



Sustainability Report 2023

Contents

CEO Letter	3
TECO 2030 “At a Glance”	5
About the Report	6
About TECO 2030	7
Principles of Governance	12
Planet	20
People	34
Prosperity	38

CEO Letter

Dear stakeholders,

I am pleased to present to you TECO 2030's Environmental, Social, and Governance (ESG) Report for the year 2023. As we reflect on our journey over the past year, it is evident that sustainability remains at the core of our operations and decision-making processes.

Throughout 2023, TECO 2030 has remained persistent to its commitment to addressing climate change challenges while upholding the highest standards of corporate responsibility and ethical conduct. Our efforts have been guided by a vision of building a more sustainable future for generations to come, and this vision continues to drive our actions and initiatives.



In line with our commitment to combat climate change, we have made significant strides in advancing our environmental initiatives. Our products are designed to contribute to the transition towards a net-zero economy, with a focus on reducing greenhouse gas emissions in the maritime and heavy-duty industries. Through strategic partnerships and extensive research and development efforts, we have continued to innovate and develop cutting-edge solutions that offer zero-emission alternatives for our customers.

Additionally, we have taken proactive steps to minimize our environmental footprint across our operations. From implementing energy-efficient practices to reducing waste generation, we are dedicated to promoting environmental sustainability in everything we do. Our focus on clean lab standards and optimized production processes underscores our commitment to minimizing our impact on the environment.

At TECO 2030, we recognize that our success is deeply intertwined with the well-being of our employees and the communities in which we operate. We prioritize the health, safety, and development of our employees, fostering an inclusive and diverse workplace culture where everyone feels valued and respected. Our comprehensive orientation programs and ongoing training initiatives ensure that our employees have the tools and resources they need to thrive in their roles.

Moreover, we uphold the highest standards of business ethics and integrity in all our dealings, both internally and

externally. Our commitment to fair and transparent business practices is reflected in our supplier code of conduct, which sets forth clear expectations for our partners and suppliers. We do acknowledge that as a young company, there is further measurements we can set in order to accelerate our efforts towards reporting our commitment to highest standards, and will continue to develop these measures over the next years.

Transparency and accountability are fundamental principles that guide our governance practices. We adhere to universal principles and norms that protect labor rights, promote responsible employment practices, and ensure compliance with all applicable laws and regulations. Our commitment to upholding these standards is unwavering, and we continuously strive to enhance transparency and accountability across our organization.

As we look ahead, we remain committed to driving positive change and creating value for our stakeholders. Our dedication to sustainability will continue to inform our strategic decisions and guide our actions as we navigate the challenges and opportunities that lie ahead.

In closing, I would like to express my gratitude to our employees, customers, partners, and stakeholders for their unwavering support and commitment to our shared sustainability goals. Together, we can make a meaningful difference and build a more sustainable future for generations to come.

Tore Enger
Chief Executive Officer

TECO 2030

"At a Glance"

Key Figures



SHARE OF WOMEN IN THE BOARD

17.5%



FEMALE
EMPLOYEES



52
EMPLOYEES

13
NATIONALITIES



5



GOVERNMENT FUNDED PROJECTS

5
GLOBAL
OFFICES



Oslo



Narvik

(Northern Norway)



Miami



Singapore



Dubai

About the Report

This marks the fourth edition of TECO 2030's sustainability report, detailing activities spanning from January 1st to December 31st, 2023. Aligned with the principles of the World Economic Forum International Business Council's common metrics, our report is structured to reflect these pillars. Furthermore, we have incorporated additional standards where applicable, drawing from recommendations such as those outlined by the Task Force on Climate-Related Financial Disclosures (TCFD), the GRI Standards, and the Euronext guidance on ESG reporting.

Our commitment to transparency drives ongoing enhancements to our annual reporting practices. We

are dedicated to broadening the scope of our report and integrating supplementary disclosures that align with our company's evolving landscape.

While TECO 2030's Board of Directors has reviewed and endorsed this report, it has not undergone third-party assurance.

We welcome and value your feedback, comments, and inquiries regarding the content presented herein. Please visit our website <https://teco2030.no/> or contact us at: post@teco2030.no.



"At TECO 2030, transparency drives our sustainability journey. Our report, which is rooted in global standards, reflects our commitment to progress and invites stakeholders to collaborate."

-Tore Enger, CEO

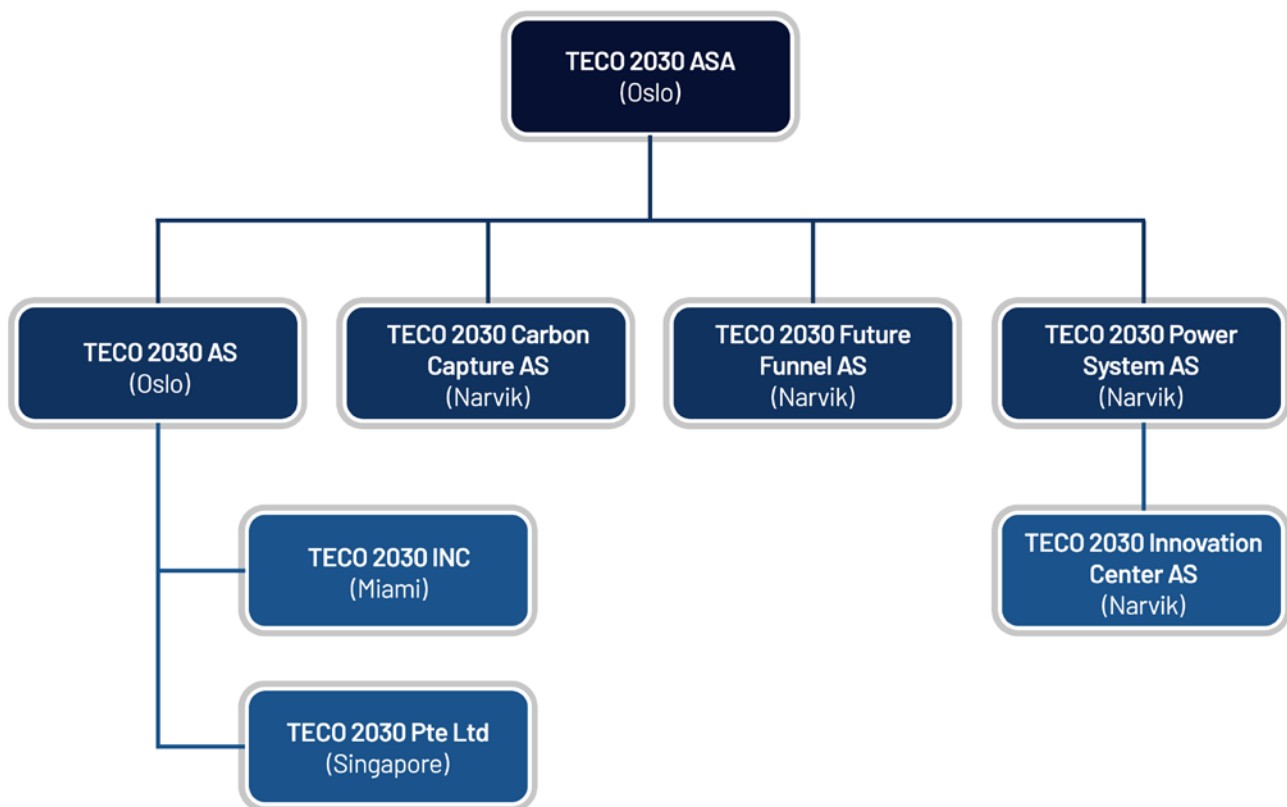
About TECO 2030

TECO 2030 is building up Europe's first Giga production facility of hydrogen PEM fuel cell stacks and modules in Narvik, Norway. The production capacity will be built up through 2024 and 2025, targeting an output capacity of up to 200 MW of fuel cells in 2025, increasing to 3.2 GW in 2030.

TECO 2030 is a Norwegian based clean tech company developing zero-emission technology for the maritime and heavy industry. We are developing PEM hydrogen fuel cell stacks and PEM hydrogen fuel cell modules, that enable ships and other heavy-duty applications to become emissions-free. The company is listed on Euronext Growth on Oslo Stock Exchange under the ticker TECO and in New York, OTC under the ticker TECFF. TECO 2030 is a spinoff from TECO Maritime Group, a group that has provided technology and services to the global shipping industry since 1994.

TECO 2030 is listed on Euronext Growth on Oslo Stock Exchange under the ticker TECO. The TECO 2030 Group of companies was established in August 2019, and now consists of the company TECO 2030 ASA and its daughter companies: TECO 2030 Future Funnel AS, TECO 2030 Carbon Capture AS, TECO 2030 Power Systems AS, TECO 2030 Innovation Center AS, TECO 2030 AS, TECO 2030 Inc. and TECO 2030 Pte. Ltd.

TECO 2030 is headquartered at Lysaker, just outside of Norway's capital Oslo, and has a production facility in Narvik (Northern Norway), and sales offices in Miami (Florida, USA), Dubai and Singapore.





