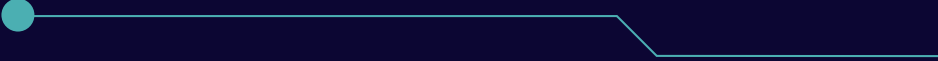




ESG 2024 REPORT



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Sustainability at SmartCraft



At SmartCraft, our approach to sustainability is connected to our vision to make everyday life easier for craftsmen and the construction industry. We believe that tomorrow's challenges can be met with smarter solutions that empower craftsmen and the construction industry as a whole. By providing digital tools that simplify everyday tasks for thousands of construction companies, we contribute to building a safer, more sustainable, and more productive industry. Together, we are shaping a future where efficiency and care go hand

in hand. To continue delivering customer value, we focus on maintaining an attractive workplace with engaged employees and sustainable operations.

You can read more about our sustainability work on the following pages. Below, we have highlighted three areas where we believe SmartCraft has an impact and can make a difference. We monitor these continuously, using a combination of internal data and stakeholder surveys. The results for 2024 are presented below.



95% Renewable electricity

At SmartCraft, we are committed to reducing our environmental and climate impact. As part of this effort, we aim to lower our carbon footprint by transitioning to 100% renewable electricity at our offices and server halls.



eNPS 15

SmartCraft's employees are the company's most important asset to make everyday life easier for craftsmen and the construction industry. Our ambition is to create an attractive workplace that supports well-being and development.



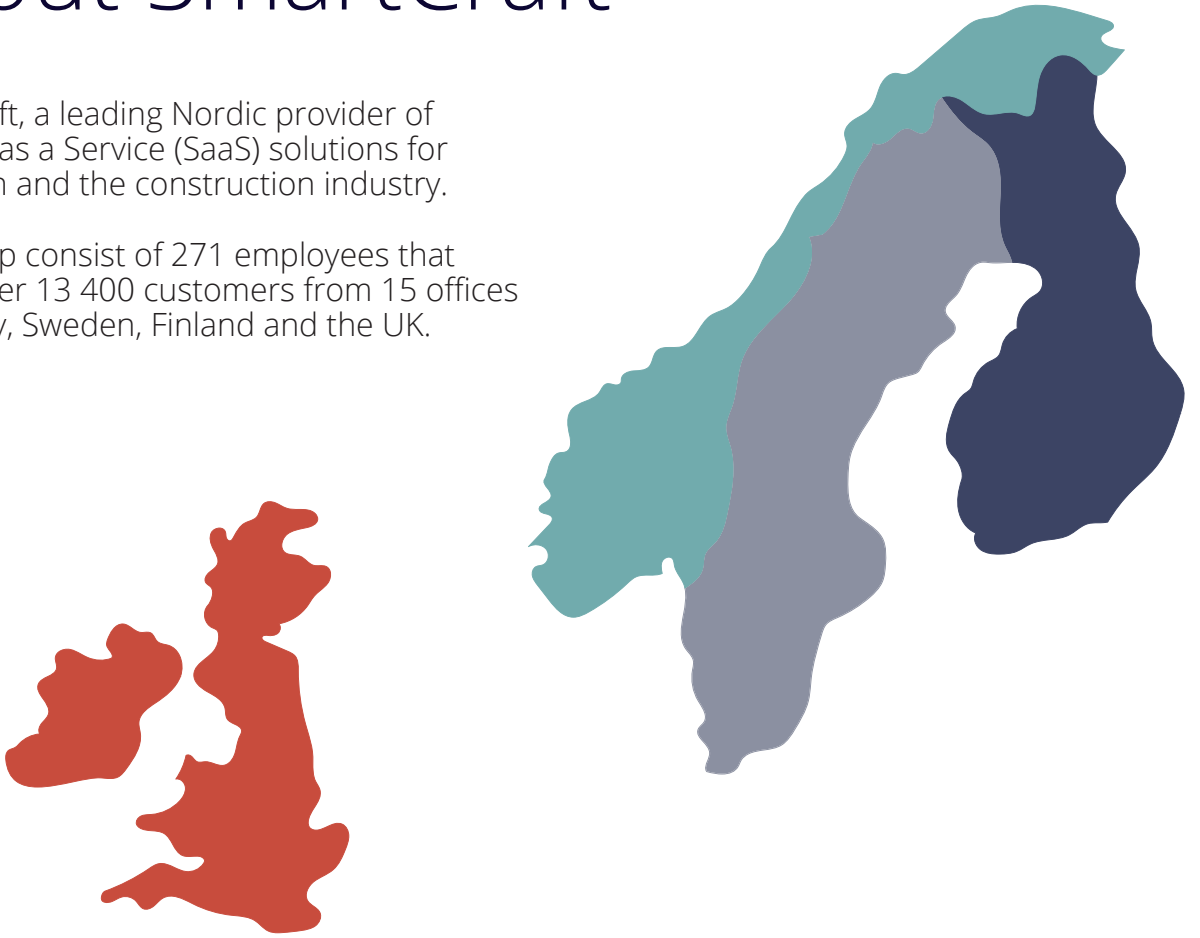
100% participation

All SmartCraft employees participate in ongoing information security training to raise awareness of the need for secure and reliable solutions for our customers and to reduce the risk of security breaches.

About SmartCraft

SmartCraft, a leading Nordic provider of Software as a Service (SaaS) solutions for craftsmen and the construction industry.

