



Asetek

SUSTAINABILITY REPORT

FISCAL YEAR 2022



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This report provides a status on Asetek's work on Corporate Social Responsibility (CSR) for the fiscal year of 2022, covering the period from January 1st 2022 to December 31st 2022.

The report is part of the management commentary section in Asetek's 2022 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/annua-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,

Like many other consumer electronics suppliers, our 2022 was quite challenging. The ongoing geopolitical and financial turmoil led to reduced revenue and consequential reductions in our labor force.

Much of our focus was on these tasks in 2022. However, we managed to continue developing new and exciting products, not least within the very promising SimSports segment.

We also maintained our course and ambitions towards long term sustainability in the business. Admittedly, the momentum was not as intense as in the beginning of our efforts in 2020 and 2021, but as expected, we continued our processes and steady improvements throughout 2022.

Among the activities carried out during 2022, I would like to mention that we are starting to see the results of our efforts to optimize our product designs in order to reduce material use without compromising performance. For instance, we have implemented a new cooling plate design that reduces copper use by up to 10 %.

We also started shipping products from our Asetek SimSports segments during 2022 and we expect to increase the activity in this segment in 2023. We are just now starting to see the impact from the consumer interactions in this segment, which may impact the methods with which we work with sustainability in the future.

We experience an increased investor focus on ESG and we recognize that this focus has not been much reduced even though much of the world concentrated on other big issues

during the year. Consequently, we will continue our sustainability work and train our organization to include sustainability related topics in their daily work and development projects. Furthermore, we will start implementing the new and comprehensive reporting requirements from EU and harvest the insights for sustainable business development purposes.

Thank you for your interest in Asetek,



André Sloth Eriksen
CEO and founder



2022 SELECTED HIGHLIGHTS

In 2022, Asetek has:

- // Continued efforts to implement our sustainability strategy and 14 projects
- // 100 % of our suppliers within the cooling segment have signed our code of conduct
- // We have implemented optimized product designs that reduce material use
- // Climate compensated all registered CO2 emissions in Scope 1 and 2

2022 Selected Financial Key Figures

Category	2022	2021	2020	2019	2018
Comprehensive Income (\$000's)					
Revenue	50,650	79,803	72,750	54,334	67,314
Income before tax	-5,878	1,397	9,426	1,454	4,870
Ratios & Metrics					
Organic growth	-36,5%	9,7%	33,9%	-19,3%	15,7%
Share price (NOK)	11,96	41,00	108,80	31,00	40,60
Market capitalization (\$000's)	31,412	119,825	323,054	90,205	119,083
Business Drivers					
Sealed loop units shipped (000's)	797	1,386	1,201	895	1,119
Revenue per employee (\$000's)	362	528	661	560	709
Number of employees	140	151	110	97	95
Balance Sheet (\$000's)					
Total assets	78,615	75,354	71,393	54,105	51,398
Total equity	42,748	48,388	47,525	39,008	38,958
Investment in property, plant and equipment	22,215	8,322	2,597	1,127	2,048
Investment in intangible assets	3,405	10,196	2,887	1,441	1,745

OUR BUSINESS EXPLAINED

A GLOBAL LEADER IN MECHATRONIC INNOVATION

With the capacity to work in the intersection of mechanics, electronics, and computing, Asetek is able to drive innovation at the highest level. Today, Asetek is a global leader in liquid cooling solutions for computer hardware enthusiasts, gamers, servers, and data centers, and a pioneer within high-end SimSports Gaming products for next-level immersive gaming experiences.

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.

Even though our data center cooling solutions are a pioneering climate adaptation technology, we have scaled down our efforts in this segment due to challenging political conditions and legislation for such solutions.

REVOLUTIONIZING THE SIMRACING MARKET

In 2021, Asetek expanded its business into the rapidly growing SimSports™ Gaming market for racing simulator gear with the introduction of a line of products for next-level immersive racing experiences. In 2022, we introduced more SimSports products, and we are now selling directly to end-users from Asetek's own webshop. We believe our racing pedals, wheelbases, steering wheels, and accessories will excite and immerse sim racers like nothing else on the market.



GLOBAL OPERATIONS

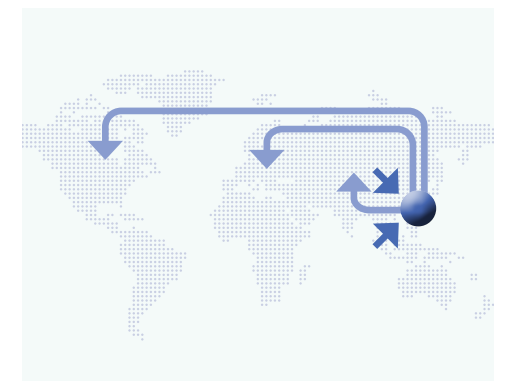
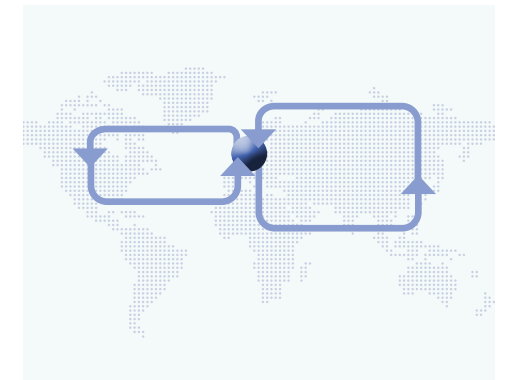
Asetek is headquartered in Denmark and has operations in USA, China, Taiwan and Malaysia. Asetek's business model begins with its R&D team and technology labs based in Aalborg, Denmark, which manage collaboration with Asetek's global customer base to define requirements and develop cutting edge technology. 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, marketing, and product management teams, based principally in Denmark, USA and Taiwan, oversee customer relationships to facilitate communication and development, ensuring that 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 all of the finished product to be assembled. Our cooling solutions are assembled by the Company's principal contract manufacturer based in Xiamen and from 2023, a likewise contract manufacturer will produce many of our SimSports products.

Asetek's business model concentrates primarily on having contractual relationship with tier-1 contract manufacturers but we thoroughly map and carry 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 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.



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. Our current strategy period runs from 2020 to the end of 2023.

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT	AS THE GLOBAL LEADER IN HIGH PERFORMANCE LIQUID COOLING AND SIMSPORTS SOLUTIONS, 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	PRODUCTS AND OPERATIONS	ROLE IN SOCIETY	PEOPLE	BUSINESS PARTNERS
OUR AMBITIONS	<p>Responsible Products Minimize the environmental and climate impact of our products by developing responsible liquid cooling and SimSports solutions</p> <p>Responsible operations Walking the talk by mitigating adverse environmental impacts of our operations and working towards climate neutrality</p>	<p>Working for a Greener Future Engage with key external stakeholders and lobby for a greener future</p> <p>Protecting Business Integrity Promote transparency and prevent corruption</p> <p>Being a Good Corporate Citizen Foster strong local communities through engagement and sponsorships with end-users</p>	<p>Promoting Human Potential and diversity Ensure healthy, fair, and safe working conditions for all people in Asetek</p> <p>Promote inclusive and effective learning and working environments to inspire skills and potentials of all employees</p> <p>Promote diversity among all employees and management</p>	<p>Fostering Responsible Business Relationships Ensure that Asetek’s business relationships, including suppliers and partners, demonstrate responsible business conduct</p> <p>Act against the use of conflict minerals</p>
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, our surrounding business environment, and society. Our current materiality assessment has identified 25 topics that cover all our business areas. 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, b2b and b2c customers, the board of directors, employees, the EU and politicians.

