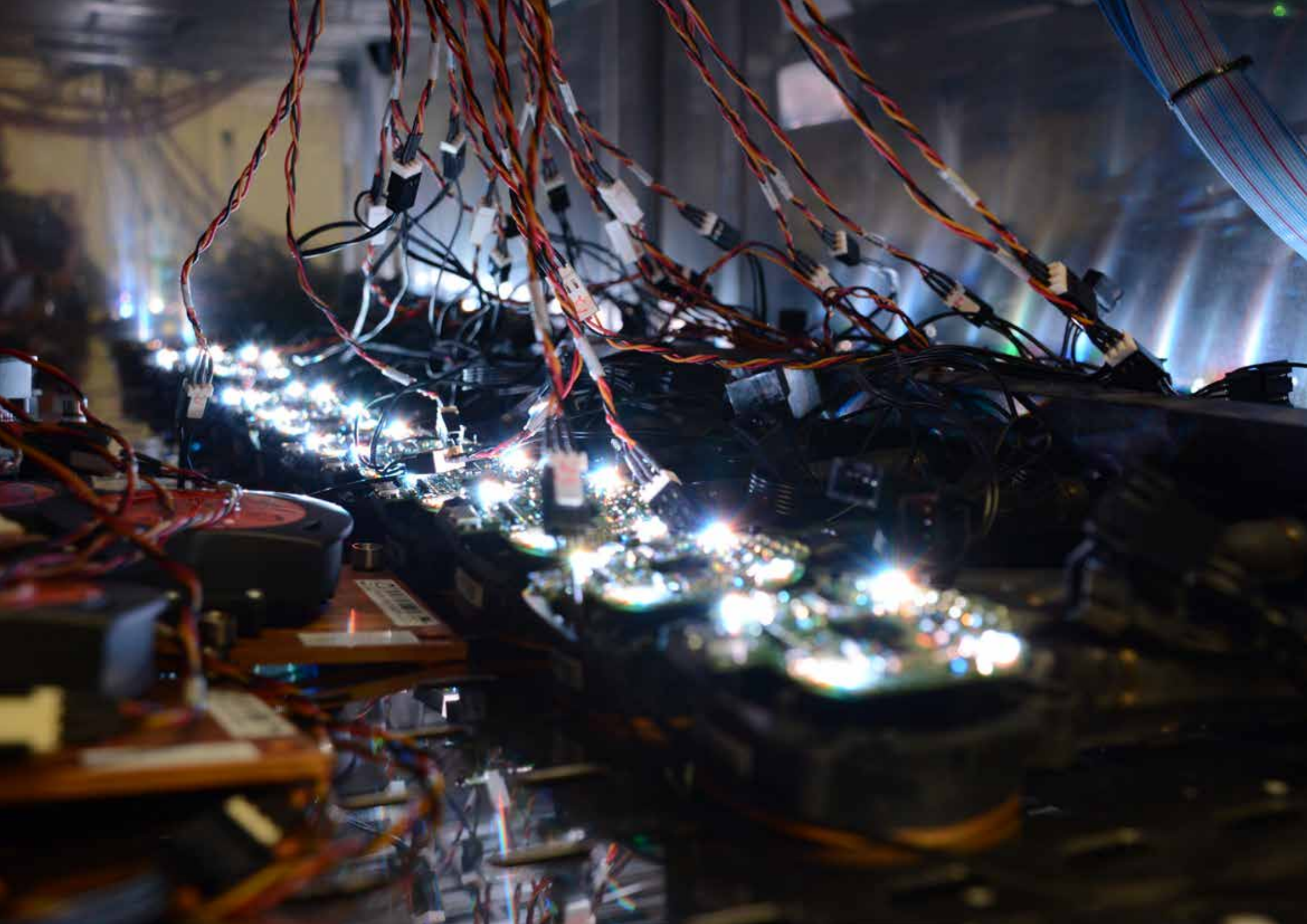
When evaluating new potential board members, the Board of Directors encourages female candidates, while at the same time continuing to focus the search for relevant experience specific to Asetek.