As a young company, we are continuously developing and improving our operations. We will do our best to be as environmentally friendly as possible throughout our value chain, from using local suppliers of materials whenever we can to delivering climate friendly solutions to our clients. In 2021, we implemented a Code of Conduct, which has been included in all supplier contracts. 2023 was an eventful year for TECO 2030. We have established a solid team at The Innovation Center in Narvik, which has been through

preparations for both the manual and automated production to start. We have also conducted a thorough development process for the fuel cell stacks, which will provide a zero-emission energy alternative for the marine and heavy-duty industry. Substantial progress has been made in many of the projects we are involved in with successful funding secured, while others are maturing further every day. Our 2023 highlights can be viewed on the next page.

JANUARY 2023

Completed procurement of components for the first FCM400 units.

FEBRUARY 2023

Awarded HyEkoTank project funding of EUR 5 million from EU Horizon.

Awarded as a sub-supplier of fuel cell stacks to AVL's HyTruck project, a 4 x 100kW stack project for TECO 2030.

Kicked-off feasibility study for industrializing the heavy-duty truck fuel cell module.

MARCH 2023

Unlocked NOK 50 million in grant from Innovation Norway.

Signed an MOU with an undisclosed party for up to 50MW of hydrogen fuel cell engines.

APRIL 2023

Started manual production of fuel cell stacks in Narvik.

MAY 2023

Official opening of TECO 2030 Innovation Center in Narvik.

Completed production of first fuel cell stack in Narvik.

Expanded partnership with Chart Industries Inc.

Completed a successful feasibility study on industrializing a fuel cell for heavy-duty trucks.

JUNE 2023

Signed a strategic partnership agreement with Skeleton Technologies.

Completed our first Future Funnel installation.

JULY 2023

Granted along with partners for a Horizon Europe Grant of EUR 13.5 million, for a passenger ferry project.

AUGUST 2023

Signed MoU with an undisclosed European Motor Company.

SEPTEMBER 2023


Signed supply agreement with Pherousa Green Shipping to realize ammonia powered zero-emission deep-sea shipping.

OCTOBER 2023

Completed the production and launched the world's most compact and efficient inherently safe marine fuel cell system.

NOVEMBER 2023

Signed partnership and investment agreement with the Japanese Company Yokogawa Electric Corporation.



"At the heart of TECO 2030's business operations lies a commitment to transparency, integrity, and sustainability, woven into the fabric of our corporate strategies. It is my duty to ensure that these guiding principles are adhered to by all stakeholders in the formulation of strategic decisions."

-Tore Enger, CEO

Principles of Governance

Sustainability governance

TECO 2030 aims to be a leading provider of green technology for the maritime industry in line with the move towards carbon neutrality. Strong corporate governance is essential for this goal, beginning with our board of directors who hold ultimate responsibility for sustainable practices in the company. We prioritize diversity in our six-member board, with three women directors, bringing varied backgrounds from TECO Maritime Group and other industries. Further details regarding the board of directors, such as their tenure, significant positions, and commitments, are available in the annual report¹.

The board oversees risk identification, objective setting, and strategy formulation, with management executing these strategies. Our main risks include our limited operating history, reliance on third parties, technological changes, market competition, and industry fluctuations.

Ethical conduct and adherence to our values are fundamental to our business operations, guiding our decisions and interactions.



Collaborative

We gain and share knowledge internally and, when necessary, seek new solution externally



Honest

We are not afraid to speak up and we always deliver on what we promise. We do not take any shortcuts or behave in an unethical way



Innovative

We build on our expertise and seek new knowledge. We use our competence to find new and innovative solutions

The Board of Directors at TECO 2030 approved the Code of Conduct in May 2021, accessible on our website. This document outlines the expected standards of behavior for all individuals affiliated with or representing TECO 2030. Its conditions involve various topics, including anti-corruption and bribery, anti-competitive practices, environmental stewardship, and human and labor rights.

In Q4 2023, we incorporated an official whistle-blower channel which can be found on our website and is accessible for all stakeholders. In addition, the Code of Conduct states

the importance of raising concerns and details the process for doing so. This is also emphasized by management. No instances of whistleblower, corruption, or suspicion thereof, were raised in 2023.

We are in the process of establishing the TECO 2030 Innovation Center in Narvik, Northern Norway, with the potential to generate up to 500 new jobs in the region by 2030. Our objective is to ensure that the Innovation Center operates with the utmost climate awareness and leveraging renewable energy sources for our production processes.

1





TECO 2030 Annual Report 2023 page X.

Our value chain and material topics

In 2020, we conducted a materiality analysis, accounting for our value chain as well as our own operations. As the company's products and operations is still under development, a new materiality assessment will be postponed until more units are deployed in various applications.

Value Chain Analysis

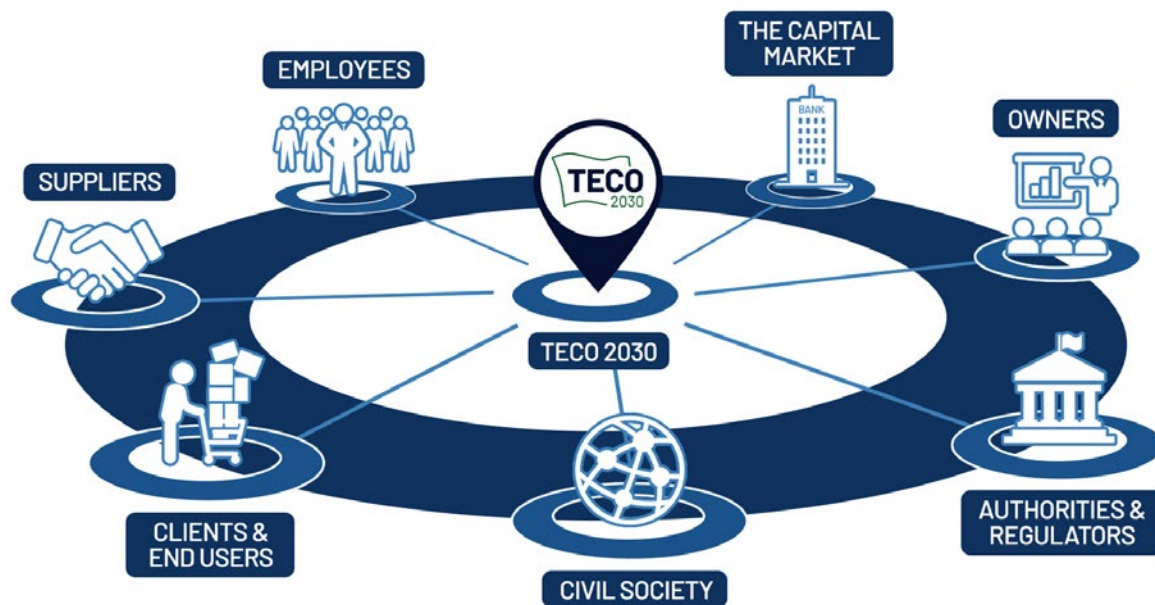
Impact on society and the environment throughout the value chain and related risks and opportunities.

Theme	 Raw material and suppliers	 Manufacturers and installers	 Management and marketing	 Customers and user phase
Climate risks and opportunities	<p>Greenhouse gas emissions from production - There are significant greenhouse gas emissions associated with production of goods.</p> <p>Energy efficiency of equipment - choosing equipment with high energy efficiency can reduce energy usage during the use phase and thereby reduce lifetime climate impact.</p>	Energy usage and emissions during manufacture and installation - ensure energy and climate efficiency.	Marketing of green solutions - TECO 2030 has an opportunity to differentiate by focusing on the environmental and green advantages related to its products and services.	<p>Customer energy efficiency - energy savings.</p> <p>End user greenhouse gas emissions - GHG emission reductions from use of systems.</p>
Environmental risks and opportunities	Sourcing of raw materials and components - could have potentially high environmental impacts during extraction of raw materials and processing.	Component use and reuse - effective use of components and maintenance can increase lifetime for components, thus reducing cost and waste.		Local air emissions reductions from products - reduced emissions of SOx/NOx, black carbon etc.
Social and safety risks	<p>Health and safety in supply chain - risks to workers performing potentially hazardous jobs.</p> <p>Worker & human rights - worker right related to fair pay, hours also avoidance and child labour etc.</p>	Health and safety in supply chain - risks to workers performing potentially hazardous jobs.	Workforce diversity - it is acknowledged that more diverse workforces often produce better results, and that shipping has challenges with this.	Product safety - high quality is essential to ensure equipment is safe to use.
Governance		Quality and ethics - high standards of quality are essential to avoid safety and environmental risks during use	Anti corruption and integrity - integrity is essential for being attractive for customers as well as investors.	

Key Stakeholders

Through the materiality analysis, we pinpointed our primary stakeholders and the issues that hold the highest significance for them (refer to the illustration below). While sustainability may not be explicitly outlined within this framework, we continuously gather valuable insights into our stakeholders'

perspectives and concerns regarding environment through our active participation in numerous industry associations, where sustainability holds a prominent position on the agenda for many.