In 2023, we will revisit our sustainability impact and materiality analysis as a preparation for our next strategy period to come.

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	CSR 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		

We have prioritized seven material topics for Asetek to work on in the strategy period from 2020-2023.

OVERVIEW OF OUR MOST MATERIAL ISSUES

MATERIAL TOPIC	ABOUT	READ MORE ON PAGE
Responsible purchasing	... Ensuring that our work regarding responsible purchasing is at least equal to standard practice in the area, globally recognized principles, and advisory industry standards	28
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	11
Lobbying	... Conducting responsible lobbying in our mission to change the rules of the game in the market for cooling solutions	19
CSR communication (internal and external)	... Increasing our CSR and ESG communications efforts internally and externally to improve transparency, awareness, knowledge, and initiative	19
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)	11
CO2 emissions	...Tasting our own medicine by reducing CO2e emission to enhance our integrity as per our climate mitigating product solutions	18
Product design	... implementing a holistic approach to sustainability in our product design and use phases, e.g. life cycle considerations, circular economy etc., besides being the market leader in energy-efficient cooling systems	16

PERSPECTIVES ON RISK

Being a fast-moving 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 across the value chain** 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 due diligence 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 which means that we will conduct a second impact analysis in 2023.



GOALS

We pursue Asetek's commitment to sustainable development by a set of actionable goals that are to be reached by the end of 2023.

Every year, we revisit the progress of meeting our goals and ambitions to ensure the best possible alignment with our commitment and business realities. This scrutiny led to one change in 2022. Due to expansion of the business with the SimSports category and a challenging 2022, we realized that our goal of climate neutrality in 2023 is not realistic. We will not cancel the goal, but we need to revise the deadline and make a new plan in 2023. In the meantime, we will compensate all registered Scope 1 and 2 emissions, with certified carbon credits from an approved partner.

MAIN GOALS	STATUS
Asetek's operations are climate-compensated (Scope 1 + 2, partly 3) by 2023	To be revised in 2023
We have reduced our absolute CO2 emissions by a minimum of 50% (index year 2019)	To be revised in 2023
We have conducted LCA assessments on our 4 liquid cooling platforms that comprise all products in the category	In progress
100% of our primary suppliers have signed Asetek's Responsible Business Relationships Code of Conduct	Reached for cooling business in progress for SimSports
100% of our employees have a high understanding of Asetek's goals within sustainability	In progress
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	In progress
Our goals align 100% with RBA	Reached
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:	First impact assessment was completed in 2022 and will be repeated in 2023
We have significantly increased communication, transparency and awareness of our efforts towards our stakeholders	In progress

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 in 2022 the board of directors continued 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 continued as head of the committee and to report to the board of directors.

A sustainability project manager coordinates the many sustainability 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. In 2022, we added a tax policy.

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		
	Tax Policy		

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	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 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 here: <https://www.asetek.com/company/sustainability/our-commitment-and-strategy/>
 Read more about Asetek’s Business Relationships Code of Conduct here: <https://ir.asetek.com/governance/governance-documents-and-policies/default.aspx>



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 2022, we continued developing a sustainability KPI structure and data collection process based on leading data calculation and reporting standards.

Having an impact assessment process in place means that we are able to identify and address actual and potential adverse impacts in our business practices and value chain according to the principles reflected in the UNGPs/OECD.

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.

<p>ASETEK HAS PRIORITIZED THE FOLLOWING SDG^s</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>13 CLIMATE ACTION</p> 
<p>ABOUT</p>	<p>Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Ensuring sustainable consumption and production patterns.</p>	<p>Taking urgent action to combat climate change and its impacts.</p>
<p>HOW WE CONTRIBUTE (A BRIEF OVERVIEW)</p>	<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 work to implement life-cycle-assessments of our product lines and production methods to improve cradle to cradle design and production practices.</p> <p>We reduce material use by designing ever more resource efficient products.</p> <p>Asetek 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> <p>Asetek has compensated all Scope 1 and 2 carbon emissions with certified carbon credits.</p>



OUR PRODUCTS AND OPERATIONS

2022 HIGHLIGHTS

- Kept high product performance in terms of energy efficiency
- Launched a range of Asetek's SimSports products
- Implemented new product designs that reduce copper use
- 0 non-compliance cases in 2022 related to EU Regulation

RESPONSIBLE PRODUCTS

OUR APPROACH

For 2022, our approach to climate and environment issues remained unchanged. 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 strong history of innovation already gave Asetek a head start as our solutions for data center cooling were developed to enable the customers to drastically reduce energy consumption by more than 50% and recover 75% of the energy in the form of 60C degree hot water, e.g. for district heating purposes.

To incorporate additional sustainability aspects into our products, 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.

Therefore, we have set these 2023 goals:

Our results goals in 2023:

- We have conducted LCA assessments on our 4 liquid cooling platforms that comprise all products in the category
- 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 the liquid cooling category

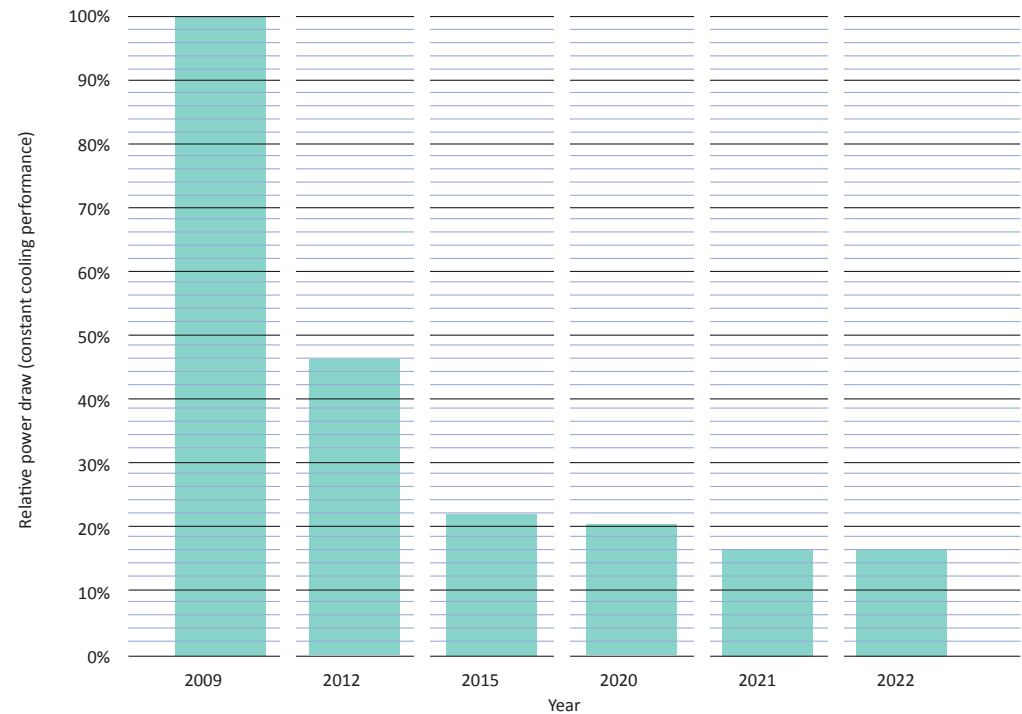
We currently measure progress by these KPI's. More KPI's will be added in future reports

Year	Relative Power Draw
2009	100%
2012	47%
2015	31%
2020	26%
2021	16%
2022	16%

OUR ACTIONS AND RESULTS IN 2022

The below figure shows the relationship between Asetek's pump generations used in our cooling products for gamers and enthusiasts 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 16 % from 2009 to 2022. The percentage in 2022 is the same as for 2021 because it relates to the same product generation.