The Group consist of 271 employees that serves over 13 400 customers from 15 offices in Norway, Sweden, Finland and the UK.



OUR VALUES



Inspiring

We lead, are innovative and ambitious.



Team player

We think of our customers and partners as our extended family, we work together to achieve the best results.



Trustworthy

We deliver as planned, we have integrity and are fair in business.

MISSION CRITICAL SOLUTIONS

SmartCraft provides digital solutions for small and medium enterprise construction companies. Our solutions enable companies to control material flow, cost, documentation, and people on projects.

Quality assurance documentation is captured in the field on the actual projects, ensuring building rules and regulations are followed. With mobile checklists, workers have safety precautions at their fingertips ensuring a safe workplace. In addition, the digital information flow our services provide, gives valuable information for businesses to grow both their revenue and profit margin.



People

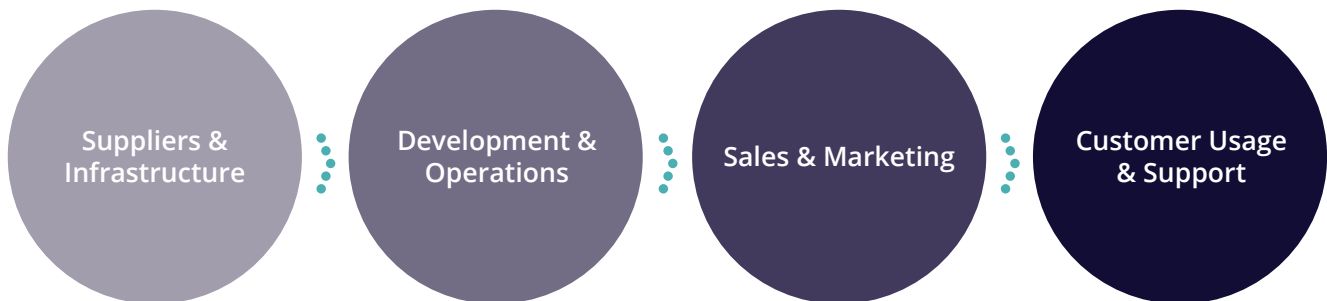


Material



Documentation

OUR VALUE CHAIN



The information in this report relates to SmartCraft's 2024 financial year. The report covers the Parent company, SmartCraft ASA (public listed company), as well as all units which are consolidated in SmartCraft ASA consolidated financial statements for the same period.

The Sustainability Report has been prepared with the aim of showing SmartCraft's attitude to

sustainability. There are no legal requirements for a sustainability report in 2024. We comply to the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance (NUES) and are working to gradually adapt to the EU's new law on sustainability reporting, CSRD, and the ESRS reporting standard, which SmartCraft will start adopting in 2025.

IMPORTANT FOR SMARTCRAFT AND ITS VALUE CHAIN

To identify our focus areas regarding sustainability, we conducted our first materiality analysis in 2023, which has since been revised and developed. This analysis considers SmartCraft's upstream and downstream value chain and includes assessment

of the impact of individual ESG related topics and the probability that the impact will occur. The results are weighed against the expectations of our key stakeholders, resulting in several areas where we see opportunities to make a difference.

Environment

- o Climate change
- o Energy management
- o Resource use

Social

- o Employee Health and well-being
- o Diversity, inclusion and equality
- o Value based leadership
- o Human rights

Governance

- o Information security
- o Growth and profitability
- o Sustainable solution
- o Responsible value chain
- o Regulatory Compliance


OUR FOCUS AREAS

3 GOOD HEALTH AND WELL-BEING



Attractive employer

5 GENDER EQUALITY



Diversity, inclusion and equality

8 DECENT WORK AND ECONOMIC GROWTH



Responsible value chain

13 CLIMATE ACTION



Climate impact

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Sustainable business

Focus areas	SDG	Performance measures	Target
Climate impact	13	Carbon footprint from electronics	Establish a strategy to reduce the carbon footprint from electronics
		Share of renewable electricity used in server halls and offices	100% renewable electricity used in server halls and offices
Diversity, inclusion and equality	5	Overall gender diversity	More than 40% of both gender
Attractive employer	3	eNPS	Above 15
		Communication index (employee perception of communication throughout the organization)	Above 2,95/4
Responsible value chain	8	Share of signed Supplier Code of Conduct of suppliers with identified potential risk	Above 80% by 2027
Sustainable business	16	Number of Data Breaches	Zero data breaches
		System Availability	99.9% uptime for all solutions and internal systems.
		Share of employees who are part of ongoing information security awareness training	100%

Climate impact



RESPONSIBILITY FOR ENVIRONMENTAL AND CLIMATE IMPACT

SmartCraft solutions and integrations, which meet companies' operational and administrative needs, do not operate in a climate-intensive industry. We have no production facilities; therefore, we don't release any direct emissions to the water or contribute to any hazardous waste. However, like most companies, we have some environmental impact. We work to minimize emissions and resource use that negatively affect the environment and climate, while maximizing the positive effects of our products and services.

CLIMATE IMPACT MITIGATION

Our strategy to improve our climate impact focuses on identifying and reducing our total emissions, based on our calculations under the GHG Protocol (Greenhouse Gas Protocol). This mapping provides the basis for our future actions and objectives and for our compliance with the European Climate Law, the UN Sustainable Development Goals, and the Paris Agreement. In 2024, we assembled a cross-country ESG committee to raise awareness regarding ESG topics among all employees and drive initiatives in all our offices. This is part of our sustainability strategy to improve our climate impact.

