Transparency Act Report 2022

MER AS

This report has been published in accordance with the requirements of the Norwegian Transparency Act. The document covers the full operations of Mer AS and its subsidiaries, Mer Norway AS, Mer Germany Gmbh, Mer Solutions Gmbh, Mer Sweden AB, Mer Charging UK Limited and Mer Fleet Services Limited.

It sets out the steps taken by Mer to continue its work to assess, prevent, and mitigate the risks of adverse impacts on human rights and decent working conditions in its business operations, supply chains and other business relationships, during the fiscal year from 1st January 2022, ending 31st December 2022.

The report starts by presenting Mer and how responsible business conduct is embedded into roles, policies, and management systems. It then describes the methodology used for assessing impacts on human rights and decent working conditions in our own operations, with suppliers and business partners. It next reports findings of the risk assessment and description of mitigation actions. Development plans are detailed in the last part of the document.

Who we are and who we want to be as a responsible company

Mer is a European electric vehicle (EV) charging company with a mission to make sustainable electric mobility easy and accessible for everyone. Our ambition is to become a leading European full-service charging provider, with customer-centric solutions that create a smarter and better tomorrow.

We were formed in 2021 through consolidation of previous company acquisitions by Statkraft, and as of 2022 had subsidiaries in Norway, Sweden, UK, and Germany. Together we have extensive expertise in the EV charging industry and combine charging with renewable energy. We are owned by Statkraft, Europe's largest producer of renewable energy. This allows us to combine the best of both worlds to power the European shift towards a pure way of moving.

Mer's key values

We are Sustainable.

Everyday, we strive to grow our business in a sustainable manner, considering our impact on people, the environment and our society.

It also means that we value togetherness and we focus on creating a safe and inclusive environment that fosters trust, transparency and equality through open communication.

We are Passionate.

We are passionate about what we do and we value curious mindset and seek to grow and learn from failing.

We believe in bringing fun and positivity to our colleagues and customers by embracing change and continuously look to improve from our learnings.

We are Entrepreneurial.

We value our creativity and ability to craft and build a sustainable, powerful and successful company together.

We reward curiosity and new ideas, while also focusing on delivering to our promise - to build customer centric solutions.

United Nations Guiding Principles on Business and Human Rights

Mer is committed to respecting human rights as set out in the United Nations Guiding Principles (UNGP) on Business and Human Rights, and as a member of the UN Global Compact (through Statkraft) supports the protection of internationally recognized human rights. This means respecting the dignity and fundamental rights and freedoms of all individuals affected by our activities.

We actively work to support the United Nations Sustainable Development Goals (SDGs) and share the view that business has a key role to play in delivering on and contributing to the goals.

We support all defined SDGs and have selected some specific goals that we especially aim to contribute to through our operations in the future.

Governance

Mer's Board of Directors has the responsibility of overseeing that the company adheres to national laws and regulations, wherever we operate, which includes adequately managing any risks related to adverse impacts on human rights and decent working conditions.

At Mer we take our responsibility for having a positive impact on the people and communities where we work seriously. We are committed to protecting the human rights of people who work throughout our value chain and interact with our products. Mer is committed to conducting its activities in a way that avoids or minimizes negative consequences.

Mer does not tolerate and works actively against corruption in all its forms in the public and private sector. We do not offer, give, accept, or receive bribes or other improper advantages, whether directly or indirectly, for business or private gain, whether for ourselves or for others.

In Mer we are convinced that clear requirements and consistent business conduct build trust and loyalty among employees, business partners, customers, and communities. Mer has a fundamental commitment to act in an ethical and responsible manner and to comply with all applicable legal requirements wherever Mer operates. We are committed to fairness, transparency, verifiability, and accuracy in all our dealings.

Mer has policies and requirements in place to translate our ambitions into daily business practise. Mer has adapted most of its policies and procedure from Statkraft and we are continuously working on personalizing and implementing them across the business units. In 2022 we introduced a comprehensive business and quality management system (BQMS) as part of our governance structure, called "the Mer Way". The Mer Way describes how we execute our daily business to deliver our mission, ambition, and values. We document our requirements, processes, and best practice to ensure:

- We know the dos and don’ts for how we act
- We have clearly defined roles and responsibilities
- We enable continuous improvement of our common standards

Among Mer’s most relevant policies and requirements for this report are the Mer Code of Conduct and related Supplier’s Code of Conduct, the policies on Sustainability and Business Ethics, Anti-Corruption & Economic Crime, the policy on Equality, Diversity and Inclusion, the requirement to carry out Integrity reviews of third parties and the inclusion of business ethics clauses into contracts. Mer also has a detailed Procurement procedure, which includes the Supplier Code of Conduct and the Guide on Supplier Qualification. Our Supplier Code of Conduct sets out our expectations for our suppliers and other business partners in relation to business ethics, people, society, and the environment based on national laws, international standards, and applicable UN and International Labour Organisation (ILO) conventions. Our Supplier Code of Conduct is available in English, German, Swedish and Norwegian to ensure that all suppliers understand the requirements set by Mer.