WITH GROWING URGENCY, ASETEK STRIVES TO MINIMIZE EVEN INDIRECT CLIMATE EFFECTS

AS PART OF ITS EFFORTS TO UNDERSTAND THE CLIMATE EFFECTS OF ITS OWN VALUE CHAIN, TECH COMPANY ASETEK IS MAKING A DETERMINED EFFORT TO CREATE FULL VISIBILITY AROUND ITS SUPPLY CHAIN ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ISSUES, INCLUDING CLIMATE EFFECTS.

‘The Code of Conduct has been signed. In concrete terms, that means we have already achieved substantial documentation from at least 41 of our 45 or so subcontractors, representing 95% of our subcontracted supplies in value terms’, says Asetek’s Vice President, Global Operations, Henrik Gertz. In the fall, for example, Gertz made an extended visit to China, visiting and meetings with around 20 suppliers to discuss and further systematise CSR and its importance to Asetek.

‘The goal is to get to 100% in 2023. We now receive and pass on to our own customers information on how big a carbon footprint is being chalked up on an ongoing basis not just by us, but also by our contract manufacturers on Asetek businesses, adds Gertz. As one example out of many, he cites Asetek’s big pump supplier with several thousand workers in Xiamen, where units supplied to Asetek for processor liquid cooling account for up to 30% of output. This company gets a large proportion of the electricity it needs from roof-mounted solar panels, for example. Similar steps have for instance been implemented at companies supplying Asetek with SimSports products such as steering wheels, pedal sets and motors.

The plan now at Asetek and its subcontractors is for a critical review of all components - rubber, plastic parts, electronics - in a climate context. They are also looking in detail at

individual elements such as chemicals, lead and aluminium, assessing the need for them in terms of life-cycle climate impact as compared with possible alternatives.

As Henrik Gertz explains, ‘Five years ago, we were assessing components and raw materials almost solely on quality versus economic cost. Now, climate impact also counts for a lot.

‘When Asetek is starting up with new suppliers, ESG issues are now a key point – including of course employees’ conditions at our partner companies, such as their ability to retain staff through acceptable working conditions by offering things like health check-ups and other measures to prevent attrition’, adds Asetek’s Vice President, Global Operations.

Asetek have subcontractors located mainly in China, Taiwan, Malaysia and Denmark who have all signed contracts containing climate and ESG clauses.



Last autumn Henrik Gertz, Asetek’s Vice President, Global Operations, visited sites including Asetek’s major pump supplier in Xiamen, employing several thousand workers, where measures taken include roofing outdoor recreational walkways with useful, energy-generating solar panels.

PRODUCT DESIGN

Since the launch of our sustainability strategy in 2020, we have been conducting comprehensive analysis of our material and resource use to assess opportunities for optimizing product designs and production processes in terms of sustainability impacts.

In 2022, we succeeded in implementing a new cooling plate design for our liquid cooling solutions that will reduce the amount of copper use by 5-10 %. We have implemented the optimized design in our latest product generation. In 2024 we expect this new design to be standard across all our liquid cooling solutions.

We did not meet our 2022 sub-goals regarding scaling up our product life-cycle assessment (LCA) project as we were forced to lay-off staff and allocate resources to other activities. However, we drafted the first models for including LCA considerations in our product design processes and we have reached a critical level of information regarding material and resource use in our products that is needed to take the next steps and conduct actual LCAs on our products. In 2023, we have planned to implement the resources needed to conduct the first complete product LCAs and implement LCA measures in our design processes.

In 2023, we will continue to investigate opportunities for substituting materials with more sustainable alternatives and reduce material use through optimized designs. We are among other things looking into new plastic composites that contain less glass and how to replace aluminum components with plastic components that have the same endurance.

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. Our SimSports category is also included in these efforts.

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 2022 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 OEHA 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 an external auditor who 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:

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

THE WAY FORWARD

IN 2023, WE EXPECT TO:

- // Scale up our life cycle assessment project within our liquid cooling product category
- // Implement the needed resources to conduct our LCAs and improve design processes
- // Further develop our sustainability KPIs





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.

Our results goals in 2023:

Asetek's operations are at least climate-compensated (goal to be revised during 2023)

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 pages. This year, our data have been updated with relevant data from SimSports.

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

Category	Unit	2022	2021	2020	2019
Total Scope 1 emissions	tCO2e	44.1	42.9	43.0	52.5
Total Scope 2 (location-based method)	tCO2e	105.6	103.8	143.7	159.6
Total Scope 2 (market-based method)	tCO2e	114.2	104.1	284.0	321.6
Total Scope 3 emissions	tCO2e	3,921,3	7,121.0	5,346.8	4,705.1
Total (location-based method)	tCO2e	4,071.0	7,267.7	5,533.5	4,917.2
Total (market-based method)	tCO2e	4,079.6	7,268.0	5,673.8	5,079.2
Percentage change		-44.0%	31.3%	12.5%	

OUR ACTIONS AND RESULTS IN 2022

We have compensated our Scope 1 and 2 CO2 emissions in 2021 and 2022 with certified carbon credits from a leading provider of such.

We did not succeed in conducting a comprehensive Scope 3 analysis in 2022 as planned. We plan to do that in 2023, where we will also include SimSports.

Our internal impact assessment on environmental issues help us monitor and identify potential or actual adverse impacts that we may cause. We identified no severe impacts in 2022.

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 notable drop in total CO2 emissions in 2022 is a consequence of reduced sales and revenue. On the other hand, the slight increase in emissions in Scope 1 and 2 were due to production of SimSports products in Denmark.

THE WAY FORWARD IN 2023, WE EXPECT TO

// Conduct a comprehensive scope 3 screening to refine our climate accounting report and consider Scope 3 emission reductions.

// Revise our 2023 result goal regarding CO2 emissions reductions



OUR ROLE IN SOCIETY

2022 HIGHLIGHTS

0 whistleblower cases

0 breaches of the guidelines in our Lobbyist Policy

WORKING FOR A GREENER FUTURE

OUR APPROACH

Asetek's cooling technologies have the potential to change the rules of the game within our business category. We hope the political and legislative environments will change in favour of energy efficient solutions like Asetek's data center cooling solutions.

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 experienced zero breaches of the guidelines in our Lobbyist Policy

OUR ACTIONS AND RESULTS IN 2022

Lobbying for positive impact

We implemented our Lobbyist Policy in 2021 and there were changes to it in 2022. 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 2022 to push forward the agenda for greener data centers. We will continue our efforts in 2023.

