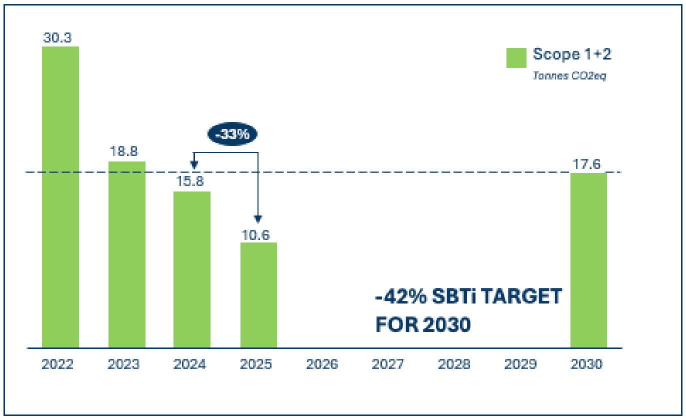
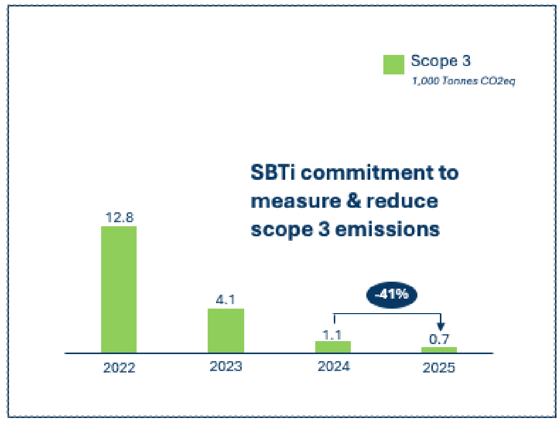
Controlant

# 2025 Annual ESG Report

Unaudited

## Controlant's Sustainability Highlights 2025




**Preliminary 2025 estimates indicate a 41% reduction in total emissions, suggesting continued alignment with the 2030 science-based target.**

| Scope 1 and 2 absolute emission reduction | Measure and reduce scope 3 emissions | Carbon intensity to revenue lowered by | Share of renewable energy |
|---|---|---|---|
| **33%** | **41%** | **25%** | **93%** |
| (compared to 2024) | (compared to 2024) | | |

## 2025 ESG highlights

- 22-75 Age range
- 29 Nationalities
- 40% Female representation among total workforce
- 44% People leaders´ positions held by women
- 90% Renewable electricity
- 89% Employee participation Great Place To Work
- Great Place To Work certification in Poland
- Strong ESG rating performance
- Rolled out employee training budget
- 0.9% Adjusted pay difference, below the 2.0% target
- >10 Employee driven Controlant Clubs
- ISO 9001, ISO 27001, SOC 2 and Equal Pay certifications

UN GLOBAL COMPACT · SUSTAINABLE DEVELOPMENT GOALS · SILVER | Top 15% ecovadis Sustainability Rating MAR 2025 · CDP Discloser 2024 · SCIENCE BASED TARGETS · bsi. ÍST 85:2012 Equal pay management system · Great Place To Work. Certified LUT 2025-LUT 2026 POLSKA

# Non-Financial Information

Controlant hf. (the "Company") provides technology-enabled managed solutions designed to optimize life sciences supply chains, with managed solutions comprising a validated visibility platform, real-time IoT devices, advanced analytics, and integrated customer services.

Controlant's vision is to deliver zero-waste supply chains through real-time visibility, data-driven decision-making and automation. Controlant's technology contributes to reduced product waste, improved supply chain efficiency, and enhanced visibility across global pharmaceutical logistics networks.

Leading pharmaceutical companies and logistics providers trust Controlant as a validated source of data for their systems of record, making their operations significantly more reliable, cost-effective, and sustainable. Controlant also helps safeguard the integrity of temperature sensitive medicines, thereby contributing to improved patient safety and access to critical therapies.