ENERGY

SmartCraft has offices in 15 separate locations across Norway, Sweden, Finland, and the UK. We have taken steps to ensure climate-smart

contracts in areas such as electricity, district heating, technology, car leasing, and data storage. We continuously work with our property managers to find more energy efficient solutions. Some actions taken over the past year include replacing equipment with better-suited, energy-efficient solutions, such as energy-efficient lighting and timers to reduce energy usage. SmartCraft has outsourced nearly all data hosting and software usage to data centers that use only renewable energy to reduce our GHG emissions. Choosing climate-smart data hosting providers is part of our overall strategy to improve our climate impact.

As a result, we've ensured that 95% of our electricity consumption in our offices comes from renewable resources, and we work with data hosting providers that use 100% renewable energy.

RESOURCE USE

The SmartCraft Group has an indirect impact on the resource use and circular economy through which suppliers we use. Electronics usage is part of our climate impact, so we have started taking measures to recycle and reuse decommissioned technology as much as possible.

In the end of 2024, SmartCraft started leasing computers to ensure that the devices we use can be refurbished and reused instead of discarded. By shifting our technology approach, we can reduce the demand for new devices, lowering our carbon footprint and ensuring that our team is equipped with the hardware they need. SmartCraft has decided to explore the possibility of extending the usage period for electronic devices from three to four years, with guidelines in place for device usage, thereby reducing our electronics turnover.

POLICIES FOR CLIMATE IMPACT MITIGATION

SmartCraft follows a robust Procurement Policy and Climate Policy. These frameworks ensure that environmental considerations are prioritized in business travels, sourcing decisions and supplier relationships, enabling the company to actively pursue its sustainability objectives while identifying new opportunities for improvement, these are overseen yearly.

During 2025, we aim to develop clearer objectives and actions to further strengthen our commitment to climate change mitigation. Through these initiatives, we aim to make progress towards sustainable and climate-smart operations.

EMISSIONS SCOPE 1, SCOPE 2, SCOPE 3, TONNES CO₂E (% OF TOTAL EMISSIONS)

	Scope 1*, Share of total emissions		Scope 2, Share of total emissions		Scope 3, Share of total emissions		Emissions Intensity Total tCO ₂ e / net revenue M NOK
	tCO ₂ e	%	tCO ₂ e	%	tCO ₂ e	%	
2022	14.0 tCO ₂ e	2%	6.0 tCO ₂ e	1%	567.0 tCO ₂ e	97%	1.76 tCO ₂ e/M NOK
2023	5.8 tCO ₂ e	<1%	5.7 tCO ₂ e	<1%	679.0 tCO ₂ e	98%	1.72 tCO ₂ e/M NOK
2024	8.0 tCO ₂ e	1%	12.9 tCO ₂ e**	1%	759.2 tCO ₂ e***	98%	1.53 tCO ₂ e/M NOK

*Emissions from diesel and petrol consumption from owned and rented cars are reported under Scope 1.

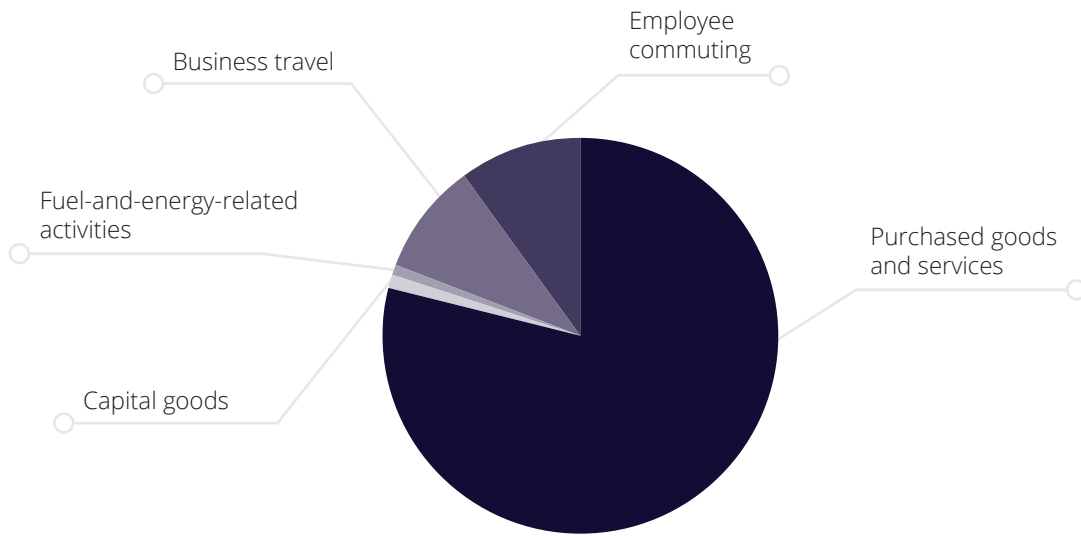
**Our Scope 2 emissions, which include energy consumption from our offices and our electric vehicles. SmartCraft reports its emissions using the location-based method, which represents what our carbon footprint would be if our electricity consumption were based on the average energy mix in the Nordic and UK markets. However, since SmartCraft offices purchases 95% renewable electricity, our actual emissions are lower than those based on the average energy mix.