At other management levels, there is 18% female representation at the end of 2021. During 2021 Asetek has continued to actively encourage women to apply for open positions as well as it has continued its communication with educational institutions which trains both male and female candidates.

During the year, Asetek has worked extensively with corporate social responsibility topics and we have strengthened our focus on and awareness around being an appealing workplace and has thereby generally sought to increase interest from both male and female applicants.

THE WAY FORWARD IN 2022, WE EXPECT TO:

- // Continue monitoring the physical and mental health of our employees
- // Continue improving the gender balance
- // Increase internal communication about sustainability
- // Scale our human rights impact assessment to one more Asetek site.
- // Improve (or maintain good) human rights scores
- // Update our employee handbook based on our Impact Assessment results
- // Work towards our goal of 30 % woman in The Board of Directors and other management levels



ASETEK IS NOW SETTING HUMAN RIGHTS REQUIREMENTS FOR OUR SUPPLIERS

ASETEK'S REQUIRES RESPECT FOR HUMAN RIGHTS IN THE SUPPLY CHAIN AS PART OF A NEW CODE OF CONDUCT FOR RESPONSIBLE BUSINESS RELATIONSHIPS

Sustainability on all fronts is now a high priority for Asetek as a modern, responsible, globally oriented technology company – not just economically and in terms of global climate impact, but also in areas such as the welfare of the company's own employees and – just as importantly – the way its partners treat their own workers. Of course, physical and psychological working conditions must be in good order throughout the supply chain. That means everything from whether companies have sound procedures for helping employees return from sick leave to whether all machinery and chemicals are properly marked and whether the staff working with them have adequate safety training.

'Rather than look the other way, we actually want to encourage those around us and our partners to follow suit. Everybody should be focusing on identifying, preventing and mitigating slapdash or inappropriate behaviour and working conditions. At Asetek we have now drawn up a Code of Conduct on this area, and we are making good progress on implementing systematic compliance with the UN's Guiding Principles on Business and Human Rights – which also means that, when Asetek enters into new contracts, we now set similar CSR requirements for our suppliers', explains Henrik Gertz, Asetek's VP Global Operations.

FORCED TO TAKE AN IN-DEPTH LOOK

'At Asetek, we have naturally always taken it for granted that everything relating to employees would be performed in a right and proper way here in the company. Our many talented staff are our most important asset, after all. But the idea of setting similar requirements for our commercial partners has been a major incentive. The UN's human rights requirements are about a lot more than a roof over people's heads and having enough to eat, which most people are familiar with', adds Henrik Gertz.

Asetek wants to give its own commitment as much credibility as possible. Consequently, Asetek has teamed up with experts in the field and who will ensure professional implementation to give Asetek credibility with those around it.

'This has benefited us greatly. We cannot monitor our commercial partners in minute detail link by link, all the way down to the subcontractor's subcontractor whose rubber plantation supplies the raw rubber for our tubing. But we can demand, in a politely argued and insistent manner, that our immediate partners review their own organisations and sign the same declarations as us. We also expect them to go back another link and pass on the important message', explains Henrik Gertz.

He adds that Asetek have allocated several key individuals in the organisation and given them additional training so that they can present both the content and the purpose of the contract to commercial partners. And that 95% of the 50 biggest partners have already signed up.

A VARIETY OF CHALLENGES

Speaking about the systematic method and the concrete analytical work involved, Thue Birk Svenningsen of consultancy firm Sustainable Business Solutions explains that the challenges can vary depending on whether a business is operating in Denmark, the USA or China, for example:

Forty-eight human rights are defined, but there is a big difference as to which of them are relevant to Denmark, the USA or somewhere like China. Child labour and forced labour are not an issue in Denmark or the USA, for example, but they can be in China and the East. On the other hand, stress, diversity and discrimination are topics that will often be relevant for a company in Denmark to address. The main thing is for Asetek to address the whole gamut and document our risks across the board', says Thue Birk Svenningsen.

Asetek has thus implemented a systematic approach to identifying, preventing and mitigating potential or actual negative impacts on human rights, the environment and anti-corruption measures, so that the company can document on an ongoing basis any risks of negative impact that it might cause or contribute to. The Impact Assessment, as it is called, will be revisited annually and extended to all Asetek's sites in the coming years. The first Impact Assessment identified no serious issues affecting Asetek's Danish site.