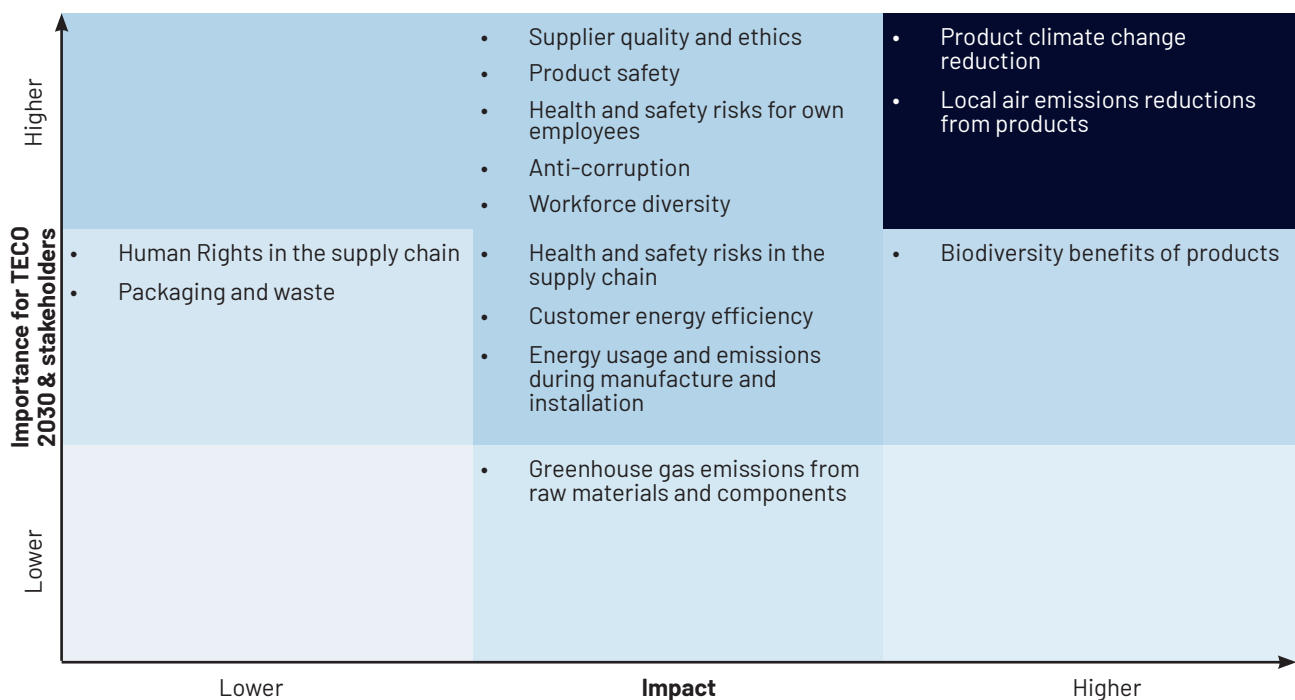
What are their main concerns?





In addition to the above-mentioned procedures, we have identified and given preference to particular United Nations Sustainable Development Goals (SDGs) and their sub-goals where we believe we can have the most significant positive impact.

These efforts have led to the creation of the following materiality matrix, showcasing our key topics arranged by importance and their effects on our operations, subsequently influencing our stakeholders.



TECO 2030's business model revolves around introducing zero-emission technologies to the heavy-duty and maritime sectors, with climate change emerging as our most critical material topic. This prioritization is mirrored by our stakeholders, shaping our daily operations and decision-making processes. Moreover, we recognize our footprint across the value chain and prioritize a comprehensive approach to sustainability, encompassing health and safety, ethics, diversity, and inclusion.

As an evolving company, we continually assess where our efforts can have the greatest impact. Moving forward, we will persistently reevaluate our material topics, with plans already underway for an additional materiality analysis and stakeholder engagement process which continues across the group in 2024.



SDG 3 Good Health and Well-Being

TECO 2030's fundamental mission to deliver green technology to the heavy-duty and maritime industries are linked to SDG target 3.9, which seeks to substantially decrease fatalities and illnesses caused by hazardous chemicals and pollution in air, water, and soil. By providing shipowners and other project owners with emissions reduction systems and the opportunity for zero direct emission propulsion and energy generation, TECO 2030 aims to contribute significantly to the reduction of pollution in air, water, and soil worldwide.



SDG 9 Industry, Innovation and Infrastructure

TECO 2030 plays a crucial role in advancing progress towards target 9.4 by enhancing and retrofitting infrastructure and industrial equipment with cleaner and environmentally sustainable technologies to enhance resource efficiency. Given the substantial pollution generated by the maritime transport sector, our solutions empower shipowners to decrease their operational environmental footprint, thereby contributing significantly to global environmental preservation.



SDG 13 Climate Action

TECO 2030 is dedicated to contributing the success of the Paris Agreement climate objectives and supporting global resilience and adaptability to climate-related risks and natural disasters. With a goal to facilitate the decoupling of greenhouse gas emissions from the persistent rise in freight volumes, heavy-industry activities, our primary emphasis going forward will center on advancing zero-emission hydrogen fuel cell technology.



SDG 14 Life Below Water

The maritime shipping sector exerts a significant influence on marine and coastal ecosystems, and mitigating this impact is pivotal in reducing the overall environmental footprint of shipping. TECO addresses this challenge with innovative solutions such as the TECO Maritime Fuel Cell, facilitating a transition away from fossil fuels, and the TECO Future Funnel, which minimizes exhaust emissions. Our objective is to actively contribute to the preservation of oceans and their resources while aiding our customers in adhering to national and international regulations governing activities affecting marine environments.



SDG 17 Partnerships for the goals

Despite shipping and heavy-duty industries significant greenhouse gas emissions, shipping remains an attractive alternative to road or air freight due to its capability to transport larger volumes of goods per unit of energy consumed. However, for shipping to realize its full potential, green solutions are essential. TECO 2030 collaborates with esteemed partners such as AVL and Chart Industries Inc. to pioneer emissions reduction technologies and systems for the shipping sector. Together, we actively contribute to SDG target 17.16, which emphasizes the importance of enhancing global partnerships to facilitate sustainable development.



Way forward

Sustainability at the TECO 2030 Innovation Center in Narvik

During 2023, we have made great progress by increasing our employees from 10 to 19 at the Innovation Center in Narvik. The whole team has played a vital role in the development of the facility and the preparation for manual and automated production. The first production equipment for the manual stacking line was delivered in the second quarter of 2023 while the first automated production line is expected during 2025. Furthermore, our team continued to prepare the building for production, which includes cleaning, servicing, refurbishing, and preparing all machines, rooms and areas needed for an efficient production ramp up. The ramp up includes a rapid personnel increase in Narvik for further production increases towards an annual production output of 200 MW in 2025, increasing to 3.2GW in 2030.

The endorsement and support received from the municipality of Narvik underscores a shared dedication to progress with success. In collaboration with the municipality and UiT Narvik, we are establishing an esteemed center of knowledge, expertise, and advanced technology, fostering an environment where collaboration encouraged. Through robust public-private partnerships, Narvik has emerged as an optimal location for Europe's first Gigafactory, symbolizing our collective ambition to lead Norway's hydrogen and clean energy revolution.

Moving forward, collaboration remains vital. Together with our esteemed partners and the local community, we are prepared to establish Norway's leading hydrogen hub, meeting the escalating demand for zero-emission technologies. Our vision includes the establishment of a state-of-the-art fuel cell factory and innovation center, strategically situated in the Narvik region of Northern Norway. This region possesses abundant renewable energy resources and some of the most

competitive electricity prices in both Norway and Europe. Moreover, Narvik's strategic position as a key cargo transport hub to the Northern Europe region, accessible via rail, road, air, and sea, reinforces its appeal for industry and business development, strengthened by a highly skilled and motivated workforce. These favorable circumstances position our Innovation Center to catalyze significant regional growth, driving advancements in hydrogen and other climate-friendly energy sources and technologies.

Sustainability strategy and governance

In 2023, progress was made in preparing our Innovation Center for the initiation of all scales of production. Our primary focus has been on scaling up production in a safe and timely manner to meet the increasing demand for zero-emission fuel cell systems. We installed a manual fuel cell stack production machine, which has resulted in comprehensive hands-on stack production training for our production engineers in Narvik. In 2023, we built one fuel cell module 400kW (FCM400) which was deployed into AVL's testbed facility in Graz, Austria to undergo advanced testing for completion of the development and align for mass production. Our FCM400 systems have therefore not yet reduced any emissions for a customer. As a result of delayed large-scale production, we made the strategic decision to postpone our sustainability governance projects temporarily and will assess the process further in 2024. These initiatives are centered on the development of key performance indicators (KPIs) to effectively monitor and comprehensively report on our Environmental, Social, and Governance (ESG) performance, particularly concerning the Narvik plant and production of fuel cell systems. Through these endeavors, our aim is to establish a robust framework for ongoing monitoring, reporting, and enhancement of our sustainability performance in the years ahead.