THE WAY FORWARD IN 2023, 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 2022

Throughout 2022 Asetek's CSR steering committee continued to hold 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.

We conducted an internal impact assessment according to OECD's guidelines on anti-corruption in 2021 and we considered it to be valid for 2022.

We identified no incidents of corruption in our operations in 2022.

In 2023, the third year of our sustainability strategy period, we plan to engage with relevant internal and external stakeholders in order to measure awareness and attitude towards the sustainability work that Asetek carries out. Hence, in 2022 we developed a method for stakeholder dialogue about sustainability, ready to launch in 2023.

All Danish employees participated in GDPR and cyber security training as planned. This will help us prevent cyber security breaches and inappropriate handling of data.

We looked into both the EU Taxonomy as well as the Corporate Sustainability Reporting Directive and decided to start implementing both reporting frameworks in Asetek's non-financial reporting processes in 2023 though Asetek is not required to do this before our 2025 reporting year. This will increase transparency of Asetek's sustainability impacts, risks and

opportunities and strengthen our basis for building next level sustainability efforts in the years to come.

THE WAY FORWARD

IN 2023, WE EXPECT TO:

- // Enhance internal and external sustainability communication efforts
- // Increase awareness and capacity-building through training and communication
- // Conduct internal and external sustainability awareness surveys
- // Begin implementing EU's Taxonomy and EU's Corporate Sustainability Reporting Directive





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 2022

As Asetek entered the direct-to-consumer market with Asetek SimSports, we joined The Conscious Advertising Network (CAN). CAN is a voluntary coalition of over 70 organizations to ensure that industry ethics catches up with modern advertising technology. Working with reviewers and influencers is an integral part of letting customers know our products will live up to everything they are designed and tested to do. Hence, as part of CAN, we have committed to comply with several principles:

- We believe in full transparency for influencers and reviewers alike
- We will not accept that an influencer or reviewer takes payment without disclosing this transparently in the coverage
- We will enforce a strict separation of reviews and sponsorships

- We insist on complete transparency regarding prototype samples for 'first looks/previews' or market-ready samples for reviews.
- We expect reviewers and influencers to abide by their local legislation in all respects, and especially regarding disclosure.

Asetek launched an eSports 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.

THE WAY FORWARD IN 2023, WE EXPECT TO

- // Continue running the Asetek eSports Academy
- // Support Aalborg education foundation Excentriq with resources and funding
- // Continue high engagement with CAN

OUR PEOPLE

2022 HIGHLIGHTS

We reached 40 % 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

It continues to be our ambition to always offer a healthy, safe, and developing working environment for all employees, customers, and external partners in Asetek.

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.

Please read our entire commitment to respect human rights on URL <https://ir.asetek.com/governance/governance-documents-and-policies>.

Therefore, we have set these 2023 goals:

Our results goals in 2023:

We have implemented a human rights due diligence process (goal reached in 2021)

We have conducted our first comprehensive human rights assessment (goal reached in 2021)

We are systematically collecting data about all relevant employee factors



We currently measure progress with these KPIs

Category	2022	2021	2020	2019
Health and safety				
Sick leave (Days/FTEs)	5.3	3.7	3.1	2.9
Work Accidents	1	-	1	-
Diversity				
Share of women in other management positions	18%	18%	17%	18%
Share of women in the workforce	29%	27%	25%	26%
People				
Full-Time Equivalents (FTEs) (average)	140	151	110	97
Non-permanent workforce at the end of the financial year	11	11	13	9
Number of permanent employees hired	14	31	19	15
Number of permanent employees departures	28	32	13	6
Share of employees having benefited from an awareness program on the code of ethics	100%	100%	100%	100%
Share of non-permanent staff	10%	6%	12%	9%
Share of employees who benefited from an annual individual interview	100%	100%	100%	100%
Employee turnover	20%	21%	12%	6%
Share of employees with 5 years or more service	25%	27%	43%	37%
Share of employees at age <31	23%	27%	20%	11%
Share of employees at age 31-55	63%	60%	68%	75%
Share of employees at age 55<	14%	12%	12%	13%
Education				
Education hours	2,321	3,840	4,522	5,331
Education expenses USD	82,621	126,328	62,476	55,526
Average number of training hours per employee	21	22	41	55
Share of employees who benefited from a training during the financial year	49%	43%	59%	67%

Governance Data

Category	2022	2021	2020	2019
Reports via whistleblower website	-	-	-	-
Share of women in board level positions	40%	20%	20%	20%

OUR ACTIONS AND RESULTS IN 2022

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.

Our due diligence process continued in 2022 and we identified no severe impacts.

Asetek continued to assess that we have potential adverse impacts on the human rights listed in the table beside.

Asetek takes precautionary actions to prevent and mitigate all potential adverse impacts.

Please go to <https://ir.asetek.com/governance/governance-documents-and-policies/default.aspx>

for full disclosure of our impact assessments and indicators to measure progress on our actions to prevent adverse impacts.

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 2022

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.

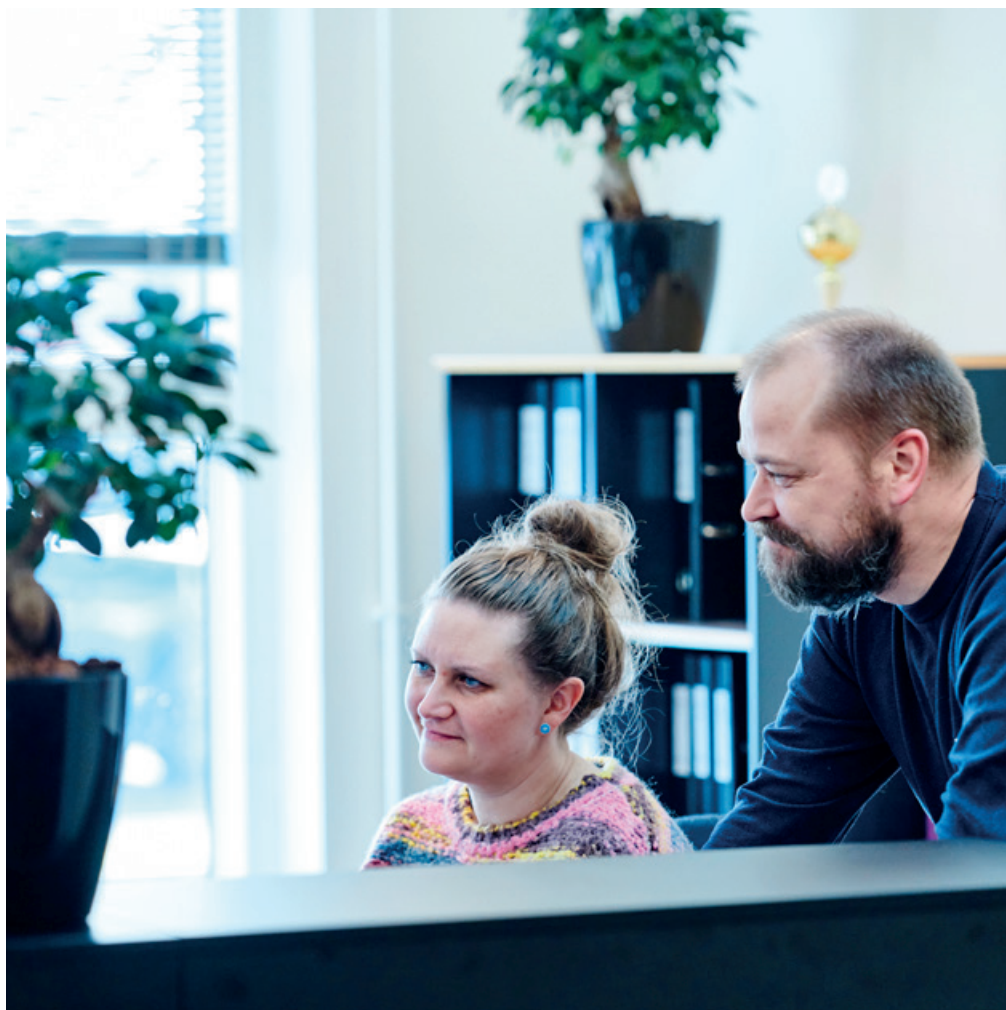
We have IT systems for registering sick leave, so we are always able to monitor the overall level of sick leave in Asetek.