***In 2023, SmartCraft included purchased goods and services, business travel, capital goods, and fuel- and energy-related activities in its Scope 3 emissions report. In this year's report, we have further expanded the scope to include employee commuting.

In 2024, SmartCraft expanded its group by adding two new entities, resulting in higher emissions across all scopes due to an increase in offices and employees. Despite this growth, SmartCraft emission intensity decreased from 1,72 tCO₂e per million NOK in 2023 to 1,53 tCO₂e per million NOK in 2024.

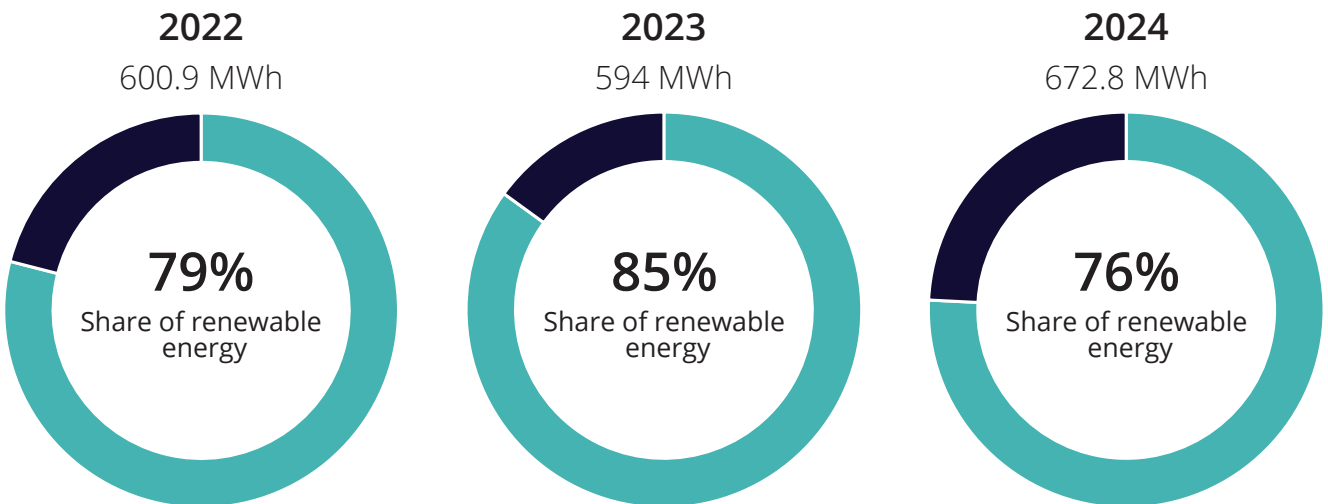
SCOPE 3 TONNES CO₂E, SHARE OF SCOPE 3

Focus areas	tCO ₂ e	Share
Purchased goods and services	603.7	79%
Capital goods	4.8	1%
Fuel-and-energy-related activities	1.5	<1%
Business travel	70.8	9%
Employee commuting	76.6	10%



ANNUAL ENERGY CONSUMPTION SCOPE 1 & 2 (MWh)

This consumption is location based



ANNUAL ELECTRICITY CONSUMPTION SMARTCRAFT OFFICES

Offices	Annual electricity consumption (kWh)	Share of renewable energy	Estimated CO2 emissions	Comment/conversion factor
Helsinki	10 785 kWh	100%	0 kg	Fossil-free electricity with zero emissions
Iisalmi	3360 kWh	100%	0 kg	Fossil-free electricity with zero emissions
Oslo	4 462 kWh	6%	62.9 kg	Emission factor 0,015 kg CO ₂ e/kWh
Hønefoss	66 472 kWh	100%	0 kg	Fossil-free electricity with zero emissions
Ålesund	105 932 kWh	95%	79.4 kg	Emission factor 0,015 kg CO ₂ e/kWh
Laksevåg	69 952 kWh	98%	20.9 kg	Emission factor 0,015 kg CO ₂ e/kWh
Verdal	3 000 kWh	N/A	45 kg	Emission factor 0,015 kg CO ₂ e/kWh
Torsvik	62 787 kWh	95%	47.1 kg	Emission factor 0,015 kg CO ₂ e/kWh
Svolvær*	N/A	N/A	N/A	N/A
Stockholm	14 624kWh	100%	50.2 kg**	Emission factor 0,025 kg CO ₂ e/kWh
Göteborg	91 227 kWh	100%	0 kg	Fossil-free electricity with zero emissions
Växjö	23 244 kWh	100%	0 kg	Fossil-free electricity with zero emissions
Trollhättan	1 601 kWh	100%	0 kg	Fossil-free electricity with zero emissions
Örebro	1 503 kWh	100%	0 kg	Fossil-free electricity with zero emissions
Newcastle	25 385 kWh	80%	1144.1 kg	Emission factor 0,225 kg CO ₂ e/kWh

* No energy consumption data available - single employee in a shared office hotel environment, preventing precise measurement

**Temporary emissions due to contract transition mid-year before switching to 100% renewable energy

The presented data reflects our grid-based energy consumption across office locations. Our current office locations are often situated in shared, multi-tenant buildings, making precise energy consumption measurement complex. While we are required to report district heating, we currently lack the precise data to do so

accurately. For those offices where we have obtained district heating information, we have incorporated this data into our total energy consumption (Scope 1 and 2). We remain committed to transparency and acknowledge these current limitations in our ability to provide exact energy usage data.