"Every day, human activities are causing harm to our planet. Our mission and goal are centered around mitigating the impact of the heavy-duty and marine industries on our environment. We recognize that the actions we take today will have a profound impact on the generations of humans who will inherit this planet."

-Tore Enger, CEO

Planet

TECO 2030 embarked on its journey into the marine green technology market with a clear mission: to revolutionize the shipping industry by introducing sustainable solutions. Our primary contribution to environmental protection lies in our products, which play a pivotal role in supporting the global shipping sector's transition towards a zero-emission and sustainable future.

Furthermore, starting from 2022, we have proactively implemented measures to monitor and minimize the direct environmental footprint of our organizational activities.

The impact of shipping on our planet

The sixth Intergovernmental Panel on Climate Change (IPPC) report, released in 2021, found that climate change is already having widespread impacts, and was declared by UN Secretary-General António Guterres as being “a code red for humanity”. According to the International Maritime Organization’s most recent report, shipping accounted for around 2.89% of global greenhouse gas (GHG) emissions as of 2018 (Fourth IMO GHG Study 2020 Executive-Summary.pdf²). Although shipping emissions decreased in 2020 and 2021 due to covid-19, activity in the sector is expected to increase to up to 130% by 2050 compared to 2008 unless we change our trajectory³.

To help tackle this industry problem, TECO 2030 aims to deliver leading environmental technologies, which also address regulatory challenges. Shipping has been included in the EU Taxonomy under transport since the beginning, and our customers will therefore be required to report on their degree of sustainable activity in relation to the taxonomy’s technical screening criteria. Our activities at TECO 2030 are considered “enabling activities” for climate change adaptation and mitigation, with the production of the TECO Marine Fuel Cell.



2 <https://wwwcdn.imo.org/localresources/en/OurWork/Environment/Documents/Fourth%20IMO%20GHG%20Study%202020%20Executive-Summary.pdf>

3 <https://wwwcdn.imo.org/localresources/en/OurWork/Environment/Documents/Fourth%20IMO%20GHG%20Study%202020%20Executive-Summary.pdf>

As a part of the effort to combat climate change, the energy efficiency of our customers is an important aspect in our materiality analysis. During 2023 we updated and developed our estimates of the CO₂ emissions our customers saved by using our Hydrogen Fuel Cell based on operating time of 100%.

	2025	2026	2027	2028	2029	2030	2031	2032
prod. Volume	42	375	800	1 200	1 600	3 200	3 200	3 200
CO ₂ emissions (tonnes)	160 869	1 436 333	3 064 176	4 596 264	6 128 352	12 256 704	12 256 704	12 256 704
Accumulated CO₂ reduction (tonnes)	160 869	1 597 202	4 661 378	9 257 642	15 385 994	27 642 698	39 899 402	52 156 106
NO _x emissions (kg)	3 920 994	35 008 875	74 685 600	112 028 400	149 371 200	298 742 400	298 742 400	298 742 400
Accumulated NO_x reduction (kg)	3 920 994	38 929 869	113 615 469	225 643 869	375 015 069	673 757 469	972 499 869	1 271 242 269
SO _x emissions (kg)	5 166 000	46 125 000	98 400 000	147 600 000	196 800 000	393 600 000	393 600 000	393 600 000
Accumulated SO_x reduction (kg)	5 166 000	51 291 000	149 691 000	297 291 000	494 091 000	887 691 000	1 281 291 000	1 674 891 000
PM emissions (kg)	390 033	3 482 438	7 429 200	11 143 800	14 858 400	29 716 800	29 716 800	29 716 800
Accumulated PM reduction (kg)	390 033	3 482 438	7 429 200	11 143 800	14 858 400	29 716 800	29 716 800	29 716 800

In the autumn 2021, the European Union introduced "Fit for 55," outlining its strategy to achieve a 55% reduction in greenhouse gas emissions by 2030. This comprehensive initiative encompasses proposed directives designed to mitigate emissions and promote the adoption of alternative fuels, particularly in the maritime sector, as substitutes for bunker oil. Notably, ammonia and hydrogen emerge as prominent alternatives, thereby positioning TECO 2030 favorably to assist our clientele in navigating these regulatory shifts.

In alignment with our commitment to transparency, we pledge to annually disclose our environmental footprints and sustainability endeavors through our sustainability report.

Climate change



Climate-Related risks and opportunities

In 2021, TECO 2030 undertook a first evaluation of the prospective financial implications stemming from climate-related risks and opportunities on our operational framework. This assessment adhered to the guidelines set forth by the Task Force on Climate-Related Financial Disclosures (TCFD). Recognizing the iterative nature of this evaluation, particularly within the context of our company's growth trajectory, we remain committed to ongoing enhancement of our climate change governance and strategic approach to align with evolving business dynamics.

Governance

At TECO 2030, sustainability constitutes the foundation of our business model, shaping our approach to addressing the impacts, risks, and opportunities associated with climate change. We are dedicated to crafting solutions that assist the heavy-duty and shipping industry in aligning with both the initial IMO GHG strategy⁴ and the objectives outlined by the EU.

Action plan

- a. The imperative to mitigate climate change holds a prominent topic on the agenda of our board members and features an important topic in all commercial considerations. However, as of the present, formal governance specifically pertaining to climate change remains outside the purview of the Board of Directors. This is slated to evolve with the ongoing developments at our Innovation Center in Narvik, necessitating corresponding adjustments to our governance framework to encompass our procurement and production processes.
- b. Concurrently, our Code of Conduct underwent revision in 2021/22 to amplify its emphasis on sustainability and the considerations surrounding climate change risks and opportunities. Moreover, our Supplier Code of Conduct integrates sustainability principles to underscore our commitment across our supply chain.

Strategy

Aligned with the 2030 climate change targets, our current business strategy is indirectly linked to advancements in technology aimed at achieving net zero emissions and the goals set forth in the Paris agreement⁵. Moreover, we prioritize conducting our operations with minimal environmental impact. An exemplification of this commitment is evident in our Narvik project, where we opt to refurbish an existing structure instead of constructing a new. Furthermore, we are actively pursuing environmentally

sustainable solutions to optimize energy efficiency upon project completion. Our strategy includes various factors that could influence our operations, surrounding raw material and component supply, escalating emissions levies, rising costs due to legislative mandates, and competition from markets with less stringent environmental regulations compared to the EU.

Action plan

- a. While carbon reduction technologies present promising prospects for our business model in both the short and long term, we remain aware of the rapid evolution of green legislation and its potential impact on our operations and those of our clientele. While our products aid heavy-duty and shipping applications to align with enforced and upcoming legislation, the possibility of regulatory measures negatively impacting our activities cannot be discounted. Accordingly, we maintain vigilant of regulatory shifts within the EU and on a global scale.
- b. Continual monitoring of developments within the heavy-duty and shipping sector enables us to identify emerging business avenues. Concurrently, we acknowledge risks associated with regulatory disparities, potentially placing constraints on our competitiveness vis-à-vis non-EU suppliers, necessitating proactive measures to mitigate such impediments.
- c. While scenario analyses have yet to be conducted, our identified transition risks are closely linked to a 2-degree scenario and the accelerated transition towards a low-carbon economy. Emphasis is placed on anticipating new legislative frameworks as both risks and opportunities, alongside the challenges posed by regulatory disparities and the absence of stringent requirements in other regions, underscoring the need for strategic adaptation amidst evolving regulatory landscapes.

4 <https://www.imo.org/en/MediaCentre/PressBriefings/Pages/06GHGInitialStrategy.aspx>

5 <https://unfccc.int/process-and-meetings/the-paris-agreement>

Risk management

Climate change risks and opportunities are fundamental considerations in all commercial decisions undertaken by TECO 2030. Through an initial risk assessment, we have identified and continue to examine the most significant risks and opportunities both upstream and downstream in our value chain. This ongoing analysis is scheduled for further refinement in conjunction with the ongoing establishment of Narvik Innovation Center.

Action plan

- a. Climate-related risks and opportunities are systematically identified internally during our commercial and purchasing decision-making processes, amplified by insights assembled from industry associations and regulatory consultations. To enhance our understanding, we engaged an external consultant in 2021 to conduct a climate-risk workshop, facilitating a comprehensive evaluation of our operations and value chain to pinpoint the most pertinent and material risks and opportunities.
- b. Integration of climate risk factors into our Environmental, Social, and Governance (ESG) due diligence review is paramount when screening potential suppliers. For suppliers responsible for critical components, additional risk mitigation measures are being implemented to bolster supply chain resilience, ensuring uninterrupted supply of essential components notwithstanding external threats to delivery.
- c. Active monitoring of regulatory developments across Norway, the EU, and the International Maritime Organization (IMO) informs our risk assessment protocols, enabling us to incorporate emerging legislative mandates into our risk management framework. Furthermore, plans are underway to establish an internal assessment procedure dedicated to climate-related risks, seamlessly integrated within our overarching risk governance structure.

