EU Taxonomy disclosure

This is the second EU Taxonomy disclosure by Controlant. The EU Taxonomy is a classification system to identify environmentally sustainable economic activities. Environmentally sustainable economic activities are described as those which make a substantial contribution to at least one of the EU's climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum safeguards.

In accordance with Article 8 of Regulation 2020/852 of the European Parliament and the Council, and Delegated Regulation 2021/2178 of the European Commission, Controlant reports its contribution to the European Union's environmental objectives related to climate change mitigation and climate change adaptation.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation and uncertainties. Starting from 2023, Controlant reports the shares of revenue, capital expenditure (capex), and operating expenditure (opex) that are aligned with the taxonomy, in addition to the shares that are eligible under the taxonomy.

Controlant applied the precautionary principle to determine applicable eligible activities and excluded activities not yet clearly defined in the EU Taxonomy. Controlant's reporting approach will be reviewed going forward and expanded accordingly, which may impact the taxonomy KPIs reported for earlier periods.

Approximately 29% of Controlant's economic activities from a revenue-, 100% from a capital expenditure-, and 47% from an operational expenditure perspective are taxonomy-eligible, while they do not meet the stringent taxonomy technical screening criteria, to be considered environmentally sustainable.

Controlant's process for determining taxonomy-eligible activities (the nominator of the taxonomy KPIs) has followed the following approach:

Defining the eligible activities and assessing for taxonomy alignment

Taxonomy-eligible economic activities are considered environmentally sustainable and aligned if they significantly contribute to one of the six EU environmental objectives, without causing significant harm to other environmental objectives known as the do-no-significant-harm criteria.

The six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Eligibility does not determine whether an economic activity is sustainable, but rather whether Controlant's taxonomy eligible economic activities meet the technical requirements of the taxonomy, as summarized in the following table.

Controlant's Taxonomy-eligible activities

NACE	Sector	Activity Number	Contribution Type
J62, J63.11	Information and communication	8.2	Enabling
Description			Substantial contribution assessment
Development or use of ICT solutions that are aimed at collecting, transmitting, storing data and at its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions. The economic activity covers computer programming, consultancy and related activities and data processing, hosting, and related activities.			Controlant's solutions are predominantly used for the provision of data and analytics enabling GHG emission reductions for its customers, fully in line with Controlant's zero-waste vision. Controlant's solution demonstrates substantial life-cycle GHG emission savings compared to the best performing alternative solution. In 2023 Controlant conducted an internal life-cycle assessment on the Saga Logger according to ISO14040 and 14044 standards, assessing a range of environmental impacts, from Global Warming Potential to Terrestrial Ecotoxicity, ensuring a holistic assessment. While not third party verified Controlant utilized the third-party ISO-standard modelling tool Ecochain and the Ecoinvent database to ensure data accuracy and credibility in its calculations. Controlant's product environmental report for the Saga Logger is publicly accessible. In 2024 Vodafone and Controlant worked together with independent consultancy the Carbon Trust on a case study on avoided emissions, with the results of the study publicly available on Controlant's and Vodafone's websites. As Controlant's life-cycle assessment is not third-party audited, the stringent technical screening criteria to be considered environmentally sustainable are not met.

NACE	Sector	Activity Number	Contribution Type
C27	Services	5.5	Enabling
Description			Substantial contribution assessment
Product-as-a-service and other circular use- and result-oriented service models. Providing customers with access to products through service models, which are either use-oriented services, where the product is still central, but its ownership remains with the provider and the product is rented; or result-oriented, where the payment is pre-defined and the agreed result (i.e., pay per service unit) is delivered. The economic activity covers products that are manufactured by economic activities classified under the NACE codes C27 Manufacture of electrical equipment.			Controlant's cold chain as a service model enables a circular economy. Controlant provides its customers with access to, and use of products, while the ownership remains with Controlant, providing this service. The contractual terms and conditions ensure that all the following sub-criteria are met: there is an obligation for Controlant to take back the used product at the end of the contractual agreement; there is an obligation for the customer to give back the used product at the end of the contractual agreement; Controlant remains owner of the product; the customer pays for access to and use of the product, or the result of access to and use of this product. Furthermore, the activity leads to an extended lifespan or increased use intensity of the product in practice.

Classifying for no significant harm and meeting minimum safeguards

Moreover, Controlant assessed that its economic activity does ´no significant harm´ (DNSH) to the remaining environmental objectives.