We work to identify and manage our impacts and risks, also in the supply chain. All employees are required to complete training on Business Ethics topics through our training portal Learnster on a regular basis. Mer has a goal to develop trainings on all policies included in the Mer Way, to ensure that all employees are familiar with our policies and adhere to the requirements set by Mer.

We have high standards and are continuously seeking to improve our compliance processes. We assess that the quality and degree of coverage of the policies and requirements in the Mer Way is sufficient, and we continue to work on improving the implementation of our policies and requirements in our day-to-day business, so that they meet the standards we set ourselves.

Roles and responsibilities

> Sustainability is a part of our DNA and the very reason of our company's existence. And what is important to recognize is that sustainability is much more than just the environmental part. In addition to the sustainable initiatives, Mer is working systematically on the important social and governance aspects of ESG. We aim to take full responsibility for the supply chain and partner with suppliers that share our ambitions and are committed to sustainable and responsible business practices. As we are positioned to accelerate the EV transition in Europe, we also want to use this position to set a high standard and inspire others in our industry to do the same.”
>
> **Kristoffer Thoner, CEO, Mer AS**

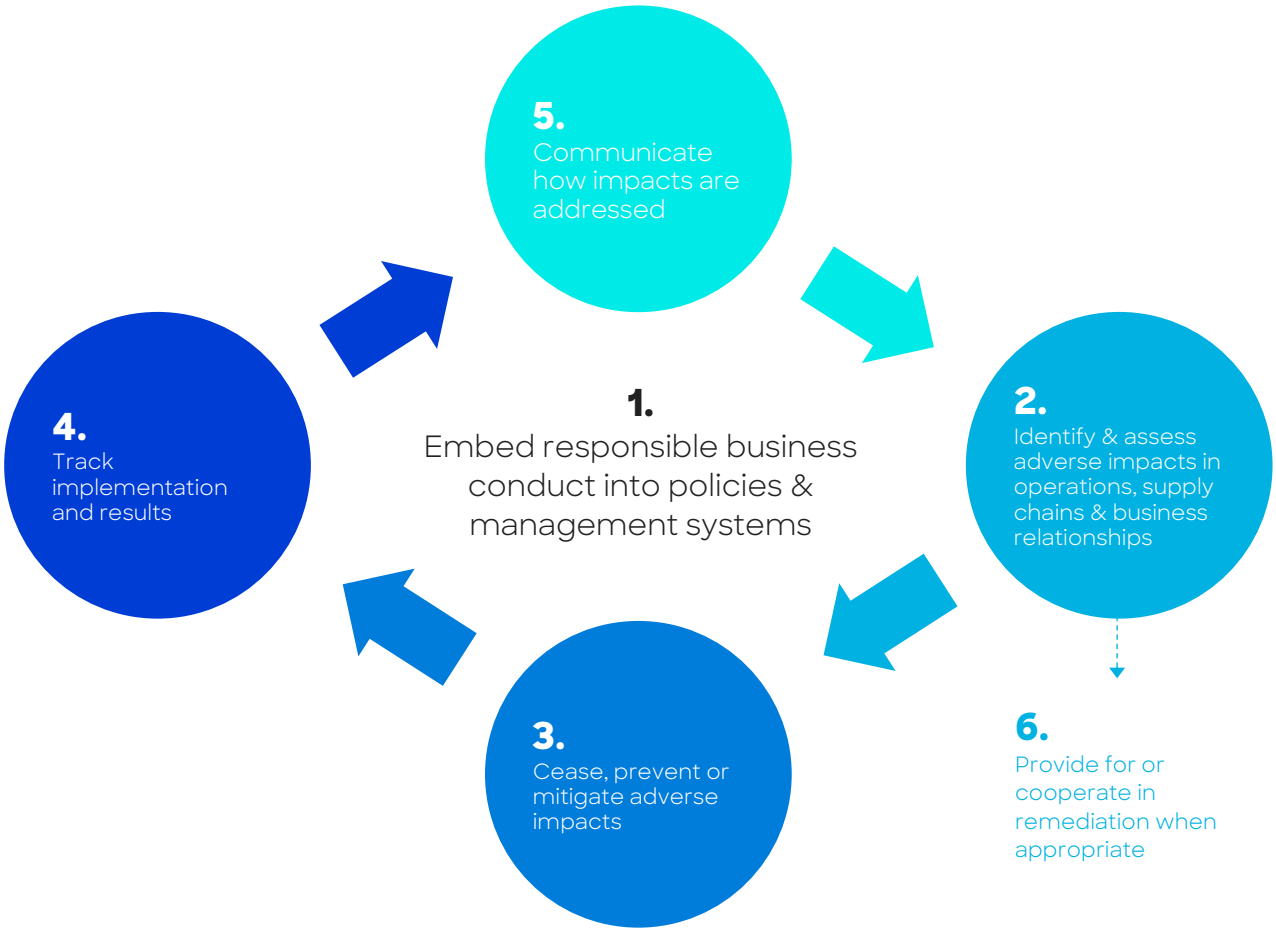
In Mer we prioritize work related to business ethics, human and labour rights, and the environment. To ensure sufficient focus on these topics, Mer has in 2022 successfully defined and hired policy and process owners responsible for continuously improving and implementing the policies and requirements related to Sustainability and Business Ethics in our daily business. We acknowledge that delivering process excellence requires continuous attention and efforts. Line management will continue to be accountable for the compliance with policies and requirements for the activities and resources under their command.