Responsible employer



SmartCraft has a material impact on social sustainability through our employees and our suppliers. The employees in the group are the main contributors to the operations and it is important to secure a positive, inclusive, and safe work environment to attract talent and foster employee development.

SmartCraft conducts annual surveys to assess employee well-being, including work environment, engagement, psychological safety, stress, work life balance, and trust in leadership. The results guide actions to enhance health, well-being, and performance. We are focusing on the areas where risks may exist and where we see opportunities to expand SmartCraft's initiatives to further improve our work environment. Some of these are presented below.

HEALTH AND WELL-BEING

All our employees work in offices, hence we have a minimal risk of injuries and accidents in the workplace. SmartCraft has several initiatives to reduce stress and promote a healthy environment.

Psychological safety for employees is of high importance and leaders at SmartCraft work to

have an environment where the employees can be honest, allow them to disagree without retaliation and where we learn from our mistakes together.

There are variations of initiatives to promote health and well-being in the Group, as different countries have different rules and regulations. However, all employees are covered by comprehensive health insurance and in some countries the insurance is extended to include long term treatment, psychology sessions and other services at private hospitals. All offices also offer wellness allowance to their employees, that can be used for a wide range of activities, from workouts and massages to mindfulness courses.

Additionally, all offices have activities to promote an inclusive, healthy and psychologically safe environment. Across the group there are social

groups made up of employees that arrange both activities and give input to changes in the physical work environment. The activities range from game nights and social gatherings to physical training sessions.

The SmartCraft leadership team also hosts web meetings with various information to employees.

EQUALITY, INCLUSION AND DIVERSITY

SmartCraft strives to create an inclusive environment where all employees feel valued and heard. We believe that different perspectives are the basis for a successful organization and that we do not discriminate regarding gender, religion or ethnicity.

We encourage employee feedback and ensure that all employees have the right conditions to complete their work tasks.

The company's needs and people's expertise determine who is recruited, promoted and given development opportunities. We aim to have an equal balance of men and women and a span of employees regarding age and experience. It is important for us that all internal and external candidates are treated in the same way during recruitment. To have a balanced view, we are always using several people in evaluating potential candidates in these processes.

VALUE BASED LEADERSHIP

At SmartCraft, we believe that strong and value-based leadership is the foundation of a healthy and thriving organization. With offices spread across four countries and 16 locations, having clear goals, structure, and alignment is essential. As such, communication is a key area we focus on and continuously strive to improve. We annually assess employee perceptions of communication across SmartCraft and their satisfaction with information from our leadership team. In 2024, our Communication Index score was 2.95 out of 4, and we are dedicated to improving this each year.

We ensure that all employees have a one-on-one

(1:1) meeting with their manager each month to discuss progress, results versus expectations, and development opportunities. By fostering a culture of clear ambitions and confident leadership, we empower employees to thrive, innovate, and contribute to the success of the organization.

People are the most important asset at SmartCraft. We believe that confident leaders inspire confident employees, driving both personal growth and organizational success.



HUMAN RIGHTS COMMITMENTS

SmartCraft respects and promotes internationally recognized human rights. We will conduct our business in accordance with the United Nations Guiding Principles on Business and Human Rights, the European Convention on Human Rights, and the United Nations Convention on the Rights of the Child. No exceptions are permitted, irrespective of any reason at any time. When it comes to our employees, we ensure they have comfortable and safe workplaces and a healthy work-life balance. Additionally, SmartCraft has zero tolerance for any form of discrimination, including but not limited to ethnicity, color, religion or belief, gender, age, social status, family background, sexual orientation, and physical or mental disability. It is obvious that we reject all forms of child and forced labour and purchase of sexual services.

While SmartCraft as a group is not part of a union, we support freedom of association and collective bargaining.

ATTRACTIVE EMPLOYER

SmartCrafts overall goal is to be an attractive workplace where our employees feel engaged and appreciated. We measure our Employee Net Promoter Score (eNPS) annually to understand how likely our employees are to recommend SmartCraft as a workplace. A score above zero means more employees would promote us than not. While scores vary across our solutions, we believe that by prioritizing our focus areas, we can improve this score year after year.

	2023	2024
eNPS	9	15

SMARTCRAFT PEOPLE (WOMEN/MEN)

	2023	2024
Number of employees*	64/134	95/175
of whom, permanently employed	61/132	92/171
Non-guaranteed hours employees	2/0	1/3
number of non-employee workers in own workforce	23	19
Employee turnover**	16.1%	14.4%

*Number of employees refers to average in head count at SmartCraft during the year, including fixed-term employees.

**Employee turnover, (Number of Employees Who Left / Average Number of Employees during the year) x 100.

RESULTS IN GENDER EQUALITY % (WOMEN/MEN)

	2023	2024
Total within the entire group	32/68	35/65
Board of Directors	43/57	43/57
Executive Management Team	43/57	43/57

DIVERSITY METRICS IN AGE (AVERAGE DURING THE YEAR)

	2023	2024
Number of employees under 30 years old	39	53
Number of employees between 30-50 years old	138	186
Number of employees over 50 years old	18	32

BALANCING HEALTH AND LEISURE

All SmartCraft employees are entitled to take parental leave with varying rules depending on the specific legislation in the respective countries.