In 2022 the average sick leave was 5.3 days per FTE.

The number increased in 2022 due to long-term illness of two employees.

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 2022.



PROMOTING DIVERSITY

As of December 31, 2022, the Board consists of 60% male and 40% female members against 20 % in 2021. Hence, Asetek has reached an equal distribution of women and men in the Board in accordance with Section 99 b of the Danish Financial Statements Act. Our goal continues to be at least 40 % 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 2022. During 2022 Asetek continued to actively encourage women to apply for open positions as well as having continued its communication with educational institutions which trains both male and female candidates.

During the year, Asetek has worked 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 2023,

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 more Asetek sites
- // Improve (or maintain good) human rights scores



THE WORLD (STILL) NEEDS STRICT CLIMATE REQUIREMENTS ON DATA CENTRES

THE WORLD'S CO2-EMITTING COUNTRIES ARE ONLY MAKING MODEST MOVES TOWARDS REGULATIONS ENABLING CONTROL OF GLOBAL TEMPERATURE INCREASES DESPITE NUMEROUS ALARMING CLIMATE REPORTS AND LATEST THE UN COP27 CONFERENCE IN EGYPT IN NOVEMBER 2022. SO FAR, THERE HAVE BEEN NO SPECIFIC NATIONAL INITIATIVES ANYWHERE IN THE WORLD TARGETING DATA CENTRES. THIS MAY ADD TO THE NEGATIVE CLIMATE CONSEQUENCES AFFECTING ALL OF US. IT IS ALSO FRUSTRATING FROM A COMMERCIAL PERSPECTIVE FOR A VISIONARY COMPANY LIKE ASETEK, WHICH FOR YEARS HAS PROMOTED A CLIMATE-NEUTRAL DATA CENTRE SOLUTION LABELLED AS 'BEST PRACTICE' BY THE RECOGNISED CLIMATE THINK TANK CONCITO AMONG OTHERS.

'We have long been aware that the data centre market was hardly going to be ready to adopt our liquid cooling solution for processors until specific requirements were laid down on efficient use of the huge quantities of residual heat from the world's ever-growing number of highly power-hungry data centres. What's more, the industry has so far proven to be overly complacent and mainly interested in maintaining the status quo, despite obvious climate, socioeconomic and other benefits of switching technologies', notes Asetek CEO André Sloth Eriksen.

'Sure, at last there's something potentially pivotal in the pipeline at transnational level with the revision of EU's Energy Efficiency Directive. And we at Asetek hopefully have grounds for cautious optimism from the end of 2023, when the revision of the Directive is scheduled to be implemented. But, from a climate point of view, it should have happened years ago.'

In other respects, people in the Western world are – for the most part – greatly concerned about the climate in relation to a wide range of issues, from what we eat to petrol and diesel cars.

'Unfortunately, the public, and consequently the political decision makers, have so far shown only sporadic interest in our particular field of business - notwithstanding the large amounts of surplus heat that are actually involved. We are talking here about a carbon footprint from data centres that is on a par with that from worldwide aviation and that could be made more or less totally climate neutral with our technology, which millions of users in the PC markets have chosen for its quality, efficiency and inherent climate benefits', adds André Sloth Eriksen.

'So now we need to see the requirements that are going to be set by the EU and serve as a model internationally. We know from our own contacts that the revision of the crucial Energy Efficiency Directive (EED) for the first time will set requirements specifically for the data centres that supply data to our millions of smartphones, laptops etc. but that also consume 10-20% of all electrical power internationally.'

This is a huge amount of power. The tragic Ukraine conflict, which led to focus on global gas consumption, has shown that it is impossible to generate this amount of electricity in a sufficiently green manner any time soon. Then again, the vast amounts of data centre power consumption which are used for cooling can be reused as residual heat in local district heating networks, with no need for the additional cost of heat pumps – if, that is, the EU does end up setting requirements that promote direct on-processor liquid cooling equivalent to Asetek's technology.

'The really crucial thing is how strict and precise these EU requirements will be. There are many out there – including some with significantly more financial muscle than Asetek – who maintains their strong pressure trying to influence the wording of the Directive', notes André Sloth Eriksen.





Asetek's two EU Public Affairs Consultants, Mads Stenstrup (left) and Jan Gütter (right), hold many in-person and online meetings in Brussels to try to secure meaningful, restrictive data centre regulations as part of the EU's forthcoming revision of its Energy Efficiency Directive. Asetek's CEO André Eriksen (centre) has also attended on numerous occasions.

OUR BUSINESS PARTNERS

2022 HIGHLIGHTS

All crucial component suppliers within our cooling business have signed our Responsible Business Relationships Code of Conduct (RBRCoC)

We engaged with new SimSports suppliers to start implementing our RBRCoC

We implemented a grievance mechanism

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).

All strategic business relationships of Asetek receive our Responsible Business Relationships Code of Conduct as part of the contract.

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 primary suppliers have signed a Supplier Code of Conduct

We have received a risk assessment from our crucial suppliers

OUR ACTIONS AND RESULTS IN 2022

In 2022, all our crucial component suppliers within our cooling business have received and signed our Responsible Business Relationships Code of Conduct (RBRCoC), which is informed by the standard defined by the UNGPs. We had dialogues with our largest suppliers on documenting their ESG impact assessment and expect to receive the first documented results in 2023.

We began implementing our RBRCoC amongst our SimSports suppliers and we will continue that work in 2023. Furthermore, in 2023 we expect to enter a partnership with a large contract manufacturer in Asia for our SimSports products and sustainability impact assessments according to our RBRCoC is part of the negotiations.

We have identified no incidents of corruption in neither our upstream and downstream activities in 2022.

We implemented a grievance mechanism in 2022 according to our commitment to sustainability. It is available on our website as part of the governance section: <https://ir.asetek.com/governance/governance-documents-and-policies>

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.

We identified no incidents of known 3TG conflict metals in our products or operations in 2022.