Head of Legal, Compliance and Data Protection	• Reporting to CFO • Process and policy owner for the contents of the Code of Conduct, Business Ethics, which covers corruption, fraud, economic sanctions, money-laundering, export control, competition law, and Data Protection • Responsible for courses on all the above
Group Quality Manager	• Reporting to Head of Improvement & Scaling • Supporting Mer's Head of Legal, Compliance and Data Protection on the maintenance and follow-up of the group-wide Business and Quality Management System • Process owner for HSS (Health, Safety and Security) at group level • Responsible for the overarching HSS management system and following up the group-wide fulfillment of internal and external HSS requirements and identification of improvement potentials on HSS. Responsibility for HSS execution by following Mer's line management
Group Sustainability Manager	• Reporting to Head of Improvement & Scaling • Owner for overarching Sustainability policy. This is again intertwined into other policy and process areas for execution by line management • Responsible for internal courses on Sustainability (Learnster) • Support in collaboratively increasing transparency in the supply chain
HR	• Head of HR at Group Level is the common process and policy owner for Mer • Local HR roles report to local Managing Director, with dotted line to Group HR • Responsibility for all full and part time employees follow line management
Head of Procurement	• Reporting to CFO • Responsible for implementation of Sustainability, Human and Labour Rights and Business Ethics policies and requirements during the Procurement process and with our contracted suppliers and business partners • Responsible for internal courses on Procurement

Our methodology for mapping our own operations, suppliers and business partners

Mer supports the United Nations Guiding Principles (UNGP) and OECD guidelines for multinational enterprises' approach to due diligence and recognises the need to have processes in place to identify, prevent, mitigate, and account for how the impact on human rights is addressed. It is understood that this is an ongoing activity, as risks may change over time in line with operational changes or external influences. Mer understands that the report must be linked to the specific due diligence assessments that the business has carried out.

OECD Guidelines – Steps of HRDD:



The risk assessment of our suppliers and business partners builds on the list of high-risk products from the Norwegian Government Agency for Financial Management (DFØ) and the list of industries with their own collective agreements (see the Norwegian Labour Inspection Authority). These agreements contain their own set of minimum legal requirements regarding wage and labour rights.

The Norwegian Government Agency for Financial Management defines products as high risk "[…] when there is a systematic documented high risk of human rights abuse occurring in the supply chain, meaning the value chain from raw material extraction to component production until finishing assembling." The documentation is based on reports and studies by ILO and other relevant sources (for example research

reports and reports from acknowledged civil society- and union organizations). To make the list relevant in the daily practice of public procurers, specific product categories have been selected based on Norwegian public procurement activities. The high-risk list is a guidance tool, and not exhaustive. Products not on the list could therefore also be high risk purchases. The list of high-risk products includes products such as office supplies, electronics and ICT, construction and landscaping materials, furniture, vehicles, textiles and workwear, medical consumables, play and sports equipment, as well as food and beverages.

The high risk industries are defined by law as the construction industry, the maritime construction industry, cleaning workers, fish processing enterprises, electricians, freight transport by road, passenger transport by road, hotel, restaurants and catering.

In our risk matrix, the above-mentioned products, services, and industries are considered as high inherent risk. Services and products with similar risk profiles have been classified as medium or high depending on our knowledge of the industry, product or service. Other products and services have been considered as low risk.

For some categories of product/services, the risk depends on the country risk for human rights and decent working conditions. When assessing country risk, we use the Global Rights Index, Labor Rights Index and Transparency International's Corruption Perception Index.

To establish our responsibility, Mer has assessed whether it is at risk of causing, contributing to or being directly related to the risk of adverse impact on human rights and decent working conditions:

- When causing - Mer's own actions or omissions are in themselves resulting in harming human rights and decent working conditions.
- When contributing - Mer's actions or omissions significantly facilitates or enables such harm along with another actor.
- Mer is directly related to an adverse impact when Mer has business relationships or connections with another entity that is causing harm. This is typically the case when buying off-the-shelf products and the risk lies in the lower tiers of the supply chain.