Founded in 2007, Controlant had an average of 236 full-time equivalent employees (FTEs) representing 29 nationalities in the 2025 financial year. Controlant generated USD 63 million in revenue in 2025 and operates internationally with customers across the global life science sector.

This report should be read in conjunction with the explanatory note at the end of this disclosure.

# Minimum safeguards, code of conduct and policies

Minimum Safeguards, Code of Conduct and Policies

Minimum safeguards are implemented through Controlant's governance framework, internal policies, and management systems to ensure compliance with internationally recognized standards relating to human rights, labor practices, anti-corruption, and responsible business conduct.

### Governance Framework

Corporate Governance is the framework that defines how companies are directed and controlled. Controlant acknowledges that sound governance is essential for generating long-term value for all stakeholders, including shareholders, employees, customers, and the broader community. Controlant's commitment to a robust governance framework, respect for human rights, adherence to social and labor standards, anti-corruption measures, promotion of fair competition, and commitment to responsible taxation across all its activities serves as the cornerstone of its efforts to ensure compliance with applicable minimum safeguard requirements.

Controlant operates according to all relevant laws and regulations in Iceland. Its operations are guided by its Articles of Association as well as internal policies and procedures which take into consideration the Guidelines on Corporate Governance (6th edition), published by the Iceland Chamber of Commerce, S.A.- Confederation of Icelandic Enterprise and Nasdaq Iceland in 2021.

### Policies and Ethical Standards

Furthermore, these commitments are reinforced through established company policies, a Code of Conduct, mandatory employee training, and external audits conducted by Controlant's customers, and ISO certification bodies.

Controlant supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment, and anti-corruption and is committed to making the UN Global Compact and its principles a part of the strategy, culture, and day-to-day operations of the company. Controlant became a participant in the UN Global Compact in 2022. Recognizing the ongoing importance of these principles, Controlant remains committed to prioritizing these areas. The company aims to prevent, detect, and address misconduct and non-compliance within the organization to protect Controlant's reputation, values, and legal compliance – reflected in Controlant's policies such as Controlant's Anti-Bribery and Corruption Policy, Corporate Sustainability & Environmental Policy, Health and Safety Policy, Procurement Policy, Equality, Diversity, and Inclusion Policy, among others (available on www.controlant.com and/or on request).

Controlant's Code of Conduct applies to all its employees and suppliers who provide services and support to Controlant. The Code of Conduct outlines commitment to fair, compliant, transparent, and sustainable business practices and appropriate governance structure. Controlant strives to fulfill the laws and regulations of the countries where it operates and expects nothing less from its partners.

### Risk Management and Compliance

Controlant maintains technical and organizational controls in line with industry best practices.

During 2025 the risk management function was further strengthened, particularly around improved risk documentation and standardized operating procedures for conducting risk assessments. As part of the risk assessment, risks are identified, analyzed, evaluated, and mitigation controls are adopted to reduce the operational risks of Controlant. The purpose of risk treatment is to define systematic means of reducing or controlling such risks.

Controlant has a certified quality and information security management system based on ISO 9001 and ISO 27001, certified by the British Standards Institution (BSI) Iceland.

Policies on environmental issues, social and employee matters, human rights, and actions against corruption and bribery are in place in the Company's management system and are formally communicated and trained to all employees.

### External Sustainabilty Initatives

Controlant participated in several sustainability initiatives in 2025, including:

(i) Festa, Centre for Sustainability in Iceland
(ii) Science Based Targets initiative (SBTi)
(iii) UN Global Compact
(iv) United Nations Sustainable Development Goal (UN SDGs)

## Corporate social responsibility

The year 2025 was a period of organizational transition for Controlant, marked by organizational recalibration initiative initiated in 2024 to secure the foundation for long-term growth. This resulted in a leaner organization where the 1company's workforce was reduced from an average FTE of 295 in 2024 to 236 FTEs in 2025, supporting improvements in the Company's cost structure, operational agility, and customer focus, supporting Controlant in achieving its long-term goal of sustainable growth.