OUR BUSINESS PARTNERS

2021 HIGHLIGHTS

We conveyed our Responsible Business Relationships Code of Conduct to all our primary suppliers

We initiated dialogues with crucial suppliers on how to implement our RBRCoC

FOSTER RESPONSIBLE BUSINESS RELATIONSHIPS

OUR APPROACH

Asetek purchases a wide range of goods and services required in the operation of our business and we also rely heavily on several key suppliers for the delivery of our products. Responsible business relationships with our suppliers and business relations in general are therefore central to the success of our business.

Our expectations for our business relationships are based on the same global minimum standard for responsible business conduct to which we hold ourselves accountable.

We expect all our business relationships to meet the global minimum standard as outlined in the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. They should avoid causing or contributing to adverse impacts on human rights, the environment, and anti-corruption, and should address any actual adverse impacts that arise. Our expectations are detailed further in our Code of Conduct for Responsible Business Relations.

We encourage responsible business conduct and sustainable development at all levels of our value chain. We commit to using or building our leverage as a company

to support and encourage others to address their severe impacts and move towards meeting the globally accepted standard (UNGPs/OECD).

Therefore, we have set these 2023 goals:

Our results goals in 2023:

We have assessed and validated 100% of our internal activities, with respect to our Commitment to Sustainable Development (including the principles reflected in UNGPs/OECD/RBA)

We have formulated and implemented CSR policies in all relevant CSR areas at Asetek

100% of our contracts with primary suppliers contain signed framework agreements

100% of our primary suppliers have signed a Supplier Code of Conduct

We have received a risk assessment from our crucial suppliers

OUR ACTIONS AND RESULTS IN 2021

In 2021, all our main component suppliers received our new Responsible Business Relationships Code of Conduct (RBRCoC), which is informed by the standard defined by the UNGPs. 97 % of them have signed it and will follow the commitment as stated. Our new RBRCoC replaces our old Supplier Code of Conduct.

Asetek's largest supplier that covers the majority of our purchases, visited Asetek and we had a dialogue on how to go about implementing Asetek's RBRCoC.

We decided to change the result goal regarding 100 % risk assessment of our suppliers as our new approach in the RBRCoC states that this is now a job to be done by our suppliers themselves – with assistance from Asetek and in close dialogue.

We have identified no incidents of corruption in neither our upstream and downstream activities in 2021.

CONFLICT MINERALS

The use of potential conflict metals is a risk in the technology industry. Among known 3TG conflict metals, Asetek uses only one, which is on the watch list, namely tin, and concerning this metal Asetek has knowledge of all the smelters and we continue to consider that the metal comes from responsible mines.

THE WAY FORWARD IN 2022, WE EXPECT TO:

- // Engage with business relations on how to implement our RBRCoC and assist if needed
- // Ensure that Asetek's crucial suppliers initiate an impact assessment
- // Begin implementation of a grievance mechanism in accordance with UNGPs
- // Convey our RBRCoC to more suppliers, other than our primary suppliers, and business relations.

DATA AND COMMENTS

Key Figures GHG Emissions (Asetek)