	2023	2024
Number of entitled employees that took family-related leaves	9	16
Number of entitled employees that took family-related leaves (women/men)	2/7	7/9

SOCIAL PROTECTION AND HEALTH AND SAFETY

All SmartCraft’s workers are covered by public social protection against loss of income due to major life events through the payment of social security contributions by SmartCraft. The same applies to the health and safety insurance which are included in all our employment contracts. During the reporting period, no working days were lost due to work-related injuries.

Sustainable business



SmartCraft's business model is centered around sustainable practices. We offer advanced technological solutions to the construction sectors, helping our customers in the Nordics and the UK operate more effectively. Our role as system providers includes a responsibility to maintain ethical standards and to limit any negative environmental and social impacts. In our governance efforts, we are focused on upholding information security, accountability and transparency aiming to support the industry's steady development.

CODE OF CONDUCT

Our Code of Conduct outlines SmartCraft's business ethics and commitment to a sustainable and ethical operation, with zero tolerance for unethical behavior such as corruption and human rights violations. Our ethical guidelines also apply to our suppliers, influencing working conditions and human rights throughout the supply chain. All employees at SmartCraft are required to familiarize themselves with the document, and to report any concerns to their leader or through our whistleblowing system. The full Code of Conduct is accessible at smartcraft.com/sustainability/.

ANTI-CORRUPTION

SmartCraft has zero tolerance for bribery and anti-competitive agreements in any form and uses honest practices in our dealings with customers, suppliers and other partners. We always follow the market competition laws and rules applicable in each individual market. The Code of Conduct and SmartCraft's Procurement Policy provide several examples of relevant scenarios and how they should be handled.

WHISTLEBLOWING SYSTEM

SmartCraft encourages anyone who detects a breach of our Code of Conduct and/or other improprieties to report them. Reports can be filed anonymously through a dedicated whistle-blower function, <https://thommessen.neotalogic.com/a/smartcraft-whistleblowing-portal>, which is accessible through <https://smartcraft.com/whistleblowing/>. To ensure privacy and maintain trust in the system, an independent third-party supplier is responsible for its operation.

SmartCraft takes all reports of misconduct seriously and reports them annually to the Board of Directors. The report includes the number of cases, their validity, the follow-up phase and the results, without revealing the identity of the whistleblowers.

During the reporting period, no cases of work-related incidents, complaints or severe human rights impact and incidents were reported through SmartCraft’s whistleblowing channel or came to the company’s attention.

	2023	2024
Number of work-related incidents	0	0
Number of complaints	1	0
Number of severe human rights impacts and incidents	0	0

RESPONSIBLE VALUE CHAIN

In 2024, SmartCraft conducted a risk assessment of all current suppliers in line with the OECD Guidelines for Multinational Enterprises. We followed this up with screening and/or a Transparency Survey together with our Supplier Code of Conduct for 58% of our suppliers identified as having potential risk. Suppliers without identified risks received SmartCraft’s Supplier Code of Conduct, and 21% have signed the Code. This risk assessment will be conducted annually and may result in supplier contract terminations if necessary.

To ensure a responsible supply chain, we have established a Procurement Policy that sets clear criteria for new suppliers, aligned with the OECD Guidelines. All new suppliers must undergo an assessment and sign our Supplier Code of Conduct before being integrated into our business.

As a growing company continuously expanding our group, our goal is to have over 80% of all suppliers identified as having potential risk sign the SmartCraft Supplier Code of Conduct by 2027 and beyond.

DATA SECURITY

In an increasingly digitalized world, protecting personal data and ensuring information security is more critical than ever. Ensuring that sensitive information is safeguarded is essential to maintain customer trust and meet regulatory requirements. As a provider of digital solutions, SmartCraft is committed to upholding high standards of data privacy, security, and compliance.

To ensure information security, SmartCraft follows local and European data protection laws, including GDPR, UK GDPR and the Norwegian Personal Data Act, across all countries in which we operate.

Our strategy for information security is to continuously raise Smartcraft’s awareness level. We achieve this through a combination of targeted initiatives, including regular micro-training sessions tailored to address specific risks, simulated phishing attacks to reinforce vigilance, and interactive workshops to engage employees across all different levels. By fostering a culture of proactive learning and emphasizing the importance of security in daily operations, we ensure that our team remains vigilant and well-equipped to handle potential threats.

	2023	2024
Number of breaches	0	0
Uptime for all solutions and internal systems	99.9%	99.9%
Share of employees who are a part of ongoing information security awareness training	100%	100%

POLITICAL INFLUENCE AND LOBBYING

SmartCraft does not perform any political influence or lobbying activities.

INNOVATION AND SERVICE DEVELOPMENT

In line with our vision to make every day easier for craftsmen and the construction industry, we continuously develop services that help our customers work more efficiently and sustainably.

Safety at worksites has always been a key focus for us, ensuring that the industry complies with important safety regulations and reduces workplace risks. Through our first double materiality analysis in 2023, we gained a deeper understanding of how SmartCraft can support our customers in their sustainability efforts.

As part of our ESG strategy, we are committed to developing digital tools that help customers meet future regulatory requirements and make more data-driven, safe, and responsible decisions. In 2024, we introduced an open-access API to simplify CO₂ data collection from the transport sector. Looking ahead to 2025, we are launching a solution for emission calculations, supporting customers in their compliance efforts and encouraging more sustainable operations.

STAKEHOLDER ENGAGEMENT

We believe in collaboration to drive innovation. By working closely with suppliers, customers, and trade organizations, we ensure that our services provide real and practical value to the industry.