Findings of the risk assessment

The Transparency act requires companies to undertake human rights due diligence in our own operations and in the full supply chain. As a service provider, Mer has no production sites or factories of its own and most of our goods and services are acquired in the supplier market. One notable exception is Mer Fleet Services, a business unit of Mer in the United Kingdom. This business unit has its own on-site installation team carrying out electrical installations and construction works, industries classified as high risk for adverse impact. In addition to the information regarding account on Mer Fleet Services, we also report group level findings for our office staff.

Our own operations

Group activities

Mer requires that all employees in the Mer Group to complete compulsory training on Mer's Code of Conduct, as well as courses focusing on other topics such as Business Ethics and equality, diversity, and inclusion. Trainings related to other topics included in the Mer Way will be launched in 2023 to continue to raise awareness and competency.

Mer is working actively on equal opportunities and non-discrimination. Mer AS employs 35,3% women, whilst the broader Group has 33% women in management positions and 30% in its broader staff. The number of women is thus fairly divided between the different levels of responsibility and function. There were no reported incidents of discrimination, harassment or bullying through our whistleblowing channel in 2022. Any concerns raised on these topics in pulse surveys are acted upon.

Installation works - Mer Fleet Services

Mer Fleet Services (Mer Fleet) provides charge point solutions for fleets, workplaces, and homes across the UK. Mer Fleet builds the foundations for the chargers and installs them using its in-house workforce, which distinguishes this unit from other Mer Business Units. The other Business Units use third parties to carry out these activities.

Electrical installation covers a diverse range of hazardous tasks and requires manual labour and heavy equipment. The work is inherently considered as high risk of breaching HSE-standards and labour rights by the Norwegian reference bodies we use for our work (see above).

Good management in electrical installation is needed from conception to execution, if health and safety standards are to be maintained. Mer Fleet's senior management are visible and provide active leadership in developing and maintaining a culture supportive of health and safety management. Its aim is not simply to avoid accidents, but to motivate and empower its employees to work safely.

Mer Fleet, with its 77 employees, has had five accidents and 17 "near miss" incidents. Two accidents led to investigations conducted by Mer Fleet and corrective actions were subsequently implemented. Managers talked to the involved staff in the remaining three accidents. None of the employees or subcontractors involved in the accidents needed time off work after the accidents. Regarding the "near miss" incidents, H&S consultant advise was sought in several of these cases.

Mer Fleet is ISO 9001 (Quality Management System) and ISO 14001 (Environmental Management System) certified. It is currently not ISO 45001 certified but still abides by relevant HSE legislation. All planned installations have a project manager, risk assessment, method statement and Construction Phase Plan. Mer Fleet also needs to abide by The Construction (Design & Management) Regulations (CDM 2015), becasue it works as the Principle Contractor on site. In addition, it has CHAS and Safe Contracting H&S accreditations.

Mer Fleet is working closely with UK Safety Services Limited, which provides consultancy services regarding HSE guidelines and procedures and advice on legislation changes and policy updates. Human Resources in Mer Fleet oversee the induction of all new hires into its ISO systems and H&S procedures and policies. When there are policy changes or updates these are sent to all employees by e-mail or via teams.

Mer Fleet also performs annual salary reviews to ensure living wages are paid across Mer Fleet. With the help of a job evaluation tool, salary searches are conducted based on the employee's role, qualifications, and experience. The salary reviews also include market data and recommendations from the Joint Industry Board (JIB). Mer has reviewed this as part of our due diligence process, which found that all our installation workers receive living wages.

Supply chain and business partners

The main part of the risk assessment covers Mer's suppliers and business partners. According to the Transparency Act, suppliers are defined as business relations who supply or provide goods, services or other input factors that are part of Mer's delivery of services or production of goods from the raw material stage to the finished products. All other business relations are classified as business partners. Business partners are important for the day to day running of the business but are not part of Mer's core products and services.

As a starting point to the assessment, Mer classified its entire supplier base in 2022 into relevant categories and assessed whether they were part of the core service delivery (suppliers) or not (business partners)**.** In the next step the categories were risk assessed for inherent risk of adverse impacts on human rights and decent working conditions. To get an understanding of the potential leverage Mer may have for immediate impact, the assessment also covers whether Mer potentially causes, contributes to, or is merely directly related to these risks, see methodology section for mapping our own operations, suppliers, and business partners above.

In general, Mer will prioritize implementing appropriate measures where Mer potentially causes or contributes to the risk. Where Mer is only directly related to risks, Mer is already mitigating risks by having a clear tone from the top, detailed policies and procedures for Procurement, as well as having defined roles and responsibilities internally.

