

Zenitel AS Sustainability Report 2021

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1. MESSAGE FROM CEO

Zenitel provides integrated security communications for environments where life, property and assets are at stake. We keep people safe by enabling everyone to hear, be heard and understood - every time and everywhere. When 'standard communication' systems fail, especially during emergencies or at critical moments, Zenitel's solutions and systems stand above all others. It is in those moments, when life is at stake, that reliable communication systems are vital. This is our most significant contribution to the world - to ensure a safe and secure social environment by enabling our customers to protect life, property and assets.

This report outlines Zenitel's sustainability work and our actions to continuously improve integration of the UN Global Compact ten principles into our business strategy, culture and daily operations.

The sustainability steps we took in 2021 include:

- Joining UN Global Compact, thereby honoring the ten principles in the areas of Human Rights, Labor, Environment and Anti-Corruption.
- Getting a silver medal from EcoVadis, which puts us in the top 4% of companies rated by EcoVadis on the Wholesale of electronic and telecommunications equipment and parts industry.
- Qualifying as a supplier by Integrity Next.
- Qualifying as a supplier by Magnet JQS.
- New or updated policies for Human Rights, Environment, Health & Safety and Quality.
- Reporting on our CO₂ footprint.

Our employees are our most important asset and they have showed throughout the pandemic that they really understand and embrace our values Professional, Open and Passionate. As a support, it is mandatory for all employees to go through e-learning modules covering Code of Conduct and IT Security.

At Zenitel, we believe that doing business sustainably is key to success, and I hope that this report shows our efforts and commitment. We are committed to continuously improve our customers' experience while being mindful of our direct and indirect economic, social, and environmental impact on our surroundings and stakeholders.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Koen Claerbout

2. ABOUT THE REPORT

Zenitel is organized through a corporate operation where much of the central functions are covered and three business units with geographical entities. To be relevant in the different markets where Zenitel products and solutions are used, three separate business units manage functions such as sales, technical support, marketing, product management and for 2 of the 3 business units also project delivery. There also are several subsidiaries that manage local business operations.

This report covers year 2021. This report, as well as all independent ratings and certifications Zenitel hold, concern Zenitel Corporate, which is the same as Zenitel Norway AS. Subsidiaries, business units and other operations or similar are not included.

When disclosing emissions and targets, we have measured Scope 1 and Scope 2 emissions. No numbers for Scope 3 emissions are currently available.

As we are committed to UN Global Compact, this report is to be considered as Communication on Progress (COP).

3. PROGRESS FROM 2020

Zenitel's first sustainability report came out in 2020 and was mainly internal and used for independent ratings and UN Global Compact purposes. There are however measurements dating back to 2019 which provides a good baseline and allows us to show trends now that the numbers for 2021 are also accounted for. The following section illustrates the trends as well as states decided goals.

When referring to Scope 1, 2 and 3 emissions we use the definition by <https://www.nationalgrid.com/stories/energy-explained/what-are-scope-1-2-3-carbon-emissions>

a. Energy consumption and greenhouse gases

The table below shows an overview of CO₂ emission 2019, 2020 and 2021. Please note that the 2019 measurements are the baseline which we will measure the set goals against.

Zenitel has thus far not measured Scope 3 emissions.

Year	2019	2020	2021
Scope 1 emissions excl carbon offset credits	897 516	690 559	732 178
Scope 1 emissions incl carbon offset credits	275 486	88 074	100 883
Scope 2 emissions excl carbon offset credits	326 705	280 128	310 021
Scope 2 emissions incl carbon offset credits	326 705	280 128	310 021
Total emissions excl carbon offset credits	1 224 221	970 687	1 042 199
Total emissions incl carbon offset credits	602 191	368 202	410 904
Emission intensity (CO ₂ kg/kNOK)	1.03	0.58	0.65

For detailed numbers and references, please see sections 13 and 14

Comment: The results are quite different from previous year, which is due to reduced activity related to the pandemic as well as increased stock due to the global component challenge. Therefore it is not possible to draw any conclusions from the trends in greenhouse gas emissions.

The trend to reduce Scope 1, Scope 2 emissions as well as emission intensity shows that we still have some work to do to achieve our targets in 2025. We will use the result from 2021 to identify and set new priorities.