Workforce reductions executed in November 2024 resulted in the reduced work force levels observed from the end of Q1 and onwards. The majority of employees are based in Iceland, which is the location of Controlant's headquarters.

Controlant's vision is to unleash the power of people and technology to deliver zero-waste supply chains for its partners and the planet. By reducing waste in one of the world's most critical supply chains, the company contributes to the development of sustainable and responsible supply chains.

The global nature of pharma supply chains requires seamless connectivity and collaboration. Controlant established its corporate sustainability roadmap in 2023 with the objective of balancing environmental, social, and economic performance. During 2025 this roadmap was further aligned with the Company's simplified operating model and leaner organizational structure across its operational hubs.

Controlant reports transparently to all stakeholders on its sustainability journey, key milestones achieved, and ESG performance metrics aligned with the Nasdaq ESG Data Reporting Guide 2.0, through an ESG Reporting Hub on www.controlant.com/sustainability. Controlant reports its progress on sustainability performance and commitments through the United Nations Communication on Progress (accessible on www.unglobalcompact.org), providing a transparent account of Controlant's corporate sustainability activities and impacts aligned with the Ten Principles and the United Nations Sustainable Development Goals (UN SDG).

Controlant prioritizes four of the UN SDGs, which are as follows:

Goal 3 – Good Health and Well-Being: which centers around ensuring healthy lives and promoting well-being for all individuals, regardless of age.

Goal 4 – Quality Education: which aims to guarantee inclusive and equitable quality education, in addition to promoting lifelong learning opportunities for all.

Goal 9 – Industry, Innovation and Infrastructure: which focuses on building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation.

Goal 13 – Climate Action: which emphasizes the urgent need to take action against climate change and its impacts.

Through ESG ratings, Controlant demonstrates transparency regarding its sustainability performance while aligning with shareholder expectations for sustainable business practices. For 2025 Controlant had external sustainability ratings issued by CDP Climate as well as EcoVadis.

The Climate Disclosure Project (CDP), a global non-profit operating one of the world's leading environmental disclosure platforms, awarded Controlant a B rating in Q1 2025. The rating marks an improvement from B- rating received in 2024 and reflects progress toward strengthened climate disclosure and environmental management practices. On a scale from D- to A, representing environmental leadership and best practice, Controlant scored an A/A- in the categories of Scope 3 disclosure, industry collaboration, emission reduction initiatives, and low carbon products supported by lifecycle assessment. Controlant's CDP rating was supported by enhanced environmental policies, value chain engagement initiatives and governance processes relating to environmental impact.

Controlant has been rated Silver in its 2025 EcoVadis sustainability assessment, placing Controlant among the top 15% of more than 150,000 rated companies globally across industries. EcoVadis is the world's leading provider of business sustainability ratings. This marks the second consecutive year that Controlant has achieved a silver rating. In the 2025 assessment, Controlant earned its highest overall score to date of 72/100.

The following table reflects Controlant's latest available ESG ratings.

| Valid ESG ratings for 2025 | |
|---|---|
| CDP Climate (issued 04/25) | B |
| EcoVadis (issued 03/25) | Silver (72/100) |

## Environmental responsibility

Preliminary estimates indicate that Controlant's total emissions in 2025 have been reduced by approximately 41% compared with the previous year, suggesting continued alignment with the Company's 2030 science-based target. In May 2023, Controlant had its science-based target validated and published by the Science Based Target initiative.

Controlant commits to reducing absolute scope 1 and scope 2 greenhouse gas (GHG) emissions by 42% by 2030 from a 2022 base year and has also committed to measuring and reducing its scope 3 emissions.