Mer will continuously seek to improve its policies and procedures to safeguard human rights and decent working conditions for its suppliers and business partners. Below, we have listed our high-risk suppliers and business partners and corresponding mitigating measures.

Mer's Suppliers

The risk assessment shows that Mer's high-risk suppliers are mainly companies delivering hardware and software related to Mer's electric vehicle chargers, as well as installation works, logistics and call centers. The electricity and grid costs related to the electric vehicle chargers are also defined as high-risk suppliers. To reduce the risk, Mer is continuously working on improving and developing its Procurement process.

Installation works, as stated above, require manual labour and are inherently considered as high risk of breaching HSE-standards and labour rights of the workers on Mer's building sites. This is a major direct spend category for Mer, with many suppliers in this category. Due to the direct contractual relationship, Mer considers itself to be potentially causing or contributing to these risks and hence, following up our installation suppliers is a prioritised action for Mer.

In addition, there is an inherent high-risk related to the materials, components and equipment used in the installations. The main equipment on the sites, e.g., chargers and transformers, will be followed up by the Hardware Procurement team (see below), but our installations suppliers also use tools, materials, or components to carry out their work. The sourcing and processing of these potentially carry a high risk of negatively affecting human rights and decent working conditions of local communities near production sites. However, Mer considers itself to be merely directly related to these potential risks and will not prioritise further investigations at this point of time.

Mer is currently setting up the structure to commence implementing mitigating actions in the installations category. Prequalification, tender management, and contract management are the main moments where Procurement may have an impact on risk mitigation. Mer is hiring Sourcing Managers to review the procurement process regarding installation works, streamline installations agreements and ensure use of Mer's Supplier Code of Conduct and to continuously follow up installation suppliers.

The first Sourcing Manager will commence on 14.8.2023 and will be focusing on the Swedish market. Mer ensured that the role description of the Sourcing Managers includes the responsibility for supplier prequalification in the Installation Category. Amongst others, prequalification covers Business Ethics, Human rights and decent working conditions, and the Environment. Sourcing Managers are also responsible for tender management and for contract management of active contracts.

Hardware providers are key suppliers to Mer. This category includes products such as AC chargers, DC chargers, transformers, foundations, cables, circuit breakers, poles, energy meters and telecommunications hardware. Hardware is another major spend category at Mer, with many suppliers in this category. There is significant risk of breaching fundamental human rights and decent working conditions related to Mer's hardware both for workers and local communities.

This risk lies in the supply chain where raw materials, such as metal, plastic and electrical components are extracted and processed, which typically takes place outside Europe in high-risk countries. Mer considers itself only being directly related to these risks. Mer's direct contractual counterparties are manufacturers based in Europe where the risk of breaching labor rights are low and HSE systems are in place. However, since hardware is Mer's main equipment, follow up measures in this category are prioritised. In a major tender process within hardware conducted in the spring of 2023, Mer chose to adjust the Procurement process to address the high risks identified above. Mer performed an extended prequalification and requested detailed documentation regarding human rights and working conditions, business ethics and environmental aspects. The goal was to get a detailed overview of the current capabilities of potential suppliers and their development plans.

The requested information was not to be an excluding factor unless actual negative consequences or business ethics breaches were identified. By doing so, Mer takes a collaborative approach to the supplier market and is actively contributing to maturing the supplier market. When the market is considered mature enough, Mer will do a new assessment on whether the information requested in the prequalification process should become an excluding factor. Going forward, Mer will also strive for a collaborative effort with hardware suppliers to reduce the environmental footprint in Mer's supply chains.

In the tender process mentioned above, Mer has chosen to test a Supply Chain Mapping tool to get a more detailed understanding of the underlying supply chains of Mer's main hardware as a starting point for further actions.

To drive long term improvements in the Hardware Category, Mer started the recruitment of a Category Manager EV Charging Technology in late 2022. Along with the commencement of the Category Manager, Mer formed a Hardware Procurement Team consisting of the Category Manager and two Sourcing Specialists. Mer ensured that the role descriptions of the Category Manager and the Sourcing Specialists cover the key risk moments in Procurement. The role description of the Category Manager includes responsibility for supplier segmentation, prequalification, and relationship management in the Hardware Category while Sourcing Specialists take on similar responsibilities as the Sourcing Manager (see section Installations) albeit in a more junior capacity. The Hardware Procurement Team will focus on standardizing the choice of Hardware across business units. Through standardization, Mer will limit the number of suppliers it works with, which allows for a more concentrated effort on achieving transparency in the supply chain and monitoring supplier's adherence to agreed principles.

Software is another major spend area in Mer's business. Some suppliers in this category are major multinational companies such as Microsoft, but Mer also uses smaller suppliers, developers, and consultants in its organisation.

