Explanatory note
Reporting principles
Transparency is one of Controlant's core values. In 2024 Controlant launched an ESG Reporting Hub on Controlant.com/sustainability providing free access to Controlant's sustainability reports and metrics to stakeholders. By disclosing the company's ESG performance, Controlant steers towards sustainability leadership for the life sciences ecosystem, enabling its customers and business partners to meet their climate commitments, and for Controlant's shareholders to make more informed decisions.

We aim to give a fair representation of Controlant's sustainability activities and progress by following best-practice guidelines and internationally recognized ESG reporting standards, such as the Greenhouse Gas (GHG) Protocol, an international environmental accounting standard, and frameworks such as the UN Global Compact. The data is referenced to Nasdaq's ESG Reporting Guide 2.0 where applicable.

As a company that is going through different growth phases, ESG data from new locations is brought in as soon as the following two criteria are met: location needs to be in use, and a certain confidence level in data quality achieved; applying a grace period of no more than 12 months.

Controlant's ESG reporting reflects its ESG maturity profile and the company's financial calendar year, from January until December.

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.

Environmental performance
Absolute CO_2 reduction
We report on absolute CO_2 emissions reductions, with 2022 as the base year, per the Science Based Targets initiative. Controlant commits to reducing absolute scope 1 and scope 2 GHG emissions by 42% by 2030, and to measure and reduce its scope 3 emissions.

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. In 2022, Controlant's reporting was limited to location-based carbon emissions due to the unavailability of renewable energy certificates in Iceland. Energy attribute certificates in Iceland were introduced again in 2023, enabling Controlant to report market-based emissions.

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 and distribution of IoT devices from Controlant's service centers to customers.

Renewable energy
Includes hydro and geothermal in Iceland for electricity and heating, while a mix of hydro, solar, wind, and biomass in other European locations.

Social performance
Headcount
Defined as all employees with an employment contract with Controlant and on payroll at year-end. Excluded are employees 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.