Combined emissions from scope 1 and 2 were lowered by 33% in 2025 compared to 2024. The emission reduction reflects the leaner organizational structure following corporate restructuring in the second half of 2024 and during 2025, including further consolidation and reduction in office space at the head office in Iceland and lower usage of the US service center due to the move to a new facility in Rockaway, New Jersey in Q2 2025 offering modern and improved working conditions. This move also resulted in lower electricity consumption during Q1 2025. In 2024, three office locations in Iceland were consolidated into one office building on four floors, which were further consolidated to two floors by end of 2025, bringing down the overall energy intensity of operations in 2025. Carbon intensity per unit of revenue decreased by 20% in 2025, and the share of renewable remained stable at around 93%, which is aligned with Controlant's customers' goals on renewable energy sourcing.

Additional information regarding case studies and end-of-life processes for Controlant devices can be found on Controlant's website.

Emissions from scope 3 decreased by 41% in 2025, reflecting smaller organizational footprint, headcount reduction, and cost control measures that reduced emissions across most scope 3 categories, particularly Purchased Goods & Services (Category 1), Business Travel (Category 6) and Employee Commuting (Category 7).

## Social responsibility

Controlant continues to build a culture of excellence and collaboration to drive organizational growth and employee satisfaction.

At the beginning of 2025, a Great Place To Work® survey was conducted across all of Controlant's locations, with overall employee participation of 89%. The Great Place To Work® Model is a framework for understanding how workplace culture drives business success. As a result, Controlant's Polish office has been certified as a Great Place To Work®. Controlant's employee base has grown most in Poland, making this recognition particularly meaningful for the Company's growing operations in the region.

All employees of Controlant are employed in compliance with applicable labor laws and practices. Each employee receives mandatory training, ranging from IT security training and Controlant internal policies to life sciences compliance training.

Controlant does not use any forced labor or child labor in its operations. Controlant respects all rights of employees, including the right to associate freely and join or not join labor unions. Two-thirds of employees are covered under a collective bargaining agreement (2025: 64%). Employees can communicate openly with management regarding working conditions without threat of reprisal, intimidation, or harassment. Controlant provides its employees with a workplace environment that complies with applicable laws and regulations. Discrimination of any kind is not tolerated.

Controlant is proud to be certified as an Equal Pay employer in Iceland. The adjusted pay difference in Iceland was 0.9% for 2025, well below the goal of 2.0%.

Controlant fosters a vibrant workplace culture through a variety of employee-led clubs, each offering unique activities to suit diverse interests. Examples include a golf club and a running club, ensuring that employees have opportunities to engage in recreational and social activities. Controlant organizes events across all its office locations to foster community and engagement beyond the workplace and to strengthen connections among colleagues in a more informal setting.

## Controlant's core values

| | |
|---|---|
| Creativity | We believe in fostering creativity and innovation. |
| Transparency | We believe in transparency in our work and with our customers. |
| Excellence | We believe in high quality and setting the standard for excellence. |
| Fun | We believe in making work enjoyable; it keeps us coming back. |