4. REDUCTION TARGETS - SUMMARY

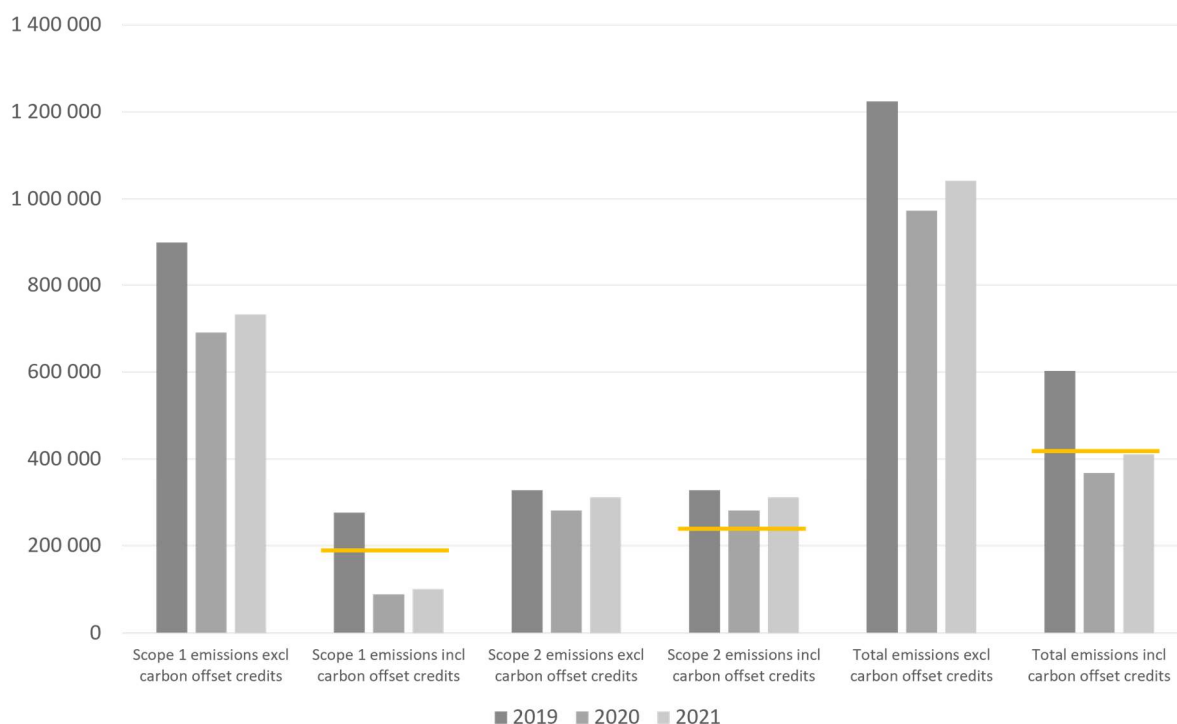
a. Scope 1 emissions

Zenitel has committed to reduce the Scope 1 greenhouse gas emissions with 30% by 2025 based on 2019 as starting point. The Scope 1 emission target for 2025 is to emit less than 192,840 CO₂ kg including purchased carbon offset credits. Scope 1 emissions are emissions from sources that an organization owns or controls directly.

b. Scope 2 emissions

Zenitel has committed to reduce the Scope 2 greenhouse gas emissions with 30% by 2025 based on 2019 as starting point. The Scope 2 emission target for 2025 is to emit less than 228,694 CO₂ kg including purchased carbon offset credits. Scope 2 emissions are emissions that a company causes indirectly when the energy it purchases, and uses is produced.