Category	Unit	2021	2020	2019
Scope 1				
Transportation				
Diesel (B5)	tCO2e	12.5	16.6	32.4
Petrol (E5)	tCO2e	20.3	16.3	9.7
Transportation Total	tCO2e	32.8	32.9	42.1
Stationary combustion				
Natural gas (US avg.)	tCO2e	10.1	10.1	10.4
Stationary combustion Total	tCO2e	10.1	10.1	10.4
Total Scope 1 emissions	tCO2e	42.9	43.0	52.5
Scope 2				
Electricity location-based				
Electricity Denmark 125	tCO2e	52.6	68.8	81.8
Electricity China	tCO2e	34.6	31.4	24.5
Electricity Taiwan	tCO2e	10.3	3.7	2.6
Electricity US/CAMX	tCO2e	19.3	21.2	22.5
Electricity Total location-based	tCO2e	116.8	125.1	131.4
DH Nordic Locations				
District heating DK/Aalborg	tCO2e	39.7	18.6	28.2
DH Nordic locations Total	tCO2e	39.7	18.6	28.2
Total Scope 2 emissions	tCO2e	156.5	143.7	159.6
Electricity market-based	tCO2e	223.5	265.4	293.4
Scope 2 market-based	tCO2e	263.2	284.0	321.6
Scope 3				
Business travel				
Ground transportation travel	tCO2e	2.5	2.7	13.6
Sea travel	tCO2e	-	0.2	-
Air travel	tCO2e	207.4	77.4	295.4
Hotel nights, world	tCO2e	10.1	8.3	41.7
Business travel Total	tCO2e	220.0	88.6	350.7
Waste				
Residual waste, incinerated	tCO2e	23.5	51.6	40.1
Paper waste, recycled	tCO2e	0.1	0.1	0.1
Waste water treatment	tCO2e	0.6	0.8	0.8
Waste Total	tCO2e	24.2	52.5	41.0
Packaging materials (Location DK)				
Cardboard, virgin	tCO2e	1.3	1.1	0.6
Plastic avg. (virgin)	tCO2e	0.3	0.2	0.1
EUR-pallet wood, reused	tCO2e	0.1	0.2	-
Purchased goods and services Total	tCO2e	1.7	1.5	0.7
Total Scope 3 emissions	tCO2e	245.9	142.6	392.4
Percentage change		35.23%	-45.53%	

Key Figures GHG Emissions (Tier 1 supplier)

Category	Unit	2021	2020	2019
Scope 3				
Waste				
Residual waste, incinerated	tCO2e	26.5	24.6	15.4
Metal waste, recycled	tCO2e	-	-	-
Paper waste, recycled	tCO2e	-	-	-
Waste Total	tCO2e	26.5	24.6	15.4
Packaging materials				
Cardboard, virgin	tCO2e	731.7	599.9	482.2
Plastic avg. (virgin)	tCO2e	1.5	1.4	1.0
Cardboard, recycled (CL)	tCO2e	55.1	53.6	39.5
Purchased goods and services Total	tCO2e	788.3	654.9	522.7
Total Scope 3 emissions	tCO2e	814.8	679.5	538.1
Percentage change		20%	26%	

Key Figures GHG Emissions (summed for Asetek and Tier 1 supplier)

Category	Unit	2021	2020	2019
Total Scope 1 emission	tCO2e	42.9	43.0	52.5
Total Scope 2 (location-based method)	tCO2e	156.5	143.7	159.6
Total Scope 2 (market-based method)	tCO2e	263.2	284.0	321.6
Total Scope 3 emission	tCO2e	1,060.7	822.1	930.5
Total (location-based method)	tCO2e	1,260.1	1,008.8	1,142.6
Total (market-based method)	tCO2e	1,366.8	1,149.1	1,304.6
Percentage change		18.9%	-11.9%	

Relative product power draw

Category	2021	2020	2015	2012	2009
Relative product power draw	16%	26%	31%	47%	100%

Key Figures Consumption (Asetek)

Category	Unit	2021	2020	2019
Scope 1				
Transportation				
Diesel (B5)	liters	4,857	6,497	12,676
Petrol (E5)	liters	9,121	7,400	4,431
Stationary combustion				
Natural gas (US avg.)	m3	5,386	5,385	5,385
Scope 2				
Electricity				
Electricity Denmark 125	kWh	420,903	449,733	405,025
Electricity China	kWh	55,110	50,830	38,667
Electricity Taiwan	kWh	18,441	6,044	4,050
Electricity US/CAMX	kWh	93,855	93,900	93,900
DH Nordic locations				
District heating DK/Aalborg	kWh	325,480	277,742	320,471
Scope 3				
Business travel				
Ground transportation travel (Taxi)	km	7,257	7,400	23,198
Ground transportation travel (Others)	km	5,084	1,009	7,501
Sea travel	pkm	80	1,200	-
Air travel	flight trips	432	163	573
Hotel nights, world	nights	226	178	897
Waste				
Residual waste, incinerated	kg	46,663	102,649	79,879
Paper waste, recycled	kg	5,362	3,420	2,465
Waste water treatment	m3	2,085	1,140	1,134
Packaging materials (Location DK)				
Cardboard, virgin	kg	1,537	1,453	752
Plastic avg. (virgin)	kg	85	54	21
Pallet wooden EUR, reused	kg	1,901	4,765	1,038