THE WAY FORWARD

IN 2023, WE EXPECT TO:

// Engage with business relations within both our cooling and SimSports business on how to implement our RBRCoC and assist if needed

// Ensure that Asetek's crucial suppliers initiate an impact assessment



DATA AND COMMENTS

Key Figures GHG Emissions (Asetek)

Category	Unit	2022	2021	2020	2019
Scope 1					
Transportation					
Diesel (B5)	tCO2e	15.4	12.5	16.6	32.4
Petrol (E5)	tCO2e	18.6	20.3	16.3	9.7
Transportation Total	tCO2e	34.0	32.8	32.9	42.1
Stationary combustion					
Natural gas (US avg.)	tCO2e	10.1	10.1	10.1	10.4
Stationary combustion Total	tCO2e	10.1	10.1	10.1	10.4
Total Scope 1 emissions	tCO2e	44.1	42.9	43.0	52.5
Scope 2					
Electricity location-based					
Electricity Denmark 125	tCO2e	5.8	-	68.8	81.8
Electricity China	tCO2e	27.9	34.6	31.4	24.5
Electricity Taiwan	tCO2e	12.9	10.3	3.7	2.6
Electricity US/CAMX	tCO2e	22.0	19.3	21.2	22.5
Electricity Total location-based	tCO2e	68.6	64.1	125.1	131.4
Electricity Green					
Electricity Wind	tCO2e	-	-	-	-
Electricity Green Total	tCO2e	-	-	-	-
DH Nordic Locations					
District heating DK/Aalborg	tCO2e	37	39.7	18.6	28.2
DH Nordic locations Total	tCO2e	37	39.7	18.6	28.2
Total Scope 2 emissions	tCO2e	105.6	103.8	143.7	159.6
Electricity market-based	tCO2e	77.2	64.4	265.4	293.4
Scope 2 Total market-based	tCO2e	114.2	104.1	284.0	321.6
Scope 1 renewable energy	MWh	7.2	6.9	6.9	8.8
Scope 1 renewable energy share	%	3.5%	3.5%	3.5%	3.7%
Scope 2 renewable energy	MWh	718.5	645.6	878.1	862.2
Scope 2 renewable energy share	%	73%	70.7%	59.7%	59.3%
Total renewable energy	MWh	725.7	652.5	530.8	519.8
Total renewable energy share	%	61.1%	58.7%	49.3%	47.4%
Percentage change		1.0%	1.2%	0.0%	

Category	Unit	2022	2021	2020	2019
Scope 3					
Business travel					
Air travel	tCO2e	132.7	207.4	77.4	295.4
Ground transportation travel	tCO2e	6.7	2.5	1.5	5.6
Sea travel	tCO2e	-	-	0.2	-
Hotel nights, world	tCO2e	19.5	10.2	8.3	41.7
Business travel Total	tCO2e	158.9	220.1	87.4	342.7
Waste					
Residual waste, incinerated	tCO2e	17.2	23.5	51.5	40.1
Paper waste, recycled	tCO2e	0.2	0.1	0.1	0.1
Waste water treatment	tCO2e	0.3	0.5	0.8	0.8
Metal waste, recycled	tCO2e	0.3	0.3	-	-
Waste Total	tCO2e	18.0	24.4	52.4	41.0
Packaging materials (Location DK)					
Cardboard, virgin	tCO2e	6.7	1.3	1.1	0.6
Plastic avg. (virgin)	tCO2e	0.2	0.3	0.2	0.1
EUR-pallet wood, reused	tCO2e	0.1	0.1	0.2	-
Packaging materials (Location DK) Total	tCO2e	7.0	1.7	1.5	0.7
Production materials (Location DK)					
Copper cathode	tCO2e	0.1	-	-	-
Rubber, EPDM	tCO2e	-	-	-	-
Steel, stainless	tCO2e	0.4	-	-	-
Aluminium	tCO2e	81.5	-	-	-
Plastic avg.	tCO2e	0.3	-	-	-
Production materials (Location DK) Total	tCO2e	82.3	-	-	-
Total Scope 3 emissions	tCO2e	266.4	246.2	141.3	384.4
Percentage change (Scope 1+2+3 location-based)	tCO2e	5.9%	19.8%	-45.0%	

Key Figures GHG Emissions (Tier 1 supplier)

Category	Unit	2022	2021	2020	2019
Scope 3					
Waste					
Residual waste, incinerated	tCO2e	38.7	26.5	24.6	15,4
Metal waste, recycled	tCO2e	-	-	-	-
Mixed waste, recycled	tCO2e	0.1	-	-	-
Waste Total	tCO2e	38.8	26.5	24.6	15,4
Electricity					
Electricity China	tCO2e	441.6	921.9	704.6	50.2
Electricity renewable	tCO2e	-	-	-	-
Electricity Total	tCO2e	441.6	921.9	704.6	50.2
Packaging materials					
Cardboard, virgin	tCO2e	181.7	731.7	599.9	482.2
Plastic avg. (virgin)	tCO2e	2.4	1.5	1.4	1.0
Cardboard, recycled (CL)	tCO2e	201.9	55.1	53.6	39.5
Packaging materials Total	tCO2e	386.0	788.3	654.9	522.7
Product materials					
Aluminum	tCO2e	2,545.4	4,617.3	3,443.1	3,453.3
Plastic avg.	tCO2e	73.7	155.9	108.4	69.3
Rubber, EPDM	tCO2e	5.8	12.1	8.7	5.6
Copper cathode	tCO2e	163.5	353.1	261.2	204.2
Product materials Total	tCO2e	2,788.4	5,138.4	3,821.4	3,732.4
Total Scope 3 emissions	tCO2e	3,654.9	6,875.1	5,205.5	4,320.7
Percentage change		-46.8%	32.1%	20.5%	

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

Category	Unit	2022	2021	2020	2019
Total Scope 1 emission	tCO2e	44.1	42.9	43.0	52.5
Total Scope 2 (location-based method)	tCO2e	105.6	103.8	143.7	159.6
Total Scope 2 (market-based method)	tCO2e	114.2	104.1	284.0	321.6
Total Scope 3 emission	tCO2e	3,921.3	7,121.0	5,346.8	4,705.1
Total (location-based method)	tCO2e	4,071.0	7,267.7	5,533.5	4,917.2
Total (market-based method)	tCO2e	4,079.6	7,268.0	5,673.8	5,079.2
Percentage change		-44.0%	31.3%	12.5%	

Relative product power draw

Category	2022	2021	2020	2015	2012	2009
Relative product power draw	16%	16%	26%	31%	47%	100%

Key Figures Consumption (Asetek)

Category	Unit	2022	2021	2020	2019
Scope 1					
Transportation					
Diesel (B5)	liters	5,977	4,857	6,497	12,676
Petrol (E5)	liters	8,363	9,121	7,400	4,431
Stationary combustion					
Natural gas (US avg.)	m3	5,386	5,386	5,385	5,385
Scope 2					
Electricity					
Electricity Denmark 125	kWh	40,847	-	449,733	405,025
Electricity China	kWh	45,183	55,110	50,830	38,667
Electricity Taiwan	kWh	23,576	18,441	6,044	4,050
Electricity US/CAMX	kWh	93,855	93,855	93,900	93,900
DH Nordic locations					
District heating DK/Aalborg	kWh	303,120	325,480	277,742	320,471
Electricity Green					
Electricity Wind	kWh	477,373	420,903	-	-
Scope 3					
Business travel					
Ground transportation travel (Taxi)	km	19,510	7,257	7,400	23,198
Ground transportation travel (Others)	km	66,724	5,303	1,010	7,509
Sea travel	pkm	-	80	1,200	-
Air travel	flight trips	268	432	163	544
Hotel nights, world	nights	494	226	178	897
Waste					
Residual waste, incinerated	kg	34,239	46,663	102,649	79,879
Paper waste, recycled	kg	11,228	5,362	3,420	2,465
Waste water treatment	m3	1,109	2,085	1,140	1,134
Metal waste, recycled	kg	14,448	15,842	-	-
Packaging materials (Location DK)					
Cardboard, virgin	kg	8,035	1,537	1,453	752
Plastic avg. (virgin)	kg	66	85	54	21
Pallet wooden EUR, reused	kg	2,993	1,901	4,765	1,038
Product materials (Location DK)					
Copper cathode	kg	19	-	-	-
Rubber, EPDM	kg	24	-	-	-
Steel, stainless	kg	94	-	-	-
Aluminum	kg	8,939	-	-	-
Plastic avg.	kg	94	-	-	-