There are two types of risks related to software. Firstly, it is the working conditions of the workers who develop the software. When Mer is engaging directly with such developers and consultants, there is a risk of Mer either causing or contributing to breaching standards of decent working conditions or living wages.

Secondly, the IT equipment used to build the software, such as laptops, consists of high-risk materials and components. This risk type is alike the above category of hardware. However, Mer considers having a low impact on these risks since IT equipment is usually an off-the shelf standardised product purchased from a few major global players. Where possible, the risk is managed through our Supplier Code of Conduct, in which we set expectations to our suppliers.

Mer has chosen to prioritize the follow-up of IT service suppliers as there is a risk of Mer either causing or contributing to adverse impacts. Mer is currently recruiting a Category Manager for IT & Technology Procurement. The Category Manager IT & Technology will assume the same responsibilities as the Hardware Procurement Team with regards to e.g., prequalification and supplier relationship management, in the IT & Technology category. Amongst others, Mer will gather information on contracts with software suppliers to be able to conduct a more in-depth risk assessment. The level of risk will depend on the labour conditions in the country of operation.

Call centres potentially entail a high risk of breaching labour rights depending on the country in which they operate. Mer considers itself to be potentially causing or contributing to these risks due to the direct contractual relationship. Mer's call centres are in different countries in Europe. Mer is currently working on

reviewing the call centre contracts. As a part of the review process, Mer communicated requirements as stated in the Supplier Code of Conduct and applied the supplier self-assessment questionnaire on Human and Labour Rights, Business Ethics and the Environment. Suppliers were also checked for adverse media reports and against the global sanctions list and other databases within the Dow Jones screening tool. The checks did not uncover any actual negative consequences of our activities.

Logistics and transportation entail a high risk of breaching HSE-standards and labour rights for drivers according to the Norwegian reference bodies used for our work. For Mer, this service is organized in two ways: 1) the supplier chooses the logistics operator and owns the contract or 2) Mer has the contractual relationship with the logistics supplier. For the former, Mer is only directly related to these risks. For the latter, Mer potentially causes or contributes to the risks. Mer is planning to initiate a wider group project reviewing logistics contracts, including looking into how the suppliers are set up, compliance with the Supplier Code of Conduct, and appropriate follow-up activities. This project will likely fall into the 2024 improvement cycle.

Electricity and grid for our charging stations are a key part of Mer's business of providing EV charging. The supply chain of electricity can be divided into 1) power production (construction of powerplants and production) and 2) the grid network that transports the electricity to the charger point.

The supply chain for equipment used for power production includes mining of high-risk materials, production of high-risk metals, manufacture and assembly of components, and transportation between sub-suppliers. For example, Statkraft has stated that poor working conditions and inequality at sub-suppliers is a risk related to hydropower equipment, while production of GRP-composite wind turbine blades is related to the risk of forced labour and discrimination of women. The process of extracting and processing high-risk materials also poses a risk for local communities' whose environment might be negatively impacted. For workers at power production sites, the inherent HSE risks include transportation, working from heights, lifting operations, electrical work, and heavy equipment. The installation of power stations entails HSE risk and risk of breaching labour standards including minimum wage requirements.

The supply chain for grid networks consists of power cables, masts and transformer stations. Power cables typically consist of high-risk materials such as aluminum alloy and reinforced steel or aluminum conductor steel reinforced (ACSR) and insulation materials. Aluminum is a high-risk material, where high inherent risk for workers and nearby local communities are associated with the mining operations of bauxite in countries such as China, Guinea and Brazil and alumina refineries in high-risk countries such as China. Alumina refineries produce red mud, a highly caustic material that causes human harm upon contact, as well as pollution of waterways, and affects local ecosystems which in turn affect local communities. For workers installing and maintaining the grid network in the countries where Mer operates, we consider the risk as medium for breaching decent working conditions for non-electrical works and high for electrical works.

Masts carrying the power cables are typically made of concrete, wood, aluminum, or steel, which are materials considered as inherently high risk. Theses materials' risks are related to workers and local communities affected by the extraction and processing of raw materials. The installation of masts entails HSE risks including working from heights, operating heavy equipment, transportation, and electrical installation. This work likely falls under construction work as an industry with collectively applicable agreements in Norway.

Transformer stations are made of several materials and components including silicon steel, copper, oil (used as a cooler and insulation) as well as electrical components. Additionally, the enclosure of the transformer could consist of concrete, wood, brick and/or sheet metal. The materials' risk is similar to the above descriptions for workers in the supply chain and local communities. The installation of transformer stations likely falls under construction work as an industry with collectively applicable agreements in Norway.

Mer considers itself to be directly related to the risks described above and has decided to postpone its own risk mitigation actions since some of Mer's suppliers in this category, for example Statkraft, are also subject to the Transparency Act. We will assess the due diligence reporting of these companies to define potential future actions from Mer.