Key Figures Consumption (Tier 1 supplier)

Category	Unit	2021	2020	2019
Scope 3				
Waste				
Residual waste, incinerated	kg	52,794	49,077	30,657
Metal waste, recycled	kg	318	682	563
Paper waste, recycled	kg	24	-	-
Packaging materials				
Cardboard, virgin	kg	891,204	799,585	572,288
Plastic avg. (virgin)	kg	488	435	311
Cardboard, recycled (CL)	kg	76,611	69,568	49,792
Pallet wooden EUR, reused	kg	12	12	9

Key Figures Social Data

Category	Unit	2021	2020	2019
Health and safety				
Sick leave (Days/FTEs)	Days/FTEs	3.7	3.1	2.9
Work Accidents	Number	-	1	-
Diversity				
Share of women in other management positions	%	18%	17%	18%
Share of women in the workforce	%	27%	25%	26%
People				
Number of employees having benefited from an awareness program on the code of ethics	Number	151	110	97
Full-Time Equivalents (FTEs) (average)	Number	151	110	97
Non-permanent workforce at the end of the financial year	Number	11	13	9
Number of permanent employees hired	Number	31	19	15
Number of permanent employees departures	Number	32	13	6
Share of non-permanent staff	%	6%	12%	9%
Share of employees who benefited from an annual individual interview	%	100%	100%	100%
Employee turnover	%	21%	12%	6%
Share of employees with 5 years or more service	%	27%	43%	37%
Share of employees at age <31	%	27%	20%	11%
Share of employees at age 31-55	%	60%	68%	75%
Share of employees at age 55<	%	12%	12%	13%
Education				
Education hours	Hours	3,840	4,522	5,331
Education expenses	USD	126,328	62,476	55,526
Average number of training hours per employee	Hours	22	41	55
Share of employees who benefited from a training during the financial year	%	43%	59%	67%

Governance Data

Category	Unit	2021	2020	2019
Reports via whistleblower website	Number	-	-	-
Share of women in board level positions	%	25%	20%	20%

DATA DEFINITIONS

FINANCIAL PERFORMANCE

Financial key figures is taken from the audited 2021 Annual Report of Asetek

ENVIRONMENTAL DATA

Scope 1

Transportation

Diesel (B5) is measured as liters based on total expenses registered for all company-owned cars.

Petrol (E5) is measured as liters based on total expenses registered for all company-owned cars.

Stationary combustion

Natural gas (US avg.) is natural gas used for heating. Natural gas is only used on Asetek's location in California.

Scope 2

Electricity location-based

Electricity (location-based method) is measured by electricity meter on all Asetek's locations.

DH Nordic locations

District Heating DK / Aalborg is based on reports from Asetek's district heating distributor in Aalborg.

Scope 3 (Asetek)

Business Travel

Flights is accounted as the total number of flights; nordic, continental, interncontinental, traveled by Asetek's employees. The number was drawn from Asetek's general ERP system.

Hotel nights is accounted as the total number of hotels nights for all employees at Asetek owned locations. The number is drawn from Asetek's ERP system and include all registered expenses from each Asetek location.

Taxi kilometer is based on a calculation of expenses from taxi bills converted into kilometers by following calculation; taxi bill expense minus drop charge, the rest of the expense divided by average price per kilometer.

Waste and water

Residual waste, incinerated is shown in total for all Asetek owned locations. Residual waste is calculated on the basis of residual waste collected by various agencies, for Asetek's location in Aalborg. For Asetek's locations in California, Xiamen and Taipei residual waste is calculated as average of residual waste per capita multiplied by numbers of employees respectively at each location.

Paper waste, recycled is based on numbers reported by waste collecting agencies. Paper waste, recycled is reported for Asetek's locations in Aalborg, as it has not been possible to obtain knowledge about paper waste recycled at other Asetek locations.