Key Figures Consumption (Tier 1 supplier)

Category	Unit	2022	2021	2020	2019
Scope 3					
Waste					
Residual waste, incinerated	kg	77,147	52,794	49,077	30,657
Metal waste, recycled	kg	67	318	682	563
Paper waste, recycled	kg	3,087	24	-	-
Electricity					
Electricity China	kWh	714,638	1,470,394	1,143,903	79,271
Electricity renewable	kWh	16,749			
Packaging materials					
Cardboard, virgin	kg	219,160	891,204	799,585	572,288
Plastic avg. (virgin)	kg	760,0	488	435	311
Cardboard, recycled (CL)	kg	280,770	76,611	69,568	49,792
Pallet wooden EUR, reused	kg	6,7	12	12	9
Product materials					
Aluminum	kg	279,020	506,140	377,420	268,310
Plastic avg.	kg	23,660	50,030	34,790	22,230
Rubber, EPDM	kg	4,590	9,500	6,810	4,360
Copper cathode	kg	24,780	53,500	39,580	30,950

Key Figures Social Data

Category	2022	2021	2020	2019
Health and safety				
Sick leave (Days/FTEs)	5.3	3.7	3.1	2.9
Work Accidents	1	-	1	-
Diversity				
Share of women in other management positions	18%	18%	17%	18%
Share of women in the workforce	29%	27%	25%	26%
People				
Full-Time Equivalents (FTEs) (average)	140	151	110	97
Non-permanent workforce at the end of the financial year	11	11	13	9
Number of permanent employees hired	14	31	19	15
Number of permanent employees departures	28	32	13	6
Share of employees having benefited from an awareness program on the code of ethics	100%	100%	100%	100%
Share of non-permanent staff	10%	6%	12%	9%
Share of employees who benefited from an annual individual interview	100%	100%	100%	100%
Employee turnover	20%	21%	12%	6%
Share of employees with 5 years or more service	25%	27%	43%	37%
Share of employees at age <31	23%	27%	20%	11%
Share of employees at age 31-55	63%	60%	68%	75%
Share of employees at age 55<	14%	12%	12%	13%
Education				
Education hours	2,321	3,840	4,522	5,331
Education expenses USD	82,621	126,328	62,476	55,526
Average number of training hours per employee	21	22	41	55
Share of employees who benefited from a training during the financial year	49%	43%	59%	67%

Governance Data

Category	Unit	2022	2021	2020	2019
Reports via whistleblower website	Number	-	-	-	-
Share of women in board level positions	%	40%	20%	20%	20%

DATA DEFINITIONS	COMMENTS
FINANCIAL PERFORMANCE	
Financial key figures is taken from the audited 2022 Annual Report of Asetek	
RELATIVE PRODUCT POWER DRAW	RELATIVE PRODUCT POWER DRAW
Relative power draw is a measure for performance of new products launched, measured as thermal performance in °C/W compared to it's power draw needed to achieve the same thermal performance.	The relative power draw is unchanged from 2021 to 2022 as it is based on the same pump generation.
ENVIRONMENTAL DATA	ENVIRONMENTAL DATA
Scope 1	Scope 1
<i>Transportation</i>	
Diesel (B5) is measured as liters of diesel purchased for company-owned cars based on invoice registration in Asetek's ERP system.	
Petrol (E5) is measured as liters of petrol purchased for company-owned cars based on invoice registration in Asetek's ERP system.	
<i>Stationary combustion</i>	<i>Stationary combustion</i>
Natural gas (US avg.) is measured as average use per m3 in an US office.	Natural gas is only used at Asetek's office in California.
Scope 2	Scope 2
<i>Electricity location-based</i>	<i>Electricity location-based</i>
Electricity Denmark 125 is based on consumption measured by electricity meter, reported by supplier.	In 2022, Asetek's electricity use on our current address was powered by 100 % certified renewable energy from wind power. However, as we are constructing Asetek's new headquarters in Svenstrup, we used 40847,2 kWh on that site which was the regular Electricity Denmark 125 factor (market mix).
Electricity China is estimated as average of electricity consumption per capita multiplied by number of FTEs.	
Electricity Taiwan is estimated as average electricity consumption per capita multiplied by number of FTEs.	
Electricity US/CAMX is estimated as average electricity consumption per capita multiplied by number of FTEs.	
<i>Electricity Green</i>	<i>Electricity Green</i>
Electricity Wind is measured as total use of electricity at Asetek's location in Aalborg.	Wind energy has been used for Asetek's location in Aalborg since the beginning of 2021.
<i>DH Nordic locations</i>	<i>DH Nordic locations</i>
District Heating DK / Aalborg is based on reports from Asetek's district heating distributor in Aalborg.	District heating is only used at Asetek's location in Aalborg.
Scope 3 (Asetek)	Scope 3 (Asetek)
<i>Business Travel</i>	<i>Business Travel</i>
Ground transportation travel (Taxi) is measured in kilometers from taxi receipts registered in the system. For receipts where kilometers are not stated the expense from the receipt is converted into kilometers by following calculation; expense minus drop charge after which the remaining of the expense is divided by average price per kilometer for the geographical area concerned.	The increase in ground transportation is due to an increase in supplier visits in Asia, primarily related to quality checks at new suppliers i connection with starting the production of SimSports products.
Ground transportation travel (Others) is measured as kilometers travelled by Train, Car, Bus, etc. Kilometers is measured through receipts and invoices, extracted from Asetek's ERP system.	The increase in ground transportation is due to an increase in supplier visits in Asia, primarily related to quality checks at new suppliers in connection with starting the production of SimSports products.
Sea travel is accounted for through receipts and invoices for sea travels in Asetek's ERP system.	
Flights is accounted as the total number of flights; domestic, continental, intercontinental, traveled by Asetek's employees. The numbers are based on expenses and invoicing for flights, extracted from Asetek's ERP system.	The decrease in flights (domestic, continental, intercontinental) is mainly driven by fewer business travels due to COVID-19 lockdown in China in 2022.
Hotel nights is accounted as the total number of nights spend by Asetek's employees at hotels. The numbers are based on expenses and invoicing for hotels extracted from Asetek's ERP system.	

DATA DEFINITIONS

Scope 3 (Asetek)

Waste and water

Residual waste is based on amount of residual waste reported by the collection agency, for the 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 the waste collection agencies.