Metrics

Our current operations are not carbon intensive. TECO 2030 does not own any buildings with production and is therefore our only scope 1 emissions come from one company owned hybrid vehicle. Our scope 2 emissions come from electricity use at our locations in Norway, Singapore, and the United States, including the use of two electric vehicles which TECO 2030 owns. As a result, we have limited scope 1 and scope 2 emissions. The majority of our emissions are scope 3 emissions generated by suppliers and vendors, however, due to a lack of available data, our scope 3 metrics are limited to flights taken by our employees for business travel and a small fraction of our employee commuting, which we were able to access data for.

Status

- a. We aim to establish more robust data collection and reporting processes in the years to come and will conduct a full GHG emission inventory and reporting with the initiation of large-scale operations of the Narvik Innovation Center.
- b. Our 2023 scope 1 emissions were 40 kg CO₂, our scope 2 emissions were 39 060 kg CO₂e, and our business travel scope 3 emissions were 210 392 kg CO₂e.
- c. We have estimated CO₂ savings from our hydrogen fuel cell, which have been presented at the beginning of this chapter.



Our Climate-related Risks and Opportunities

In analyzing and assessing climate-related risks and opportunities to our operations, we identified three physical risks and three transitional risks, including regulatory and market risks. The table below presents these risks, along with our mitigating actions and related opportunities identified. The table is derived from the TCFD's recommended disclosures described above. We will continue to update the risk assessment as we expand our operations.

	Description	Risk	Risk mitigation	Opportunity
Extreme weather events in Narvik (Acute)	Given its geographic positioning, the Innovation Center in Narvik is vulnerable to severe weather occurrences, particularly during the winter months.	Extreme weather events in the Narvik vicinity pose a significant risk of causing substantial disruptions to the transportation of essential raw materials and components crucial for our production processes. These disruptions have the potential to impede or completely halt production operations, thereby impacting our capacity to fulfill customer orders within stipulated timelines. Furthermore, such events may inflict damage upon components, rendering them unserviceable and further exacerbating operational challenges.	The technical specifications of our production site are engineered to withstand the rigors of the local adverse weather conditions, ensuring operational resilience in Narvik. Furthermore, Narvik boasts accessibility via multiple transportation modalities, enhancing our logistical flexibility. Additionally, as part of our operational contingency planning, we are exploring the acquisition of a backup generator and the establishment of a spare components inventory. These measures will be integrated into our operational planning framework to further fortify our production capabilities.	Narvik offers a diverse array of transportation options, including access to a non-freezing harbor, extensive train tracks, as well as road and air transportation infrastructure. This robust network enables us to maintain consistent and punctual product transportation, even in the face of extreme weather conditions.

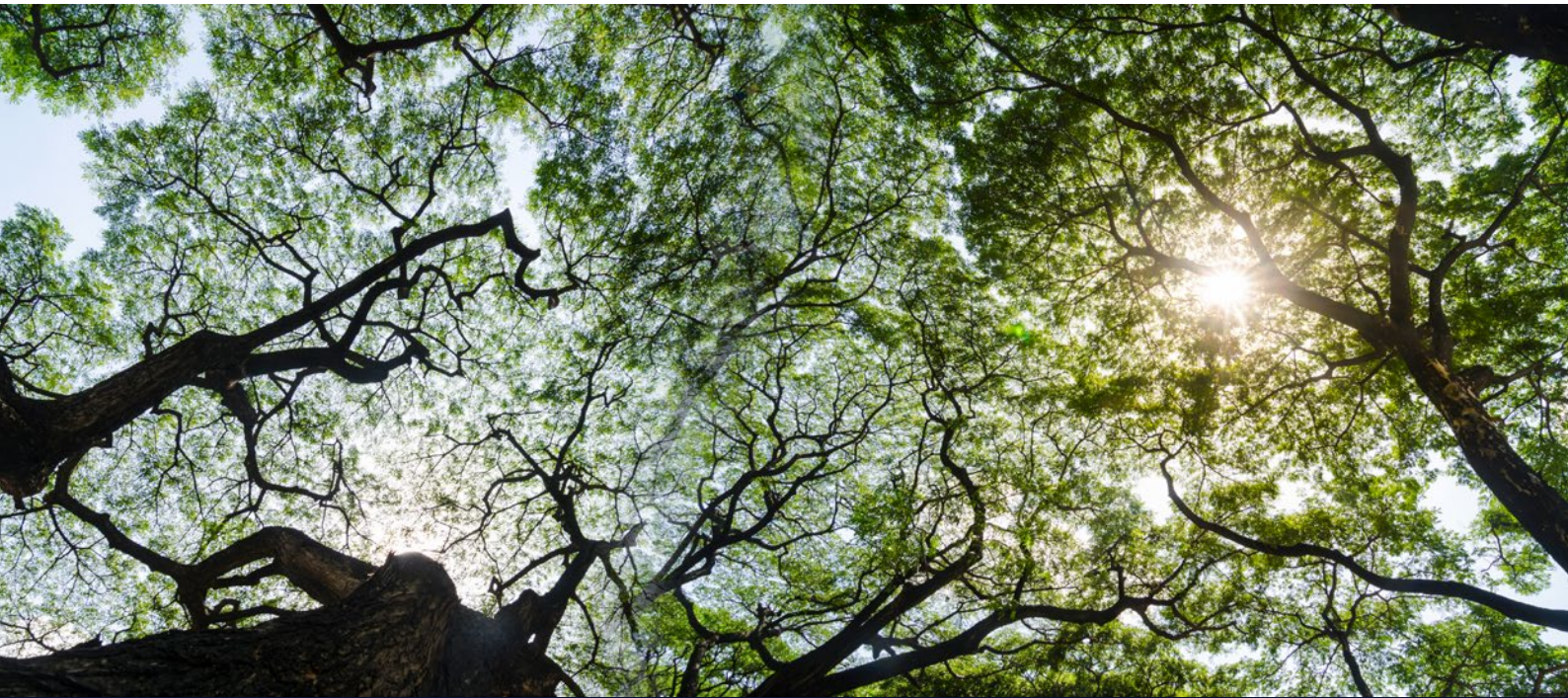
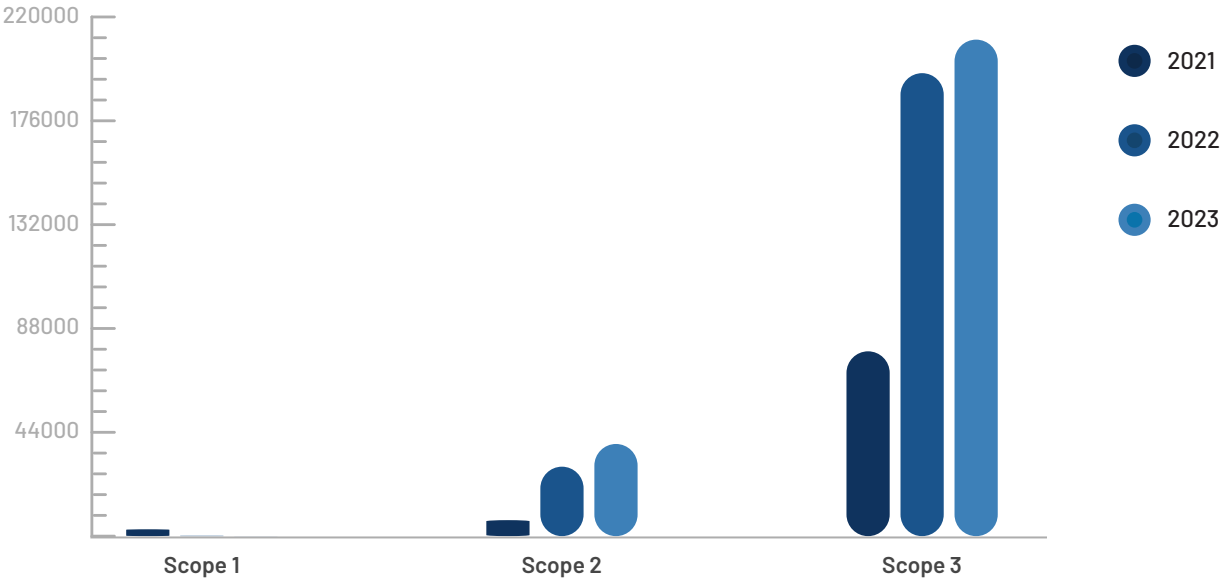
	Description	Risk	Risk mitigation	Opportunity
Extreme weather events related to suppliers (Acute)	The supply of raw materials and components at various stages of TECO 2030's value chain is susceptible to disruptions caused by extreme weather events occurring at the supplier's location or during transportation.	Extreme weather events have the potential to inflict damage upon suppliers' production facilities and impede the supply of essential raw materials required for production. Furthermore, such events may restrict access to production facilities, leading to potential protracted halts in operations and delays in the transportation of goods off-site.	Our procurement strategy prioritizes sourcing from suppliers located in low-risk regions within the EU and the USA, characterized by political stability and reduced susceptibility to extreme weather events. Additionally, we intend to mitigate supply chain risks by establishing relationships with at least two to three suppliers per component, ensuring redundancy and continuity of supply.	Through the acquisition of multiple suppliers, we can diversify the geographical footprint of our supplier base. This strategic approach enables us to bolster our resilience against potential disruptions, as we can draw upon alternative sources in the event of unavailability from any one supplier. This ensures a reliable and uninterrupted supply of both critical and non-critical components and materials essential to our operations.
Scarcity of critical components (Chronic)	Our products incorporate cutting-edge technology, often necessitating specialized and hard-to-source components in their production. These technologies commonly rely on materials that face the risk of scarcity.	The scarcity of a critical component poses a dual risk: firstly, the potential inability to procure the component, leading to production interruptions; and secondly, heightened costs due to increased demand outstripping available supply, thereby driving up prices.	We have strategically opted to prioritize the use of less scarce materials in our products, as outlined in our technical product specifications.	Given TECO 2030's early-stage operational status, our governance structure can be customized to address specific risk considerations pertaining to components.