When developing innovative solutions for emission calculations, one of the key challenges we face is the limited availability of environmental data for many products, combined with varying calculation methods that make cross-supplier comparisons difficult. To address this, SmartCraft is actively collaborating with key stakeholders to explore solutions that improve data consistency and comparability.

Through innovation and strong partnerships, we continue to develop smarter, safer, and more responsible services; helping our customers navigate the changing industry landscape with confidence.

Sustainability Governance



Our Board of Directors, executive leadership team, and ESG project lead manage our sustainability governance framework. The ESG project manager has primary responsibility for leading and coordinating sustainability efforts, while the Board and executive leadership team provide strategic oversight, guidance, and decision-making support. External expertise is used when needed. We are strengthening the integration of sustainability within the administration, management, and supervisory bodies through targeted training and increased awareness. This includes ESG training for the board and management, with plans for further training.

Sustainability-related performance is not integrated into the incentive schemes for the administrative, management, and supervisory bodies.

The ESG project lead acts on behalf of the executive leadership team and the Board of Directors and is primarily responsible for preparing a comprehensive report supported by legislation and the company's activities. To ensure quality and materiality, external expertise is sought to review the report and presents improvement measures.

We have a framework of policies and guidelines that govern our efforts. This framework includes, among others: Climate Policy, Procurement Policy, Employment Security Policy, Information Security Policy, Governance Policy, Risk Management

System, Supplier Code of Conduct, and Employee Code of Conduct. All policies within this framework are reviewed annually and approved by the board. They apply to all employees within SmartCraft.

STAKEHOLDER ENGAGEMENT

Double materiality analysis is key to our sustainability work, assessing both our impact on sustainability and external factors affecting us financially. This helps us prioritize key issues for our company and stakeholders across the value chain.

As previously mentioned, our first materiality analysis in 2023 has been revised and refined, highlighting key areas where we can make a difference while considering our most important stakeholders and their expectations.

STAKEHOLDER ENGAGEMENT

Key Stakeholder	Expectations of SmartCraft	Dialogs
Customers and suppliers	<ul style="list-style-type: none"> ○ Innovative and sustainable digital solutions which help organizations to improve their operations ○ Information security and GDPR - compliant solutions ○ Ethical and sustainable operations and supply chain ○ Energy management 	<ul style="list-style-type: none"> ○ Customer surveys ○ Qualitative dialogue with customers and suppliers ○ Supplier surveys ○ Supplier surveys from customers
Employees	<ul style="list-style-type: none"> ○ Favorable working conditions ○ Focus on the SmartCraft People, health and well-being ○ Initiatives to reduce climate impact ○ Awareness and education, professional development ○ Value-based leadership 	<ul style="list-style-type: none"> ○ Employee survey ○ Qualitative dialogue with employees ○ ESG Committee ○ Collaboration Committee
Investors and Shareholders	<ul style="list-style-type: none"> ○ People management ○ Compliance with relevant legislation ○ Risk management ○ Satisfactory return and ability to meet changed market requirements 	<ul style="list-style-type: none"> ○ Investor survey ○ Annual report and sustainability report ○ Investors meetings
Trade organizations	<ul style="list-style-type: none"> ○ Circularity in operations ○ Innovative and sustainable digital solutions ○ Use of AI 	<ul style="list-style-type: none"> ○ Supplier dialogs ○ Supply association networking events ○ Webinars

SILENT STAKEHOLDERS

Beyond our key stakeholders, SmartCraft recognizes other stakeholders in its sustainability efforts. According to the independent organization Sustainability Accounting Standards Board (SASB), certain industry-specific sustainability areas should be considered where the environment, seen as a silent stakeholder, is concerned, even in industries with smaller carbon footprints. Within the IT and software industry, activities require energy,

minerals for hardware, cooling systems for servers and recycling of hardware, among other resources.

One of our materiality areas is climate change with a focus on resource use, therefore we create the conditions for responsible recycling by extending the life of all hardware, and our sustainability approach plays a key role in the selection of our suppliers.

SmartCraft's material impact

SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES

This analysis considers SmartCraft's upstream and downstream value chain and includes assessment of the impact of individual ESG related topics and the probability that the impact will occur. The assessment is led by the ESG project lead and involves input from subject matter experts across the organization. To ensure a structured and reliable evaluation of risks, impacts, and opportunities, SmartCraft applies its risk management system throughout this process. (see the annual report 2024 page 9-10 for details).

The results are weighed against the expectations of our key stakeholders. The topics with the overall highest impact, both from a financial perspective (financial impact) and a social/environmental perspective (impact materiality), are the most significant for SmartCraft to focus on. The impact risks and opportunities are reviewed annually.

Sustainable solutions, Growth and Profitability

SmartCraft's growth strategy includes strategic acquisitions and partnerships to expand its offerings and develop new services. The company also focuses on continuous innovation and the development of its current product range to meet evolving market demands. SmartCraft identifies opportunities to address the increasing demand for tools that align with sustainability regulations, risk management practices, and security standards. Failing to capture ESG-related opportunities may result in competitors gaining market share. SmartCraft maintains structured processes to prioritize and adapt its service range, regularly analyzing market trends and customer needs.

For SmartCraft's end users, this translates into digital product delivery and solutions that enhance efficiency and drive economic growth. The

products are designed to simplify work processes, improve working conditions, and support businesses in achieving greater profitability and sustainability.