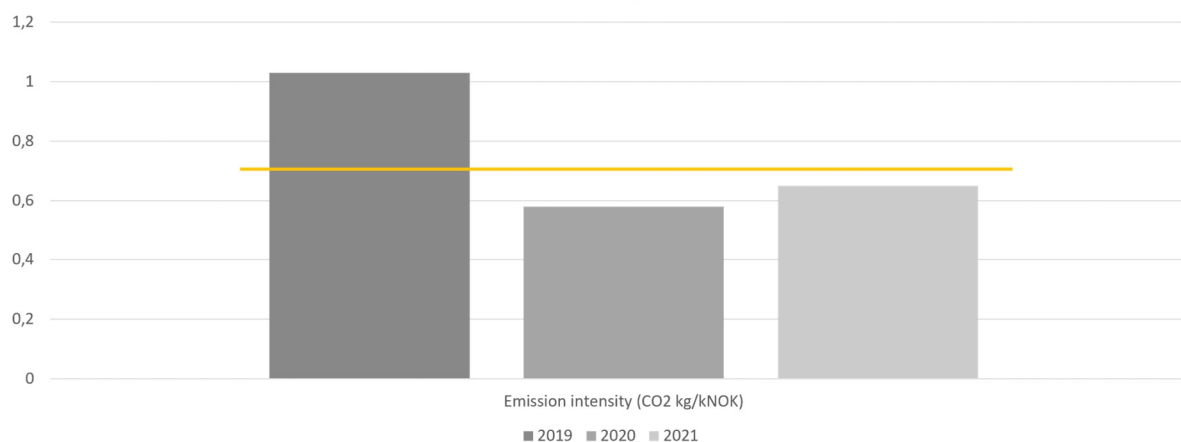
Greenhouse gas emissions 2019-2021



c. Emission intensity

Zenitel has committed to reduce the emission intensity with 30% by 2025. The emission intensity target is to emit less than 0.72 CO₂ kg per kNOK in revenue.

Emission intensity 2019-2021



5. WATER

For 2021 Zenitel had no known incidents of water pollution.

6. BIODIVERSITY

For 2021 Zenitel had no known incidents of impacting biodiversity.

7. LOCAL AND ACCIDENTAL POLLUTION

For 2021 Zenitel had no known incidents of local and accidental pollution.

The main impact Zenitel has on the local environment is caused by employees driving cars to our facilities.

To reduce impact caused by employees' cars, Zenitel has supported Bike-to-work (www.sykletiljobben.no) initiative where we have had Zenitel teams for our Oslo and Horten facilities in years 2016-2019. Due to Covid restrictions and home office, Bike-to-work have not been arranged for 2020 and 2021.

8. MATERIALS, CHEMICALS & WASTE

All Zenitel Norway offices are set up for recycling waste.

Zenitel purchases recycling services for its facilities from Ragn-Sells. For details see reference 14d.

Table below shows overview of waste collected and recycled for the HQ in Horten by Ragn Sells 2021.

The sorting ratio for 2021 was **72.16%**.

Fraction	Fraction name	2021 (tonnes)	% of total
1141	Pure wood	3 000	14%
1149	Mixed processed wood	1 160	6%
1222	Pure paper	9 680	46%
1712	Foil plastic, other	410	2%
1729	Mixed soft and hard plastic packaging material	780	4%
9912	Compostable waste	4 480	22%
9913	Combustible waste	1 320	6%
Total:		20 830	100%

Except for Ragn Sells, we have used ERP Norway AS for handling metals and EE. Unfortunately, we don't have any data to share for 2021.

9. DESIGNING FOR SUSTAINABILITY AND RISK MANAGEMENT

We currently do not measure Scope 3 emissions, but we consider sustainability in R&D projects. Some of the activities during 2021 were:

a. Managing supply situation

The supply situation in global electronic component situation is severe for Zenitel as well as for others in the industry. Suppliers of electronic component are no longer able to deliver, and it is a risk that many product lines must be phased out. To deal with this crisis Zenitel has renewed the obsolescence management policy and process to continue having a sustainable long product lifetime of our products and solutions

As an example, 57 Engineering Change Orders were carried through during 2021 to ensure continued production.

b. Migrating legacy solutions to new technology

Zenitel has a large installed base of legacy communication solutions. Customers want to be able to migrate their existing solutions with new technologies such as IP networking, artificial intelligence, and cloud without discarding the hardware. (IP networking, cyber, AI, Cloud). Zenitel R&D has put in significant effort in developing a modern intelligent communication solution where customers can continue to use their legacy devices and networking infrastructure and still be up to date with the latest technology.

c. Packaging

Product packaging has been designed with sustainability in mind and consists of folded cardboard and no glue. Shredded cardboard is used for packaging

10. CUSTOMER HEALTH AND SAFETY

Zenitel does external safety testing, certification and auditing of our products using accredited companies such as UL, Nemko, DNV. Main safety standards we test, certify and audit towards are:

- IEC 60945 Maritime navigation and radiocommunication equipment and systems –General requirements – Methods of testing and required test results
- IEC 62368-1 Audio/Video, Information and Communication Technology Equipment - Part 1: Safety Requirements
- IEC 60079 Explosive atmospheres

See ACM type approval certificate (<https://www.zenitel.com/file/1649/download>) and Turbine safety certification (<https://www.zenitel.com/file/5871/download>) for typical test, certification and audit Zenitel performs via these external partners. Full list of certificates can be downloaded from <https://www.zenitel.com/content/library>. In 2021 Zenitel had no product recalls and no known customer health and safety incidents.