Transitional risks and opportunities

	Description	Risk	Risk mitigation	Opportunity
Taxes on emission (Policy and Legal)	A prevalent method for mitigating GHG emissions involves the implementation of taxes, which are applicable to emissions generated during both production and transportation processes. Consequently, any rise in emission taxes will lead to an escalation in production costs.	The unpredictability of emission tax increases presents challenges in budgeting costs, potentially resulting in unforeseen expenses and cost overruns in projects. Moreover, there is a risk of erroneously rejecting projects with positive net present value (NPV) due to risk aversion.	We are consistently exploring avenues to enhance energy efficiency in both transportation and production processes, while remaining attuned to developments in new legislation relevant to our business.	TECO 2030's business model is intricately designed to develop products that not only utilize but also contribute to the advancements toward a net-zero economy. Therefore, potential increases in demand for our products may outweigh the associated costs of emission tax hikes. Additionally, we anticipate the possibility of selling carbon credits in the future, owing to the low level of emissions from our own production processes.
New legislation (Policy and Legal)	The emergence of new, yet-to-be-developed and adopted legislation can introduce unpredictability and potentially exert significant influence on a company's operations.	Although our products assist shipping companies in aligning with forthcoming legislation, there remains a possibility that enacted regulations may have adverse implications for our operations.	We maintain close vigilance over regulatory developments across key jurisdictions including Norway, the United States, the European Union, and the International Maritime Organization (IMO).	Our products play a pivotal role in enabling customers to align with upcoming laws and regulations. For example, forthcoming EU regulations will encompass shipping within their emission reduction initiatives, where our solutions can facilitate compliance.

	Description	Risk	Risk mitigation	Opportunity
Fair play (Market)	In the context of climate change, "fair play" entails prioritizing the long-term impact of GHG emissions on our planet over short-term profit gained through less sustainable practices. The EU adheres to significantly stricter laws and regulations compared to many other regions, reflecting a commitment to environmental sustainability.	The stringent regulatory standards implemented or anticipated by the EU run the risk of catalyzing a phenomenon known as a "race to the bottom" in other global regions. In the context of climate change, this entails countries or states seeking to gain competitive advantage by deregulating and undercutting production costs elsewhere. For TECO 2030, this could translate into the loss of customers to production facilities located in countries outside the EU, where we may struggle to compete on pricing due to regulatory disparities.	By maintaining a persistent commitment to Environmental, Social, and Governance (ESG) principles across our entire value chain, and complemented by the exceptional quality of our products and solutions, we can retain customers seeking to mitigate ESG risks within their own operations.	On July 14, 2021, the EU Commission approved a proposal for a new Carbon Border Adjustment Mechanism, which entails imposing a carbon price on imports of specific products. This initiative seeks to mitigate carbon leakage by reducing the profitability of relocating carbon-intensive production outside the EU. If implemented as planned, this proposal has the potential to neutralize any disadvantage faced by TECO 2030.

Greenhouse Gas Emissions (kgCO₂e)



Product

During 2023, TECO 2030 decided to shift focus to achieve the main targets of industrializing the World's first fuel cell system for heavy-duty and marine applications. In simple terms, this means that 100% our employees focus now is to complete the development of the system and start to increase the

current production capacity from today's manual production to a more sophisticated automated production process. The reason for this change in strategy is to become a leader of zero emission energy solutions to a hard-to-abate industry such as shipping and heavy industries.



TECO 2030 Marine Fuel Cell

The fuel cell system is a modular fuel cell system for heavy duty and marine applications which utilizes the hydrogen fuel cells to enable true zero CO₂-emission energy provided to power the application or vessel. The Fuel Cell System helps

customers align with the IMO's initial strategy on the reduction of GHG emissions from ships and assists with reaching other climate targets set forth by government regulators.

Nature and biodiversity



TECO 2030's operations impact nature and biodiversity through two primary avenues: the intrinsic impacts of our products and the manufacturing processes involved in their production.

Ships emit various pollutants, including SOX, NOX, black carbon, and particulate matter, into the atmosphere as exhaust. These pollutants contribute to acid rain formation, sunlight obstruction, and respiratory hazards, thereby adversely affecting forests, wildlife, watersheds, human health, and geological formations. In 2023, TECO 2030 offered both open- and closed-loop solutions for scrubber systems aimed at removing these pollutants from the air. TECO 2030 installed one open-loop scrubber system onboard one vessel in 2023. However, open-loop scrubber systems discharge pollutants as acidified water into the ocean, posing risks to the local environment and aquatic life. Conversely, closed-loop scrubber systems collect and store accumulated sludge, mitigating environmental harm.

Freshwater



TECO 2030's direct freshwater consumption remained negligible in 2023, primarily confined to office activities. However, indirect freshwater consumption across the value chain holds greater significance and is factored into our decision-making processes. With the commencement of product testing in Narvik in 2024, our direct freshwater consumption will increase, prompting the implementation of sustainable freshwater consumption measures prior to operations.

Resource use and waste

Resource utilization and waste generation are pivotal considerations at TECO 2030. Our direct waste generation in 2023 primarily comprised general office waste, paper, cardboard, and plastic. Recycling initiatives are ongoing at our Oslo and Miami offices, adhering to local waste handling and recycling guidelines. Similar measures will be implemented in Narvik upon commencement of operations.

Regarding indirect resource utilization, our Code of Conduct mandates suppliers to adhere to the "reduce, reuse, recycle" principle and minimize waste generation. Additionally, our fuel cells are designed to retain functionality in other components even after the stack requires replacement, promoting resource efficiency.

Product safety

Ensuring product safety is paramount in our design and development processes. We are committed to minimizing risks associated with our products to the greatest extent feasible.

Our overarching safety objective is to maintain risks to personnel, facilities, and the environment arising from hydrogen and fuel cell system operations at minimal levels, consistent with acceptable limits stipulated in applicable regulations, codes, and standards. While hydrogen poses explosion risks, we endeavor to develop inherently safe products. Notably, we did not encounter any safety incidents in 2023.

The TECO 2030 Fuel Cell is scheduled for commercial deployment in 2024. In 2021, DNV granted an "Approval in Principle" (AiP) for our Marine Fuel Cell System and the Fuel Cell Module 400kW (FCM400), affirming their safety for onboard ship usage. Furthermore, onshore testing involving third-party quality control is scheduled.

Way Forward

The EU's commitment to reaching the targets of the Paris Agreement underscores the indispensable role of the private sector, given the limitations of individual member states' resources. Consequently, the EU Green Deal, launched in 2019, serves as a comprehensive strategy to achieve climate neutrality within the EU by 2050. This initiative entails a tightening of regulations across various sectors, including

shipping, thereby anticipating a surge in demand for low and zero-emission solutions within the maritime industry.

In alignment with the EU Green Deal, the EU introduced the "Fit for 55" legislative package in the fall of 2021. If adopted, this package will subject the shipping industry to new EU regulations aimed at curbing emissions from transportation. These measures include the implementation of the EU Emissions Trading System (EU ETS), taxation on bunker oil, and constraints on carbon intensity. Consequently, the utilization of bunker oil is expected to incur higher costs, incentivizing the transportation sector to transition to alternative fuel sources, with ammonia and hydrogen emerging as the leading alternatives. The EU has officially confirmed that shipping will be incorporated into the EU ETS starting from January 1st, 2024.

Our fuel cell technology enables ships to operate without emissions throughout their entire journey or during shorter distances. Through the exchange of one or more engines, vessels can navigate into and out of ports emission-free. As a result, TECO 2030's fuel cells will assist ship owners in adhering to the forthcoming EU regulations.

During 2023, we took steps towards developing application concepts for the use of our hydrogen fuel cells to other emission intensive industries such as construction sites, heavy duty trucks, shore power solutions for ports and landbased energy generation. The first commercial unit to be deployed is to Implenia who has issued a purchase order for delivery of their HydroPilot project which is funded by the state enterprise ENOVA. The HydroPilot will be demonstrated towards the middle of 2025.