# Nasdaq ESG Indicator

| | Nasdaq ESG indicator* | | Unit | 2025 | 2024 |
|---|---|---|---|---|---|
| Environmental indicators | **E1.** | **Total GHG Emissions** | tonnes $CO_2$ eq | **671.7** | **1,142.6** |
| | E1.1 | Total amount, in CO2 equivalents, for Scope 1 | tonnes $CO_2$ eq | 0.7 | 1.0 |
| | E1.2 | Total amount, in CO2 equivalents, for Scope 2 (location-based) | tonnes $CO_2$ eq | 21.1 | 32.9 |
| | E1.2 | Total amount, in CO2 equivalents, for Scope 2 (market-based) | tonnes $CO_2$ eq | 9.9 | 14.8 |
| | | Total amount, in CO2 equivalents, for Scope 1 and Scope 2 (market-based) | tonnes $CO_2$ eq | **10.6** | **15.8** |
| | E1.3 | Total amount, in CO2 equivalents, for Scope 3 | tonnes $CO_2$ eq | **661.1** | **1,126.8** |
| | | of which is Cat. 1 - purchased goods & services | tonnes $CO_2$ eq | 259.4 | 489.5 |
| | | of which is Cat. 2 - capital goods | tonnes $CO_2$ eq | 0.0 | 0.0 |
| | | of which is Cat. 3 - fuel and energy-related activities | tonnes $CO_2$ eq | 4.9 | 7.6 |
| | | of which is Cat. 4 - upstream transportation | tonnes $CO_2$ eq | 0.0 | 0.2 |
| | | of which is Cat. 5 - waste generated in operations | tonnes $CO_2$ eq | 9.7 | 13.3 |
| | | of which is Cat. 6 - business travel | tonnes $CO_2$ eq | 240.1 | 449.6 |
| | | of which is Cat. 7 - employee commuting | tonnes $CO_2$ eq | 122.5 | 124.9 |
| | | of which is Cat. 8 - upstream leased assets | tonnes $CO_2$ eq | 24.5 | 38.3 |
| | | of which is Cat. 9 - downstream transportation and distribution | tonnes $CO_2$ eq | 0.0 | 3.6 |
| | **E2.** | **Emissions Intensity** | | | |
| | E2.1 | Total GhG emissions relative to revenues | tonnes $CO_2$ eq per USD 1m revenues | 11.4 | 14.2 |
| | E2.2 | Total GhG emissions relative to employees | tonnes $CO_2$ eq per FTE | 2.9 | 4.9 |
| | E2.3 | Total GhG emissions relative to square meters | kg $CO_2$ eq per $m^2$ | 126.9 | 137.8 |
| | **E3.** | **Energy Consumption** | | | |
| | E3.1 | Total amount of energy directly consumed | MWh | 1,830.4 | 2,860.3 |
| | E3.2 | Total amount of energy indirectly consumed | 1,000 tonnes | - | - |
| | **E4.** | **Energy Intensity** | | | |
| | E4.1 | Total direct energy usage per output scaling factor | MWh per USD 1m revenues | 31.0 | 35.5 |
| | **E5.** | **Energy Mix** | | | |
| | E5.1 | Percentage: Electricity usage by generation type | % of renewable electricity | 90.2 | 90.4 |
| | E5.2 | Percentage: Energy usage by generation type | % of renewable energy | 92.5 | 92.6 |
| | **E6.** | **Water Usage** | | | |
| | E6.1 | Total amount of water consumed | 1,000 $m^3$ | - | - |
| | **E7.** | **Environmental Operations** | | | |
| | E7.1 | Does your company follow a formal Environmental Policy? | Yes/No | Yes | Yes |
| | E7.2 | Does your company follow specific waste, water, energy, and/or recycling polices? | Yes/No | Yes | Yes |
| | E7.3 | Does your company use a recognized energy management system? | Yes/No | No | No |
| | **E8.** | **Climate Oversight / Board** | | | |
| | | Does your Board of Directors oversee and/or manage climate-related risks? | Yes/No | Yes | Yes |
| | **E9.** | **Climate Oversight / Management** | | | |
| | | Does your Senior Management Team oversee and/or manage climate-related risks? | Yes/No | Yes | Yes |
| | **E10.** | **Climate Risk Mitigation** | | | |
| | | Total amount invested in climate-related product development | % of revenue | 22% | 26% |
| Social indicators | **S1.** | **CEO Pay Ratio** | | | |
| | S1.1 | CEO total compensation to monthly median FTE total compensation (includes two Co-CEOs) | % | 8.0:1 | 4.5:1 |
| | S1.2 | Does your company report this metric in regulatory filings? | Yes/No | No | No |
| | **S2.** | **Gender Pay Ratio** | | | |
| | | Gender pay gap in favor of men (Iceland only, conducted by auditor BSI) | % | 0.9 | 2.5 |
| | **S3.** | **Employee Turnover** | | | |