Waste water treatment shows the total wateruse for all Asetek's locations. Waste water treatment is calculated as average wateruse per capita respectively in Asetek's locations in Aalborg, California and Taipei. For Asetek's location in Xiamen the actual wateruse is measured.

Packaging waste generated from production

Cardboard virgin was measured as total kilos of cardboard used for product packaging. It was calculated as weight of cardboard used for each type of product, multiplied by number of sold products of each of these types.

Plastic avg. (virgin) was measured as total kilos of plastic used for product packaging. It was calculated as weight of plastic used for each type of product, multiplied by number of sold products of each of these types.

COMMENTS

Scope 1

Transportation

The scope 1 in 2021 is the same level as 2020 even though 2020 showed a low level of transportations due to COVID-19.

Scope 2

Electricity location-based

DH Nordic locations

District heating is only used in Asetek's location in Aalborg.

Scope 3 (Asetek)

Business Travel

The increase in business travels such as flights; nordic, continental, interncontinental, hotel nights, taxi, car, train and ferry travels is primarily driven by low level of travels in 2020 because of COVID-19.

Waste and water

The increase in residual waste incinerated is mainly driven by the company's expansion in workforce from 2020 to 2021.

The increase in paper waste follows the increase in product turnover from 2020 to 2021.

The increase in waste water treatment is mainly driven by the company's expansion in workforce from 2020 to 2021.

Packaging waste generated from production

The increase in cardboard virgin follows the increase in product turnover from 2020 to 2021.

The increase in plastic avg. (virgin) follows the increase in product turnover from 2020 to 2021.

DATA DEFINITIONS

Scope 3 (Tier 1 supplier)

Waste

Residual waste, incinerated is measured as total residual waste from supplier, divided by their share of revenue obtained through Asetek.

Metal waste, recycled is the the total of cobber waste from suppliers production, dvided by their share of revenue obtained through Asetek.

Packaging waste generated from production

Cardboard virgin was measured as total kilos of cardboard used for product packaging of Asetek products. It was calculated as weight of cardboard used for each type of product, multiplied by number of sold products of each of these types.

Plastic avg. (virgin) was measured as total kilos of plastic used for product packaging of Asetek products. It was calculated as weight of plastic used for each type of product, multiplied by number of sold products of each of these types.

Cardboard, recycled (CL) was measured as total kilos of reused cardboard used by supplier used in product packagning of Asetek products.

Social Data

Sick leave is counted as total number of full days that all Asetek's own employees are not attending their jobs due to illness or accidents in relation to the total number of FTEs. Short- and long-term illness and sickness of children or any equivalent hereto is included. Maternity or paternity leave is not included.

Work accidents is defined as injuries occurred during working hours at Asetek's locations when the injury is reported as an occupational injury by the employee.

FTE data is taken from the audited 2021 Annual Report of Asetek as an average of the year.

Employee turnover rate is calculated by dividing the total number of employees who departed during the year by the average number of FTEs in the year.

Education hours is measured through Asetek's time registration system. The same system is used by all Asetek locations.

Education hours is measured through Asetek's time registration system. The same system that is used by all Asetek locations.

Governance Data

Inquiries via Asetek's whistleblower scheme is followed up on at a regularly basis.

Others

COMMENTS

Scope 3 (Tier 1 supplier)

Waste

The increase in residual waste incinerated is considered to be due to the increase in Asetek's product turnover, which causes an increase in share of suppliers revenue obtained through Asetek.

Packaging waste generated from production

The increase in cardboard virgin follows the increase in Asetek's product turnover.

The increase in plastic avg. (virgin) follows the increase in Asetek's product turnover.

The increase in cardboard, recycled (CL) follows the increase in Asetek's product turnover.

Social Data

The number of days on sick leave per FTE is slightly increased from 2020 to 2021 mainly driven by employees absent due to COVID-19.

No work accident registered in 2021.

Governance Data

Number of reports via whistleblower website was counted zero in 2020.

Others



Asetek A/S

Assensvej 2
DK-9220 Aalborg East
Denmark

Phone: +45 9645 0047

Fax: +45 9645 0048

Web: www.asetek.com

Mail: info@asetek.com