Mer's business partners

Business partners such as waste management, accommodation, mobility, cleaning, restaurants, and facility management (incl. services such as cleaning and catering) are considered inherently as high risk. In Norway, apart from waste management, these industries are by law required to have minimum wages and industry specific labour rights, which has a risk reducing impact. Mer has chosen to use the same risk profile for these industries beyond Norway based on the assumption that such high risks are prevalent in the other countries we operate too. In cases where Mer has a direct contractual relationship with such business partners, there is a risk of Mer causing or contributing to risks in these industries.

Waste management and resource productivity are critical elements in Mers's product life cycle. Waste management requires manual labour and is inherently considered as high risk of breaching HSE-standards and labour rights, for example regarding living wage, of the workers on waste management sites. Mer considers itself to be directly related to these risks and will review contractual agreements, ensuring the use of the Supplier Code of Conduct and that contracts include clauses safeguarding human rights.

From a sustainability perspective, Mer understands that charging infrastructure is a commodity-intensive product. As many raw materials are used in the construction of charging stations, Mer will consider circular products and recyclable materials in supplier choices, where possible. Mer believes that products should have the longest life cycle possible and is looking into the most effective way forward. Mer ensures the use of packaging material that has already been used for shipping as much as possible. We aim to reduce the amount of waste produced in our value chain by taking further steps in the future. By implementing an asset decommissioning strategy, we want to make sure to reuse products and resources instead of binning them.

For some of our business partners, such as businesses within **accommodation**, **mobility** and **catering** we are yet to gain full overview of our supplier base as this cost is currently reimbursed through expense reimbursements. With time, Mer will assess the possibility of framework agreements with certain business partners, to put ourselves in a position of greater impact. Mer will also assess introducing a travel portal, to ensure that our employees are guided in taking good sustainable choices when travelling.

Mer does not have direct contracts for **cleaning** or **facility management** in most offices as office spaces are rented in established office complexes, for example in Statkraft offices in Oslo and London, and the services are part of the rent. Where Mer does have direct contracts, these will be reviewed, ensuring the use of Supplier Code of Conduct and that contracts include clauses safeguarding human rights.

The above-mentioned follow-up activities on high-risk business partners will be prioritized after implementing mitigating activities and strengthening the overview and control with our suppliers in the prioritised high risk categories installations, hardware, and IT (software).

Actual negative consequences

During this due diligence process, Mer has not uncovered any actual negative consequences related to its own operations, suppliers, or business partners. Mer is aware that this does not necessarily mean there are no actual adverse impacts.

As this is the first year of reporting in accordance with the Norwegian Transparency Act, a large part of the due diligence has been to categorize suppliers and business partners and to identify the categories associated with high risks in our supply chain and our business partners. Through this work, we have also put in place a methodology for risk assessment that may be used going forward. Finally, Mer has implemented an action plan to continue the implementation of our policies and management systems on responsible business conduct in our daily operations and to follow up high risk suppliers and business partners in the upcoming period.

Grievance mechanisms / Whistleblower channel

Mer has grievance mechanisms and a whistleblower channel available for both employees and external parties. Under our Code of Conduct, if an employee of Mer suspects that a decision or action would violate or violates Mer's legal or ethical commitments, he or she has a right and a responsibility to raise the issue. Mer's whistleblowing policy explains how to report a concern and the procedures for handling reported concerns.

Mer has a separate inbox in place for requests and concerns related to the Transparency Act. Going forward, Mer will review current routines and implement improvement initiatives to ensure appropriate and timely responses in accordance with the law.

The way forward - our responsibility path

Procurement

The Procurement function is at the beginning of a continuous improvement journey. The mission of Procurement in Mer is to secure the supply of high-quality products and services, to bring innovation and sustainability to our business through the supply chain and to control cost. Sustainability is understood in a holistic sense, covering the environment, social and corporate governance as we strive to ensure responsible business conduct with regards to people, society, and the environment in our supply chain.

Procurement collaborates closely with the other internal policy and process owners in implementing Mer's policies and requirements in sustainability, human rights and decent working conditions and business ethics during Procurement processes and with our contracted suppliers and business partners. We plan to achieve this by systematically building the Procurement function and toolbox:

- **Organisation and routines:** Procurement in Mer will adopt a category approach to managing spend. Category management strives to holistically manage a given supplier market, also with regards to sustainability. This usually leads to standardization, for example of the supplier base or of approaches, and allows for more streamlined and effective work with suppliers. In the upcoming period, Procurement will focus on completing the recruitment of core positions in the prioritized categories Hardware, Installations and IT and will continue to implement routines in the Procurement process. The role descriptions of all new hires include responsibility for supplier prequalification and supplier follow up.