11. WORKING ENVIRONMENT

Zenitel is committed to maintain a good working environment for all employees. We aim to conduct business with integrity and in compliance with applicable laws and regulations as well as with our internal Code of Conduct.

Good labor practices within the organization and employee well-being and development are very important to us. Main activities in 2021 to ensure a healthy and good working environment in Zenitel Norway were:

a. Workplace

1. All offices have had a dedicated health and safety representative.
2. Had two meetings with the health and safety representatives to ensure good dialogue/resolve any issues quickly.
3. One annual control of the physical work environment for all employees.
4. 2 nearby accidents in 2021 / 0 accidents.
5. Safe reporting channel for non-compliance or to raise an integrity concern. Reporting routines available for violations.

b. Employee well-being

1. 82.86% of the employees used Zenitel's sport and health budget (target: above 83%)
2. 100% of employees offered health check 2021
3. 100% of employees has social benefits
4. 2.9% Sick leave, did not achieve target of 2%

c. Development

1. 100% of the employees were given the possibility to have an individual development plan.
2. Increase competence on key areas completed according to target set.

d. Equality and anti-discrimination:

1. Risk analyses conducted
2. At least one qualified female invited for job interview
3. Secure gender balance in advertise language and pictures – Zenitel's picture bank reviewed
4. At student fairs: a female Zeniteller to participate

12. POLICIES

Zenitel is committed to maintain a corporate culture and value set where we conduct our business consistently with the United Nations Guiding Principles on Business and Human Rights and we have incorporated the ten principles of the UN Global Compact.

During 2021, a Human Rights policy was created. The already existing Quality policy, Health & Safety policy, and Environmental policy were updated. Please see references 14 g-j for details.

13. RATINGS AND CERTIFICATES

Zenitel Norway AS is certified according to ISO14001:2015, ISO 45001:2018 and ISO9001:2015 and complies with European WEEE and REACH European Directive N 1907/2006.

During 2021 we qualified as a supplier by Integrity Next and Magnet JQS. We were also appointed a silver medal from Eco Vadis, which puts us in the top 4% of companies rated by Eco Vadis on the Wholesale of electronic and telecommunications equipment and parts industry.

14. EMISSION DETAILS

Detailing Scope 1 and Scope 2 emissions as reported in sections 3 and 4.

a. Scope 1 emissions

Zenitel's Scope 1 emissions come from the following sources:

- Company cars
- Service travel with employee cars
- Shipments
- Air travel

The table below shows the total CO₂ emissions from the different sources for the years 2019, 2020 and 2021.

Year	2019	2020	2021
Company cars	38 487	26 998	22 998
Service travel with employee cars	16 283	7 082	6 032
Shipments	650 130	630 585	673 495
Air travel	192 616	25 894	29 653
Total	897 516	690 559	732 178

The table below shows the total CO₂ emissions from the different sources for 2019, 2020 and 2021 subtracting the purchased carbon offset credits. Zenitel purchased carbon offset credits for 69 % of the carbon emissions in 2019, for 87% of the carbon emissions in 2020 and 86% in 2021.

Year	2019	2020	2021
Company cars	38 487	26 998	22 998
Service travel with employee cars	16 283	7 082	6 032
Shipments	28 100	28 100	42 200
Air travel	192 616	25 894	29 653
Total	275 486	88 074	100 883

1. Company cars

For the company cars, Zenitel purchases diesel and gasoline from Circle K and Shell. The table below shows volume in liters and CO₂ emissions in kg.

Zenitel Norway AS has 9 company cars where 5 have diesel engines, 1 is electric, 2 are gasoline driven and 1 is a gasoline/electric hybrid.

Years	Fuel	CO ₂ in kg	Volume (l)
2018	95 Octane unleaded	9 324	4 026
	Diesel	23 557	9 311
2018 Total		32 881	13 337
2019	95 Octane unleaded	10 596	4 575
	Diesel	27 891	11 024
2019 Total		38 487	15 599
2020	95 Octane unleaded	8 580	3 705
	Diesel	18 418	7 280
2020 Total		26 998	10 984
2021	95 Octane unleaded	8 850	3 821
	Diesel	14 148	5 592
2021 Total		22 998	9 413

2. Service travel employee cars

Zenitel uses Visma accounting system to report on distance traveled and car type for service travels that employees undertake using their private cars.