People

Our employees stand as our most precious asset and the cornerstone of our achievements. Ensuring the health and well-being of our workforce stands as our paramount concern. We consistently foster an inclusive and diverse workplace environment. We firmly believe that diversity not only fosters innovation but also offers a multitude of valuable perspectives essential across our organization. These values are intricately woven into our ethos of collaboration, honesty, and innovation.

Our People

As of 31st December 2023, our team consisted of 52 employees representing 13 different nationalities. All employees hold permanent full-time positions and are based in Norway, Singapore and the USA. An office in Singapore is established, currently represented by one full-time employee.

Through 2023 our workforce grew substantially. We increased our total number of employees by over 33%, attracting 12 new hires. At the end of the year female employees represented 17.3% of the workforce. The 2023 wage ratio between men and woman was 0.7% in favor of men across the company. We are continuously working on decreasing the gender disparity and fully accept that we have more work to do in this area. Our board of directors consists of six members where 50% are women.

People Governance

TECO 2030 upholds a steadfast commitment to the equitable treatment of all our employees, irrespective of gender, age, skin color, language, disability, ethnic background, sexual orientation, or political and religious beliefs. As an equal opportunity employer, we actively strive to enhance diversity

in our workforce during the recruitment process. In 2023, our turnover rate stood at 29%, with the addition of 17 new team members and the departure of 5.

Our compensation policy ensures impartial and equitable remuneration for every employee, considering factors such as job role, position, and tenure. Salaries remain competitive within the market, and we rigorously adhere to relevant employment laws in the countries where we operate. To maintain transparency regarding wage structures, compensation for key management positions is disclosed in our annual report.

At TECO 2030, we uphold universal principles and standards safeguarding labor rights. We champion a responsible work environment, endorsing the freedom of association and the right to engage in collective bargaining.

Well-being

TECO 2030's main activities are conducted in an office environment. During 2023 we completed our first fuel cell module prototype at our development partner AVL's facilities in Graz, Austria. As our main activities are conducted in an office environment health and safety risks are considered to be low and no HSE incidents were reported during the past year. Due to the low HSE risks amongst our employees, we currently do not have an incident reporting system, however, this will be in place with the start of large-scale production in Narvik.

Only 412 sick-days, equaling a sick leave rate of roughly 3.54% in 2023 provides an indication of the well-being of employees. We aim for all employees to maintain a healthy work-life balance by providing flexible work hours and possibilities to work remotely. Six male employee was on parental leave during the year.

Competence

As a young company we have experienced a significant growth during 2023 and welcomed several new colleagues. As a part of their introduction, new hires are provided with comprehensive orientation to company policy, tools, and resources. The development of our employees' skillsets and talents is important for our growth and productivity, and software and hardware training has been conducted for personnel who need it for daily purposes. This entails production-, ERP software-, and EU funding reporting training among other things. TECO 2030 will implement an official onboarding process in 2024.

As always, attention to and awareness of compliance and business integrity is imperative to ensuring integrity in our work. All employees are acquainted with the company's corporate values and business ethics described earlier in this report.

In addition to providing thorough onboarding for new employees, TECO 2030 prioritizes ongoing professional development to ensure that our team remains equipped with the latest skills and knowledge. We foster a culture of continuous learning and encourage employees to pursue further training and education opportunities relevant to their roles. Furthermore, regular reviews and feedback sessions are conducted to support career growth and individual development plans. By investing in our employees' growth and well-being, we aim to cultivate a motivated and high-performing workforce dedicated to driving the company's success.



Responsible Supply Chain



TECO 2030 places great emphasis on fostering partnerships with organizations that align with our values of integrity, responsibility, and sustainability. We hold our suppliers and partners to the highest standards of moral, ethical, and legal conduct, and we expect them to adhere to our Supplier Code of Conduct, which outlines these principles.

Our primary suppliers are reputable companies from Europe, America, and Japan, renowned for their reliability and commitment to excellence. These partners boast highly skilled workforces and robust health and safety protocols, ensuring the delivery of high-quality products while minimizing the risk of labor violations.

We prioritize Sustainable Development Goal 17, emphasizing collaboration, communication, and transparency with our partners to drive innovation and deliver sustainable solutions that positively impact the heavy-duty and maritime sectors. By fostering strong and ethical partnerships, we aim to achieve our shared goals for a greener future.

Way Forward

Through 2023 we continued to increase our workforce in Narvik. During the year we welcomed 9 new employees to our Narvik facilities. At the end of the year our total workforce in Narvik consisted of 18 employees. These 18 employees form the backbone of our continuously growing workforce in the region and are at the heart of the ramp up to production in our fuel cell factory. We look forward to welcoming even more new team members in the years to come.

In terms of our indirect impacts, we make a direct contribution to our downstream value chain through our solutions and products. Furthermore, as part of the shipping industry, TECO 2030 has a general responsibility to contribute to sustainability in our value chain, particularly through social safeguards as per the EU Taxonomy.

We will strengthen our work with supplier management and oversight in the years to come as we acknowledge the increased responsibility and expanded direct supply chain that follow operating a production plant. Supplier overview will be integrated into the business areas, and we will ensure oversight through audits, controls, and screening.



Prosperity

The ongoing conflict in Ukraine and Gaza continues to create uncertainty about the continued development of the world economy and geopolitical situation. TECO 2030 has a limited exposure to Ukraine and Russia and we are therefore not directly affected by the ongoing conflict. However, there are indirect consequences that might arise and affect our supply chain or lead to increased costs.

Operating expenses were NOK 111 million, mainly made up of personnel expenses and other operating expenses.

The Company's main assets are the Innovation Center in Narvik and Lysaker offices, including the accompanying receivables from subleasing parts of the premises, as well as intangible assets, mainly made up of project related external services and internal work-hours. These account for NOK 306 million of its total assets of NOK 507 million.

The company has not paid any dividends so far. The company is in an early development phase and is not yet able to pay dividends to its shareholders. The company will seek to pay dividends in the future when in a position to do so.

Further details about our financial information can be found in the annual report published on the company website.

Local community

TECO 2030 strives to make positive contributions to its local community. As our factory in Narvik is taking shape we are in continuous dialog with the local municipality and surrounding community. During 2023 TECO 2030 hosted a local opening of factory where a handful of locals in Narvik were attending, this was to showcase and build knowledge and community understanding of our strategic plans for the future.

We are continuously in dialogue with all levels of government local or state level. Through this dialogue we continually strive to show the vast potential alternative fuel sources can unlock, and how hydrogen and fuel cells can contribute to a combating climate change. Another important factor of how we work with Narvik municipality is to leverage our plans with their community plans for a collaborative way forward to reach common targets of building up an attractive community to live in.

This transparency and community engagement offers us valuable insights and we are therefore focused on continuing these strong relationships as well as seeking out new opportunities to engage and contribute positively throughout our community.

Research & Development

Research and development (R&D) serves as the cornerstone of our business, as outlined in the "Planet" chapter, where our products offer solutions to climate change challenges. Our strategic partnership with AVL provides access to cutting-edge test beds and technical resources, facilitating the development of world-leading technologies in collaboration with a premier powertrain developer. With a team boasting extensive experience in the maritime industry, our R&D partnership with AVL remains pivotal to TECO 2030's ongoing innovation endeavors.

Throughout 2023, TECO 2030 progressed from conceptual design to a mature design phase for the Fuel Cell, gearing up for build and testing in 2023. Our collaboration with AVL included face-to-face meetings aimed at addressing technical challenges and delivering a comprehensive design, thereby fortifying our partnership. Additionally, engagements with DNV, our chosen maritime certification body, were instrumental in aligning our path towards achieving type approval for the FCM400.

In 2023, the TECO 2030 Group allocated approximately **NOK 90 million** towards R&D-related activities. These expenses encompassed R&D and consulting fees, notably to AVL, as well as internal resources.



Financial assistance received from government

During the year TECO 2030 worked on multiple different project which have received different levels of financial grants. During 2023 TECO 2030 together with multiple partners started the HyEkoTank project consortium which was granted 5 million EUR in funding through the HORIZON EURPOE program. In addition to the HyEkoTank project, we unlocked the NOK 50 million in grants from Innovation Norway in March 2023 that were approved in 2021 subject to a couple criterias. On top of that, we were in 2024 invited to participate in the ZEAS HORIZON EUROPE project, which received a total funding frame of EUR 13.5 million, whereas TECO 2030's allocation was approx. EUR 2.35 million.

Taxes

TECO 2030 has limited operating history and has, since its incorporation, primarily been focusing on the development of green technologies for the maritime industry. The Group and its individual companies have, throughout 2023, spent significant amounts on R&D-related activities and on establishing a team of qualified employees to secure a successful future for the Group. Being in a development phase also means limited opportunities for generating sales revenues and profit. For 2023, none of the Group-companies have presented financial results which have led to taxable profit.

Therefore, our tax contribution is related to our employees. The Group has contributed the following amounts of tax:

Taxes 2023	
Norway	Tax: NOK 0 Employer tax ⁶ : NOK 7,6 million Taxes paid by employees: NOK 16,7 million Non-creditable VAT: N/A*
USA	Tax: USD 0 Employer tax: \$45,728.74 Taxes paid by employees: USD 105 thousand Non-creditable VAT: N/A*

* minimal amounts, therefore not disclosed.