| | S3.1 | Year-over-year change for full-time employees | % | 45 | 46 |
| | S3.2 | Voluntary turnover ratio | % | 12 | 20 |
| | **S4.** | **Gender Diversity** | | | |
| | S4.1 | Total enterprise headcount held by women and men | % | 41/59 | 41/59 |
| | S4.2 | Executive-level positions held by women and men | % | 29/71 | 23/77 |
| | S4.3 | Senior leadership (SVP, VP) positions held be women and men | % | 44/56 | 39/61 |
| | S4.4 | People leaders (Managers) positions held by women and men | % | 44/56 | 46/54 |
| | **S5.** | **Temporary Worker Ratio** | | | |
| | S5.1 | Total enterprise headcount held by part-time employees | % | 2.6 | 2.0 |
| | S5.2 | Total contingent workers | % | 6.4 | 6.3 |
| | **S6.** | **Non-Discrimination** | | | |
| | | Does your company follow a sexual harassment and/or non-discrimination policy? | Yes/No | Yes | Yes |
| | **S7.** | **Injury Rate** | | | |
| | | Frequency of injury events relative to total workforce time | TRIR | 0 | 0.7 |
| | **S8.** | **Global Health & Safety** | | | |
| | | Does your company follow an occupational health and/or global health & safety policy? | Yes/No | Yes | Yes |
| | **S9.** | **Child & Forced Labor** | | | |
| | S9.1 | Does your company follow a child and/or forced labor policy? | Yes/No | Yes | Yes |
| | S9.2 | If yes, does your child and/or forced labor policy cover suppliers and vendors? | Yes/No | Yes | Yes |
| | **S10.** | **Human Rights** | | | |
| | S10.1 | Does your company follow a human rights policy? | Yes/No | Yes | Yes |
| | S10.2 | If yes, does your human rights policy cover suppliers and vendors? | Yes/No | Yes | Yes |
| Corporate governance indicators | **G1.** | **Board Diversity** | | | |
| | G1.1 | Total board seats occupied by women and men | % | 40/60 | 40/60 |
| | G1.2 | Committee chairs occupied by women and men | % | - | - |
| | **G2.** | **Board Independence** | | | |
| | G2.1 | Does company prohibit CEO from serving as board chair? | Yes/No | Yes | Yes |
| | G2.2 | Total board seats occupied by independents | % | 80 | 80 |
| | **G3.** | **Incentivized Pay** | | | |
| | | Are executives formally incentivized to perform on sustainability? | Yes/No | No | No |
| | **G4.** | **Collective Bargaining** | | | |
| | | Total enterprise headcount covered by collective bargaining agreement(s) | % | 64 | 74 |
| | **G5.** | **Supplier Code of Conduct** | | | |
| | G5.1 | Are your vendors or suppliers required to follow a Code of Conduct? | Yes/No | Yes | Yes |
| | G5.2 | If yes, what percentage of your suppliers have formally certified their compliance with the code? | % | - | - |
| | **G6.** | **Ethics & Anti-Corruption** | | | |
| | G6.1 | Does your company follow an Ethics and/or Anti-Corruption policy? | Yes/No | Yes | Yes |
| | G6.2 | If yes, what percentage of your workforce has formally certified its compliance with the policy? | % | 93 | 93 |
| | **G7.** | **Data Privacy** | | | |
| | G7.1 | Does your company follow a Data Privacy policy? | Yes/No | Yes | Yes |
| | G7.2 | Has your company taken steps to comply with GDPR rules? | Yes/No | Yes | Yes |
| | **G8.** | **ESG Reporting** | | | |
| | G8.1 | Does your company publish a sustainability report? | Yes/No | Yes | Yes |
| | G8.2 | Is sustainability data included in your regulatory filings? | Yes/No | Yes | Yes |
| | **G9.** | **Disclosure Practices** | | | |
| | G9.1 | Does your company provide sustainability data to sustainability reporting frameworks? | Yes/No | Yes | Yes |
| | G9.2 | Does your company focus on specific UN Sustainable Development Goals? | Yes/No | Yes: 3, 4, 9, 13 | Yes: 3, 4, 9, 13 |
| | G9.3 | Does your company set targets and report progress on the UN SDGs? | Yes/No | Yes | Yes |
| | **G10.** | **External Assurance** | | | |
| | G10.1 | Are your sustainability disclosures assured or validated by a third party? | Yes/No | No | No |