Value	2019	2020	2021
Km total	145 856	64 293	58 587
Km el. Cars	9 027	7 723	19 917
Km non-el. Cars	104 375	45 398	38 670
Gas (l)	6 784	2 951	2 513
CO ₂ kg	16 283	7 082	6 032

3. Shipments

The main shipments for Zenitel are done by Bring, DHL and Fideltronik. We buy carbon offset credits via DHL. For 2021, we offset a total of 631,295.48 kg CO₂e with GoGreen Climate Neutral services.

DHL has offset the greenhouse gas emissions generated by transportation and logistics through climate protection project for waterpower, energy efficiency, clean water, biogas, biomass and wind power in Honduras, Lesotho, China, Eritrea, Vietnam, Laos, Nepal, Chile and Aruba.

The numbers from Bring for 2020 (and therefor 2019) were incorrect which will affect the trend and baseline. They are however still included in this report and the reported numbers for 2021 are trustworthy. There is no detailed record of specific offset for greenhouse gas emissions from Bring or Fideltronik.

CO₂ emissions 2019

Transporter	CO ₂ emissions	Climate offset credits	Total CO ₂ kg
Bring*	2 500	-	2 500
DHL	622 030	622 030	-
Fideltronik*	25 600	-	25 600
Total	650 130	622 030	28 100

Note! * Estimated figures. Bring based on 2020 figure. Fideltronik is based on number of shipments between Horten and Krakow.

CO₂ emissions 2020

Transporter	CO ₂ emissions	Climate offset credits	Total CO ₂ kg
Bring	2 500	-	2 500
DHL	602 485	602 485	-
Fideltronik*	25 600	-	25 600
Total	630 585	602 485	28 100

Note! * Fideltronik is based on number of shipments between Horten and Krakow. Bring data was not correct for 2020 which will effect trend data.

CO₂ emissions 2021

Transporter	CO ₂ emissions	Climate offset credits	Total CO ₂ kg
Bring*	4 779	-	4 779
DHL	631 295	631 295	-
Fideltronik*	37 421	-	37 421
Total	673 495	631 295	42 200

Comment: The greenhouse gas emissions for 2021 were substantially higher than for 2020 and 2019. One reason is the incorrect numbers for 2020. The real emissions would have been higher. Another reason is that we started going back to a new normal with more activities towards the end of the pandemic. We also increased our warehouse stock to better manage component shortages.

4. Air travel

Zenitel purchases all air travel via Berg- Hanses travel agency. The table below shows travelled distance in km and greenhouse gas emissions CO₂ in kg as reported by Berg Hansen for 2019, 2020 and 2021.

Destinations	2019 (km)	2019 (kg)	2020 (km)	2020 (kg)	2021 (km)	2021 (kg)
Norway	191 185	30 712	72 261	11 454	86 227	12 945
Europe	631 357	72 538	54 237	7 022	101 126	11 602
Nordics	124 500	16 836	28 471	3 775	19 232	2 545
Inter-continental	989 904	72 529	50 467	3 644	33 012	2 561
Total	1 936 947	192 616	205 436	25 894	239 598	29 653

b. Scope 2 emissions

Zenitel Norway AS has operations in leased facilities in four different locations. The locations and electricity providers are:

- **Oslo** – where the provider is Hafslund and they use a central heat recovery system
- **Horten** – where the provider is Fjordkraft and they use electric oven and heat recovery
- **Trondheim** – where the provider is Trondelag Kraft and they use central heat recovery system
- **Kristiansund** – where the provider is NEAS (Nordmøre Energi) and they use electric oven and heat recovery

The table below shows a summary of purchased electricity last 3 years in kwh and converted to kg CO₂.

Site	2019 (kwh)	2019 (kg)	2020 (kwh)	2020 (kg)	2021 (kwh)	2021 (kg)
Oslo	188 137	81 387	171 578	74 224	181 656	78 583
Horten	477 464	206 548	391 278	169 265	445 350	192 656
Trondheim	50 418	21 811	48 740	21 085	51 177	22 139
Kristiansund	39 203	16 959	35 956	15 554	38 473	16 643
Total	755 222	326 705	647 552	280 128	716 656	310 021

Note! To convert the used kWh provided by our landlords, we have used <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

15. REFERENCES

1. DHL go green certificates 2019, 2020, 2021
2. Bring report
3. Fideltronik report
4. Waste report Ragn Sells 2021
5. Electricity 2021
6. Air travel 2021 (screen shots from Berg Hansen Insight portal)
7. Quality policy
8. Human Rights policy
9. Environmental policy
10. Health & Safety policy