Controlant adheres to the necessary frameworks for minimum safeguards, encompassing respect for human rights, social and labor standards, anticorruption measures, fair competition, and taxation across all activities, and is built into the value chain. Controlant's internal controls, risk management framework, and employee training equip the organization to prevent, mitigate, and remediate adverse impacts.

Controlant supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment, and anti-corruption and discloses through the annual Communication on Progress which is accessible to all our stakeholders (https://unglobalcompact.org/what-is-gc/participants/151101-Controlant). Those principles are embedded throughout the operation of the organization, from the code of conduct- to specific policies such as the procurement policy, to standard operating procedures, supplier assessments, and internal audits.

All employees receive regular mandatory training that includes topics such as anti-bribery and corruption. As described in Controlant's 2024 Corporate Governance Statement, the co-CEOs are responsible for overseeing the daily operations of the Company, ensuring alignment with the policies. Activities around anti-bribery and corruption, competition, and taxation are addressed in collaboration with Controlant's Legal and Finance teams. Oftentimes Controlant's customers address these safeguards through their code of conduct and business contracts with Controlant that the organization adheres to.

Controlant's governance framework and aligned global processes ensure that Controlant upholds and meets the requirements under the minimum safeguards. For further details please see Controlant's Nasdaq ESG disclosure (particularly S6, S8, S9, S10, G7, and G9 covering aspects of human rights; section G6 covering anti-bribery and corruption); Controlant's 2024 Corporate Governance Statement describing internal controls and responsibilities, and the notes to the 2024 Financial Statements on taxation.

Taxonomy KPI reporting

Controlant is disclosing the proportion of its turnover, capital and operating expenditures (CapEx and OpEx) for the combined economic activities that are taxonomy-eligible and taxonomy-aligned to avoid double counting.

The taxonomy KPIs have been calculated as follows:

- taxonomy revenue KPI = Eligible revenue/Total revenue
- taxonomy CAPEX KPI (additions) = Eligible CAPEX/Total CAPEX
- taxonomy OPEX KPI = Eligible OPEX/Total OPEX

Financial year 2024				Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)									
Economic Activities	Codes	Turnover	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Taxonomy aligned (A.1) or - eligible (A.2) proportion of total turnover, year 2023	Category (enabling activity)	Category (transitional activity)
Text		*USD*	*%*	*N, N/EN, N/EN, N/EN, N/EN, N/EN, N/E*						*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy aligned)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0	0%							N	N	N	N	N	N	N	0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Product-as-a-service and other circular use- and result-oriented service models	5.5	23,443,116	29%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								45%		
Total (A.1+A.2)		**23,443,116**	**29%**	29%	0%	0%	0%	0%	0%								45%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**57,168,625**	**71%**																
Total (A+B)		**80,611,741**	**100%**																

***Y - Yes, N - No, EL - eligible, N/EL - Non-eligble**

Financial year 2024				Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)									
Economic Activities	Codes	CapEx	Proportion of CapEx	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Taxonomy aligned (A.1) or - eligible (A.2) proportion of total CapEx, year 2023	Category (enabling activity)	Category (transitional activity)
Text		*USD*	*%*	*;N, N/EiN, N/EN, N/EN, N/EN, N/EN, N/E*						*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (taxonomy aligned)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0	0%							N	N	N	N	N	N	N	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data-driven solutions for GHG emissions reductions	8.2	30,571,086	100%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								100%		
Total (A.1+A.2)		**30,571,086**	**100%**	100%	0%	0%	0%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**0**	**0%**																
Total (A+B)		**30,571,086**	**100%**																

***Y - Yes, N - No, EL - eligible, N/EL - Non-eligble**

Financial year 2024				Substantial Contribution Criteria						DNSH criteria (Do No Significant Harm)									
Economic Activities	Codes	OpEx	Proportion of OpEx	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Taxonomy aligned (A.1) or - eligible (A.2) proportion of total OpEx, year 2023	Category (enabling activity)	Category (transitional activity)
Text		*USD*	*%*	*Y,N, N/EL*	*N, N/E*	*N, N/E*	*N, N/E*	*N, N/E*	*N, N/E*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (taxonomy aligned)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0	0%							N	N	N	N	N	N	N	0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data-driven solutions for GHG emissions reductions	8.2	29,034,536	47%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								63%		
Total (A.1+A.2)		**29,034,536**	**47%**	47%	0%	0%	0%	0%	0%								63%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**32,876,793**	**53%**																
Total (A+B)		**61,911,329**	**100%**																

***Y - Yes, N - No, EL - eligible, N/EL - Non-eligble**