* Figures are unaudited and prepared on a best efforts basis in line with the 2025 Explanatory Note.

## Explanatory note

### Reporting principles

Transparency is one of Controlant's core values. For the 2025 reporting year, the company implemented changes to internal data collections and reporting processes.

As a result, the environmental data presented—particularly Scope 1, 2, and 3 greenhouse gas (GHG) emissions—should be regarded as indicative only and has not been independently verified.

The information has been prepared using a higher degree of estimation and approximation than in prior year. Certain environmental metrics are based on internal data sources and reasonable estimates where complete data was not available. As data collection methodologies and reporting systems continue to evolve, certain metrics may be subject to future revision.

While Controlant continues to apply an operational control approach and seeks alignment with frameworks such as the GHG Protocol, the United Nations Global Compact, and Nasdaq's ESG Reporting Guide 2.0, strict adherence was not fully feasible in 2025.

Accordingly, the 2025 ESG report should be interpreted as a good-faith disclosure prepared using the available data and estimation methods applicable for the reporting year.

Controlant's ESG reporting reflects the Company's financial reporting period, from January to December.

### Environmental reporting

#### Operational control approach

Controlant's environmental information is prepared using the operational control methodology. The business activities performed across these locations are grouped into offices and service centers.

#### Absolute $CO_2$ reduction

Controlant reports on absolute $CO_2$ emissions reductions, with 2022 as the base year, in accordance with the Science Based Targets initiative. Controlant commits to reducing absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 42% by 2030, rom a 2022 base year, and to measure and reduce Scope 3 emissions across its value chain.

Scope 1: Direct emissions from Controlant's activities, including fugitive emissions (refrigerants) and emissions from operating company cars with internal combustion engines.

Scope 2: Indirect emissions from Controlant's activities.

Scope 3: Indirect emissions from Controlant's value chain, including the following nine categories:

Category 1: Purchased goods and services such as IT equipment, office furniture, IoT devices, and batteries for increased lifetime of the loggers.

Category 2: Capital goods such as cooling/calibration machines for Controlant's services centers.

Category 3: Fuel and energy-related activities such as indirect emissions from the production of fuels and energy purchased and consumed by Controlant, not included in Scope 1 and 2.

Category 4: Upstream transportation from shipping IoT devices to Controlant's service centers.

Category 5: Waste generated in own operations such as offices and service centers.

Category 6: Business travel includes emissions from business flights.

Category 7: Employee commute emissions calculated from a bi-annual employee survey.

Category 8: Upstream leased assets associated with the heating of Controlant's rented properties with no direct control over the energy usage.

Category 9: Downstream transportation & distribution of IoT devices from Controlant's service centers to customers.

#### Renewable energy

Includes hydropower and geothermal energy in Iceland for electricity and heating, while a mix of hydropower, solar, wind, and biomass energy sources is used in in other European operating locations.

## Social performance

### Headcount

Defined as all employees with an employment contract with Controlant and on payroll at year-end. Employees excluded from this metric include individuals on unpaid leave (except parental leave) and contractors.

### FTE

Defined as full-time-equivalent employees at year-end, excluding contractors.

### Injury rate

Total recordable incident rate (TRIR) based on number of reported work-related accidents.