Metal waste, recycled is a total of cobber and metal waste. Amounts is conducted from Aseteks waste collection agencies.

Waste water treatment is calculated as average water use per capita respectively in Asetek's locations in Aalborg, California and Taipei multiplied by number of FTEs. For Asetek's location in Xiamen the actual water use is measured.

Packaging waste generated from production

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

Pallet wooden EUR, reused is counted as number of pallets purchased multiplied by weight of pallets, as all pallets are collected for reuse.

Product materials (Location DK)

Copper cathode is measured as total use of copper in kilos for all sold products, produced in Asetek's production in Denmark.

Rubber, EPDM is measured as total use of rubber in kilos for all sold products, produced in Asetek's production in Denmark.

Steel, stainless is measured as total use of stainless steel in kilos for all sold products, produced in Asetek's production in Denmark.

Aluminum is measured as total use of aluminum in kilos for all sold products, produced in Asetek's production in Denmark.

Plastic avg. is measured as total use of plastics in kilos for all sold products, produced in Asetek's production in Denmark.

COMMENTS

Scope 3 (Asetek)

Waste and water

The decrease in residual waste, incinerated is mainly driven by Asetek's decrease in workforce from 2021 to 2022. Furthermore, there has been an improvement in Asetek's waste sorting system.

The increase in paper waste, recycled is mainly driven by an improvement of Asetek's waste sorting system.

The decrease in waste water treatment is mainly driven by the company's decrease in workforce from 2021 to 2022.

Packaging waste generated from production

The increase in cardboard virgin follows the increase in product turnover, due to the addition of SimSport products added to the product mix at Asetek's own production in Denmark, in 2022.

The increase in plastic avg. (virgin) follows the increase in product turnover, due to the addition of SimSport products added to the product mix at Asetek's own production in Denmark, in 2022.

The increase in pallet wooden EUR, reused follows the increase in product turnover derived from the introduction of Asetek's SimSports products that are produced at Asetek's own production in Denmark.

Copper cathode was measured for the first time in 2022, for production in Denmark, as production of SimSports products started.

Rubber was measured for the first time in 2022, for production in Denmark, as production of SimSports products started.

Steel was measured for the first time in 2022, for production in Denmark, as production of SimSports products started.

Aluminum was measured for the first time in 2022, for production in Denmark, as production of SimSports products started.

Plastic was measured for the first time in 2022, for production in Denmark, as production of SimSports products started.

DATA DEFINITIONS	COMMENTS
Scope 3 (Tier 1 supplier)	Scope 3 (Tier 1 supplier)
<i>Waste</i>	<i>Waste</i>
Residual waste, incinerated is measured as total residual waste from supplier, divided by their share of revenue obtained through Asetek.	The increase in residual waste, incinerated is caused by an office relocation of a Tier 1 supplier in 2022, which caused an extraordinary amount of residual waste for this period.
Metal waste, recycled is the total of cobber waste from suppliers production, divided by their share of revenue obtained through Asetek.	
Paper waste, recycled is based the total of paper waste, recycled from suppliers production, divided by their share of revenue obtained through Asetek.	
<i>Electricity</i>	<i>Electricity</i>
Electricity China is measured through electricity meter, located at the Asetek related production.	The fluctuations in electricity use at Asetek's tier 1 supplier is caused by lack of direct measures for year 2019 and 2020. The use for 2019 and 2020 are based on suppliers total use of electricity divided by revenue gained through Asetek. In year 2021 and 2022 the actual use was measured by electriciry meter, located at the Asetek related production.
Electricity renewable is measured as tier 1 suppliers total use of electricity, divided by the percentage of electricity use that can be covered by tier 1's own solar power.	In 2022 Asetek's tier 1 supplier started using renewable energy from solar power. Solar power now covers 3% of suppliers electricity use.
<i>Packaging waste generated from production</i>	<i>Packaging waste generated from production</i>
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.	The decrease in cardboard virgin follows the decrease in product turnover but is furthermore driven by a strengthened focus on waste sorting
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.	The increase in plastic avg. (virgin) is mainly driven by a change in product mix.
Cardboard, recycled (CL) was measured as total kilos of reused cardboard used by supplier used in product packaging of Asetek products.	The decrease in cardboard, recycled (CL) follows the decrease in product turnover.
Pallet wooden EUR, recycled is measured as kilos of pallets used for Asetek products.	The decrease in pallets used is driven by a change in product mix, along with a decrease in product turnover.
<i>Product materials</i>	<i>Product materials</i>
Copper cathode is measured as total use of copper in kilos for products produced by Tier 1 supplier, for Asetek	The decrease in copper cathode is reflecting a decrease in Asetek's product turnover and a change in product mix.
Rubber, EPDM is measured as total use of rubber in kilos for products produced by Tier 1 supplier, for Asetek	The decrease in rubber, EPDM is reflecting a decrease in Asetek's product turnover and a change in product mix.
Steel, stainless is measured as total use of stainless steel in kilos for products produced by Tier 1 supplier, for Asetek	The decrease in steel, stainless is reflecting a decrease in Asetek's product turnover and a change in product mix.
Aluminum is measured as total use of aluminum in kilos for products produced by Tier 1 supplier, for Asetek	The decrease in aluminum is reflecting a decrease in Asetek's product turnover and a change in product mix.
Plastic avg. is measured as total use of plastic in kilos for products produced by Tier 1 supplier, for Asetek	The decrease in plastic avg. is reflecting a decrease in Asetek's product turnover and a change in product mix.

DATA DEFINITIONS

COMMENTS

SOCIAL DATA

SOCIAL DATA

Health and safety

Health and safety

Sick leave (Days/FTEs) is accounted as hours of employee absence converted into days divided by FTEs. The numbers are extracted from Asetek's time registration system and includes all short- and long-term illness and child sickness. Maternity or paternity leave is not included.

The increase in sick leave was primarily caused by 2 long-term illnesses.

Work accidents is defined as severe injuries occurred during working hours at Asetek's locations. The injury is accounted for when it has been reported as an occupational injury by the employee and can be classified as loss-time or fatal injury.

We experienced 1 occupational injury that caused 5 days sick leave.

Diversity

Share of women in other management positions is accounted as women in other management positions at the end of financial year divided by FTE's.

Share of women in the workforce is measured as women in the workforce at the end of the financial year divided by FTE's.

People

FTEs is accounted as average of employees for the accounted period.

The decrease in FTEs is driven by previously mentioned challenges, which led to reductions in workforce.

Non-permanent workforce at the end of the financial year

Number of permanent employees hired for the period

Number of permanent employees departures

Share of employees having benefited from an awareness program on the code of ethics is accounted as total FTEs, as all of Asetek's employees are benefitting from the awareness program once a year.

Share of non-permanent staff

Share of employees who benefited from an annual individual interview

Employee turnover

Share of employees with 5 years or more service

Share of employees at age <31

Share of employees at age 31-55

Share of employees at age 55<

Education

Education hours is measured through Asetek's time registration system.

Education expenses is measured through Asetek's ERP system.

Average number of training hours per employee

Share of employees who benefited from a training during the financial year is measured through Asetek's time registration system.

GOVERNANCE DATA

GOVERNANCE DATA

Inquiries reported via whistle-blower website

Share of women in board level positions

We reached our goal of 40% women in Asetek's board



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