- **Training:** The Procurement Process is described in the Mer Way. In the upcoming period, Procurement will focus on communicating the steps of the Procurement Process to a wider audience, by leading by example in Procurement processes, by presenting Procurement and its mission to newcomers, and by setting up compulsory learning courses in our internal training portal.

- **Enablers:** Mer will continue to build a suite of suitable contract templates for all our categories together with our legal and compliance department and will commence the assessment of suitable support systems for Procurement, including systems capable of reviewing sub-suppliers. Mer sees the need to increase systems support to collect, evaluate, and follow up supplier assessments and supply chain information in a systematic, data driven and efficient manner.

Compliance

Mer has developed a global framework for handling integrity risks vis a vis its business partners. At the end of 2022, a groupwide due diligence tool was acquired to enable integrity reviews to be carried out in a transparent and structured way. Once approved, all business partners are continuously screened by the tool against Dow Jones databases, e.g. lists of sanctioned individuals/entities etc. and any changes are flagged so the business partner can be reassessed by Compliance and mitigation plans put in place as needed.

The development plan for 2023 is:

- for the Dow Jones tool to be populated with all third parties which the businesses have previously (and recently) approved, so there is a comprehensive up-to-date record, to ensure that all the businesses are familiar with the requirements regarding when and what due diligence is required on third parties and to have trained staff across the businesses to load all new potential third parties into the tool, as per the requirement on an ongoing basis.
- to develop training for suppliers so there is no ambiguity about the requirements of our Supplier's Code.
- to develop and roll out quick guides to Mer's 8 Business Ethics Rules, which cover topics such as anti-corruption and business partner due diligence, in Norwegian, Swedish, German, and English, providing more information, examples and checklists to colleagues.
- to review the business ethics clauses used across Mer and to further enhance them as appropriate in line with the Transparency Act.

Mer's Business & Quality Management System

Mer is currently evolving its document management system ("The Mer Way") into a process based system. This will result in designing further formal processes which will be measured to meet Mer's objectives with the main focuses of quality, efficiency, and sustainability. The key principles of the redesign are:

- To evolve Mer's group-wide culture by enhancing the current strategic applicability of group services to the operational activities of the individual business units and their products/services
- To ensure operations in alignment to the ISO 9001 standard recommendations within the given governance environment
- To ensure the delivery of conformal products/services across all business units and to implement group-wide control mechanisms
- To guarantee continuous improvement potentials and creating improvement initiatives based on the identified potential

Health, Safety & Security (HSS) Management System

Mer cares for the health, safety and security of people wherever it operates including employees, contractors and customers / visitors. Thereby, Mer continuously cooperates with qualified business partners and ensures that its products, tools and equipment meet the recommendations according to relevant local and international standards, e.g. ISOs 45001, 9001 or 14001.

Mer is currently evolving its HSS management from a reporting to a risk-based (proactive and reactive) system through a tripartite approach to ensure Mer satisfies internal and individual national legal requirements. Elements of this development are:

- Monthly reporting
- Reporting of observations and potential incidents through dedicated templates, classification of severity of incidents or injuries
- Quarterly threat assessments according to individual national legal requirements

Sustainability

To reduce Mer's environmental impact, Mer is taking several measures:

- Firstly, in 2023/2024, Mer will be calculating an extensive corporate carbon footprint (CCF) across Scope 1 (direct emissions), 2 (indirect energy emissions) and 3 (indirect emissions, e.g. supply chain) along the value chain. This will help Mer understand the sources of **emissions** and identify opportunities for reduction. The CCF will form the basis for the decarbonization strategy which is currently under preparation. It will lay out how Mer can reduce its carbon footprint and become more environmentally sustainable. In addition to the decarbonization strategy, Mer is assessing carbon neutral certifications to help demonstrate Mer's commitment to reducing carbon emissions.
- Secondly, the sustainability team is focused on **waste management**. Mer believes it is important to understand where most of its waste comes from and to determine ways to reduce the amount of waste. By doing so, Mer will contribute to a more circular economy and reduce the negative effects of waste on the environment.
- Thirdly, Mer has identified its **employees** as a critical element on its path to become more sustainable. The sustainability team will develop internal learning journeys on several sustainability topics for all employees, providing them with the knowledge and tools they need to contribute to Mer's sustainability goals.
- Finally, the sustainability team is closely collaborating with Procurement in **supplier audits** and efforts to increase transparency in the supply chain. Doing so ensures that Mer's suppliers are committed to sustainability and contribute to our overall efforts in reducing the environmental impact in our value chain.

Oslo, 29 June 2023
Board of Directors and CEO of Mer AS

Ellen Hanetho
Chair

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Deputy Chair

Pernille Fabricius
Board Member

Matteo de Renzi
Board Member

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Board Member

Anne Marit Harris
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Board Member

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