Way Forward

We acknowledge that our financial situation and reporting is subject to significant changes in the years to come, both with regards to the Innovation Center in Narvik and continued expansion of our product lines and offerings. We are in a development phase and our financials are in line with management's expectations for the year. Provided we're successful in reaching our ambitious plans, TECO 2030 will grow into a substantial group of companies. TECO 2030 will

not only be a considerable contributor to the local society in Narvik through the creation of several hundred jobs and through various sorts of local community engagements, but also become a global player in the maritime and heavy-duty cleantech industry. Throughout our growth, we will continue to remain transparent with regards to our finances, taxes, and R&D expenditures as we progress.

6 Norwegian: Arbeidsgiveravgift



Appendix

Appendix I : Terms and abbreviations

CCS	Carbon Capture and Storage
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide equivalents
ERP	Enterprise Resource Planning
FCM400	Fuel Cell Module 400kW
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
IMO	International Maritime Organization
KPI	Key Performance Indicator
kWh	Kilo-watt hour
NOK	Norwegian Kroner

NO _x	Nitrogen Oxide
ORC	Organic Rankine Cycle
PEMFC	Proton-exchange membrane fuel cell
PM	Particulate Matter
R&D	Research and Development
SDG	Sustainable Development Goals
SO _x	Sulphur Oxide
UiT	The Arctic University of Norway
UN	United Nations
USD	United States Dollars
TCFD	Task force for Climate-related Financial Disclosures
WEF	World Economic Forum

Appendix II : WEF Metrics Disclosure Reference Table

This marks TECO 2030's fourth sustainability report, and while we strive for comprehensive reporting on all World Economic Forum (WEF) metrics, we acknowledge that some areas remain unaddressed. Our sustainability report is integral to our ongoing sustainability journey, reflecting our genuine commitment to continuous enhancement and our ambitious pursuit of progress. TECO 2030 acknowledges that the framework going forward has potential for improvements, however at the current stage of the company, we are striving to be as transparent as possible for integrating sustainable practices in our strategies for the years to come.

WEF Metric	Theme	Metric	WEF Criteria	Reference
Governance	Governing Purpose	Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	CEO Letter
	Quality of Governing Body	Board composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Governance – Sustainability Governance
	Stakeholder Engagement	Impact of material issues on stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Governance – Our value chain and material topics

WEF Metric	Theme	Metric	WEF Criteria	Reference
Governance	Ethical Behaviour	Anti-corruption	<ol style="list-style-type: none"> 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region; 2. (a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; (b) Total number and nature of incidents of corruption confirmed during the current year, related to this year; 3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption. 	Governance – Sustainability Governance
		Protected ethics advice and reporting mechanism	<p>A description of internal and external mechanisms for:</p> <ol style="list-style-type: none"> 1. Seeking advice about ethical and lawful behaviour and organizational integrity; 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity. 	Governance – Sustainability Governance
	Risk and Opportunity Oversight	Integrating risk and opportunity into business processes	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Governance – Sustainability Governance

WEF Metric	Theme	Metric	WEF Criteria	Reference
Planet	Climate Change	Greenhouse Gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tons of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Planet – <i>Our impact</i>
		TCFD Implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most 3 years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement - to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Planet – <i>Our climate-related Risks and Opportunities</i>
	Nature Loss	Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or Key Biodiversity Areas (KBA).	No sites in or adjacent to protected areas or KBA
	Fresh water availability	Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	<i>Not material in 2023</i>
	Solid waste	Impact of solid waste disposal	1. Report wherever material along the value chain: estimated metric tons of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used and the definition of single-use plastic adopted. 2. Report wherever material along the value chain, the valued societal impact of solid waste disposal, including plastics and other waste streams.	1. <i>Data not available.</i> 2. Planet – <i>Resource use and waste</i>

WEF Metric	Theme	Metric	WEF Criteria	Reference
People	Dignity and Equality	Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	People - <i>Our People</i>
		Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	People - <i>People Governance</i>
		Wage level (%)	1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	People - <i>People Governance</i>
		Risk of incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to a) type of operation (such as manufacturing plant) and type of supplier or b) countries or geographic areas with operations and suppliers considered at risk.	People - <i>Responsible Supply chain</i>
	Health and Well-Being	Health & safety (%)	1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	People - <i>Well-Being</i>
	Skills for the Future	Training provided (#,\$)	1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees). 2. Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	People - <i>Competence</i>

WEF Metric	Theme	Metric	WEF Criteria	Reference
Prosperity	Employment and Wealth creation	Absolute number and rate of employment	<ol style="list-style-type: none"> 1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region. 	People – <i>People Governance</i>
		Economic contribution	<ol style="list-style-type: none"> 1. Direct economic value generated and distributed (EVG&D) – on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: <ol style="list-style-type: none"> a. revenues, b. operating costs, c. employee wages and benefits, d. payments to providers of capital, e. payments to government, and f. community investment. 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period. 	Prosperity – <i>Introduction and local community</i>
		Financial investment contribution	<ol style="list-style-type: none"> 1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders. 	Prosperity – <i>Introduction</i>
	Innovation of Better Products and Services	Total R&D expenses (\$)	Total costs related to research and development.	People – <i>Research & Development</i>
	Community and Social Vitality	Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Prosperity – <i>Taxes</i>

Appendix III: Emissions calculation

GHG emissions are divided into three categories: Scope 1, Scope 2, and Scope 3. Scope 1 emissions are direct emissions from owned or controlled assets, Scope 2 emissions are emissions due to purchased energy, and Scope 3 emissions are indirect emissions in the value chain. GHG emissions in each of these categories include several different gases, such as CO₂, methane, nitrogen oxides, and refrigerants, among others. To make emissions comparable and get a complete overview, GHG emissions are generally reported in CO₂ equivalents (CO₂e). Our emissions calculations are the result of data collection from different sources and conversion to CO₂e, and are reported under the different scopes.

TECO 2030 has two main material sources of emissions: owned and leased buildings where purchased electricity falls under scope 2 emissions, and work-related flights and car travel which fall under scope 3. The opening of the Narvik factory will result in an increase in emissions, which we hope to include in our calculations next year.

TECO 2030 has three material sources of emissions. First, buildings owned or leased, in which electricity is purchased, which fall under scope 2 emissions. Secondly, work-related flights and car travel, which fall under scope 3.

Scope 1 emissions

TECO 2030's scope 1 emissions from 2022 were generated by

the use of one hybrid company vehicle, which is estimated to use 70% petrol and 30% electricity. We calculated the emissions for this vehicle based on DEFRA's emissions factor for hybrid vehicles applied to 70% of the total distance driven.

Scope 2 emissions

To calculate our scope 2 emissions, we collected energy-use data for each of our locations from the lessors and electricity companies. Where exact use data was not available, an estimation was made based on the area of the occupied space and average energy use. The electricity used to power electric company vehicles also contributes to TECO 2030's scope 2 emissions and is included here as part of the numbers for Lysaker Torg 45 and for Narvik. Greenhouse gas emissions were then calculated in carbon equivalents using a Nordic mix emissions factor for locations in Norway, and the US Environmental Protection Agency's emissions factor for the Florida grid for our office in Miami.

The calculations for emissions related to heating were calculated based on the best available data, which was the average energy breakdown for heating in the Oslo area.

For each location, method of measurement was identified based on how accessible the information was. See table below for location, energy source and data source.

Location	Energy source	Data source
Lysaker Torg 45	Renewable	Estimate - Total kWh for LT45 is provided by KLP through their homepage, as they are the owner of the premises. TECO 2030 lease 57,3% of LT45. Hence, Total kWh is estimated as 57,3% of total kWh for LT45
Narvik	Renewable	Total kWh usage provided directly from electricity company

Miami	Natural Gas, Coal & Solar	Electricity usage based on office area and electricity use
Rødstuen	Renewable	Electricity usage based on area and average electricity use
Employee apartment*	Renewable	Total kWh usage provided directly from electricity company

* working from home

The emissions factor for Norway, which has mainly hydropower, was estimated to be 26g/kWh⁷. The United States Environmental Protection Agency estimated the Florida grid emissions factor, based on a larger proportion of fossil fuel energy, to be 37.87g/kWh⁸. Total estimated Scope 2 emissions is the sum of CO₂e from each location.

Scope 3 emissions

We have been unable to calculate our total scope 3 emissions due to a lack of data availability, mainly in the area of supplier

CO₂e emissions. For this report, we have therefore limited our scope 3 reporting to estimated emissions from work related flights, and some employee commuting which we had data for.

Flights

Our total CO₂e emissions for work-related flights are estimated based on kilograms of CO₂e emitted per flight, and the number of flights. The information on CO₂e emissions for each individual route was collected from Google Flights.

7 Source: <https://www.nowtricity.com/country/norway/>

8 Source: <https://www.eia.gov/electricity/state/florida/>



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