Impact materiality:	High
Financial materiality:	High
Probability:	Likely
Overall assessment:	Material impact

Information security

Global data breaches and strict legal requirements for handling personal data are usual challenges in SmartCraft's business sector. Potential data leaks and improper processing of personal data pose a significant financial risk to SmartCraft, with potential consequences including lost revenue and fines. In addition, such incidents can seriously damage the brand's reputation and trust. To ensure information security, SmartCraft follows local and European data protection laws, including GDPR, UK GDPR and the Norwegian Personal Data Act, across all countries in which it operates. SmartCraft mitigates risks by adhering to a strict Security Policy and ongoing training programs for all its employees.

Impact materiality:	High
Financial materiality:	Significant
Probability:	Rather likely
Overall assessment:	Material impact

Climate change

SmartCraft is accountable for the environmental impact of its operations. Failure in GHG emissions mitigation could hinder its ability to meet climate-related demands and expectations from external bodies and relevant stakeholders. SmartCraft are aware that risks that are perceived to have

limited financial impact today could increase going forward due to climate changes. Extreme weather like flooding, storms and high temperatures are risks that can affect SmartCraft through physical consequences.

SmartCraft conducts annual emissions mapping across its value chain in accordance with the GHG Protocol. This process forms the foundation for targeted actions and strategies, resulting in the creation of a Procurement Policy and a Climate Policy that prioritize sustainability, ensuring environmental considerations are integrated into all sourcing and supplier decisions.

Impact materiality:	Limited
Financial materiality:	Low
Probability:	Likely
Overall assessment:	Material impact

Own workforce

SmartCraft's success relies on having employees with the right skills and expertise to achieve business goals. In a competitive labor market with rising costs for talent, attracting and retaining key personnel can be a significant challenge. As technology evolves, adapting to new competency needs is critical to maintain resilience and ensure continued growth.

SmartCraft is committed to foster a positive, inclusive, and safe work environment to support employee development and prevent dissatisfaction. An opportunity for SmartCraft is to enhance diversity and value-based leadership by improving communication and setting clear goals, creating a more inclusive work environment that drives innovation and organizational success.

Impact materiality:	High
Financial materiality:	High
Probability:	Not very likely
Overall assessment:	Material impact

Resource use

The SmartCraft Group has an indirect impact on the resource use and circular economy through which suppliers we use. Electronics usage is part of our climate impact. The production of electronics relies on finite resources like rare earth metals, and increasing demand could contribute to resource scarcity, raising costs and potential supply chain disruptions. Furthermore, improper disposal of outdated hardware can lead to significant environmental harm.

SmartCraft's Procurement Policy and Security Policy ensure that environmental considerations are prioritized in both the selection of electronics and its disposal. We see opportunities to enhance our efforts in resource efficiency, further contributing to the mitigation of our emissions in the future.

Impact materiality:	Low
Financial materiality:	Low
Probability:	Rather likely
Overall assessment:	Material impact

Energy efficiency and renewable energy

SmartCraft operates in an energy-dependent industry, where reliance on data centers and high energy consumption exposes the company to rising energy prices. Potential risk related to limited availability of renewable energy could potentially increase both costs and carbon emissions. Additionally, as SmartCraft leases its office spaces, the company has limited influence over the adoption of renewable energy within these facilities. Inefficient energy usage, whether due to outdated infrastructure or suboptimal software design, may also contribute to excessive energy consumption, exacerbating these challenges. SmartCraft is proactively implementing climate-smart contracts in areas such as electricity, district heating, technology, car leasing, and data storage to minimize these risks.

Impact materiality:	Low
Financial materiality:	Moderate
Probability:	Rather likely
Overall assessment:	Material impact

Business Ethics, Corruption, Human rights

SmartCraft follows a strict Code of Conduct, ensuring ethical behavior across all operations. The company is committed to fostering a sustainable business environment with zero tolerance for unethical practices, including corruption and human rights violations. Furthermore, SmartCraft operates in countries with strict employment laws and anti-discrimination regulations that further uphold high standards of business ethics and human rights.

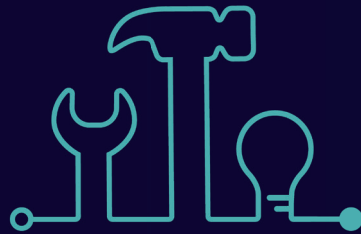
SmartCraft extends these ethical standards to its suppliers, influencing both working conditions and human rights throughout its supply chain. Any failure to uphold these ethics could harm the company's reputation, market value, and growth. This could also lead to sanctions, loss of partnerships, and brand damage. SmartCraft manages these risks through ongoing risk assessments, regular updates to policies, and responsible marketing practices. Any breaches of the SmartCraft Code of Conduct and/or other irregularities are encouraged to be reported anonymously through a dedicated whistleblowing function.

Impact materiality:	High
Financial materiality:	High
Probability:	Not very likely
Overall assessment:	Material impact

Regulatory compliance

Failure to comply with regulations can expose SmartCraft to significant financial penalties, legal costs, and reputational damage. This non-compliance can harm the company's reputation, result in lost revenue, and lead to increased costs. To manage these risks, SmartCraft maintains close contact with audits and systematically monitors regulatory updates, ensuring ongoing compliance with all relevant laws and regulations.

Impact materiality:	Moderate
Financial materiality:	Moderate
Probability:	Not very likely
Overall assessment:	Material impact



SmartCraft