



Transparency Act Due Diligence Report 2024

Revision history

Revision	Date	Changes	Author	Approved by
1	2025-06-20	New release	Maria Lustig, Head of Sourcing	Morten Hagen, CEO

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1. About the Report – The Norwegian Transparency Act Report

We hereby present the Capture Energy AB's Transparency Act Report in line with Section 5 (§ 5) of the Norwegian Transparency Act (2021).

This report is prepared in accordance with the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions of June 18, 2021 ("Transparency Act"), "Act on Business Transparency and Work with Fundamental Human Rights and Decent Working Conditions" section 5. Companies who want to comply with the law need to conduct due diligence assessments in accordance with the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#).

The reporting requirements apply to Capture Energy AB, as a Swedish company with sales on the Norwegian market due to fulfilling 2 of 3 criteria in the Act:

Annual turnover over 70 million NOK
Balance of at least 35 million NOK

This report is based on information collected about Capture Energy AB (hereinafter referred to as Capture Energy), its supply chain and business relations. The reporting period is the financial year ending December 31, 2024.

This report is published on Capture Energy website www.captureenergy.eu. Further questions and requests can be sent to us using our contact form on our website www.captureenergy.eu.

The information in this report is valid for Capture Energy and its consolidated subsidiaries. These include, but are not limited to Capture Power AB, Capture Energy AS and Capture Energy ASp and Capture Energy OY. Entities that are not fully owned by Capture Energy AB, but are controlled by Capture Energy AB, can have different policies. We expect that their relevant policies are aligned with the ones of Capture Energy AB.

This report was approved by Capture Energy Leadership Team (LT) and the Board of Directors on June 30 2025. CEO signature is required on the report.

The CEO is overall responsible for the report and procedure and shall, in consultation with the relevant staff, ensure that due diligence is carried out in the various parts of our business' business areas. In cases where information is required from Capture Energy or any of its subsidiaries, the CEO must assess the response before sending it.

Capture Energy is committed to transparency and public disclosure. The company publishes an annual due diligence report and maintains open communication with stakeholders. The first report is scheduled for publication by 30 June 2025. Capture Energy also monitors regulatory developments to ensure ongoing compliance with the Norwegian Transparency Act and related EU directives.

2. About Capture Energy

Capture Energy AB (Capture Energy) is a Swedish, non-listed, solutions company founded in 2023. The company operates across the Nordic region with a focus on sustainable battery energy storage systems (BESS). Its supply chain includes component and material suppliers, battery manufacturers, logistics and service providers, as well as recycling partners. Capture Energy sources components globally, with a strong emphasis on ethical sourcing and environmental compliance.

The company is headquartered in Gothenborg, Sweden. Capture Energy operates in 4 countries with 5 locations in Europe and employs employees.

3. Commitments and Governance

3.1 Commitments

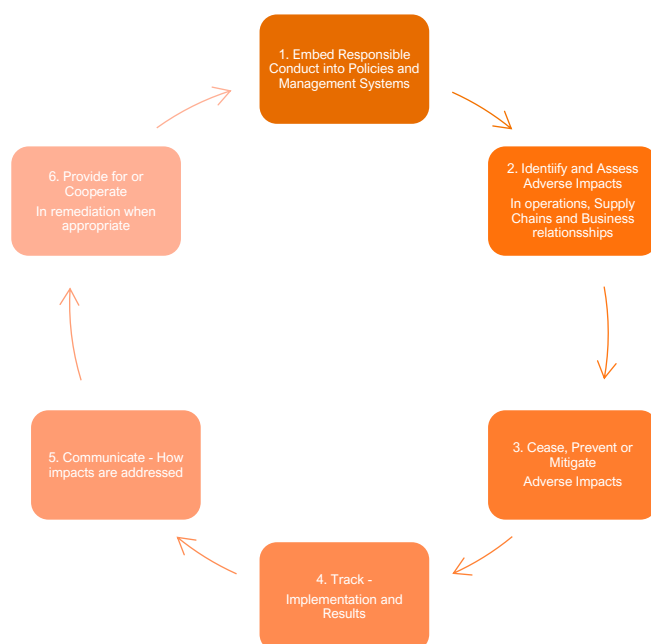
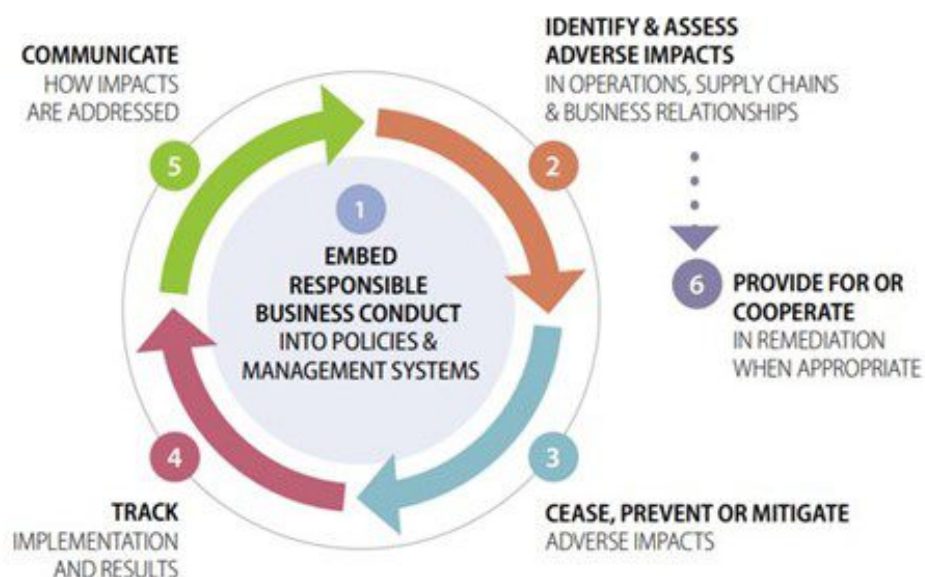
Capture Energy endorses human and labor rights and is committed to ensuring healthy, decent and safe working conditions. This report sets out the commitment and measures Capture Energy has taken during the financial year 2024 to ensure that human and labor rights are respected in all parts of our business and supply chain.

Capture Energy shall promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services. We will help to ensure public access to information about how businesses deal with negative consequences for fundamental human rights and decent working conditions.

Capture Energy AB's approach to human rights is based on OECD Due Diligence Guidance for Responsible Business Conduct and consists of these key elements.

1. Commitment and Governance
2. Activities to identify negative human rights impacts
3. Activities to prevent and mitigate negative human rights impacts

FIGURE 1. DUE DILIGENCE PROCESS & SUPPORTING MEASURES



We support and respect internationally proclaimed human and labor rights, as defined by the International Labor Organization (ILO) and International Bill of Rights.

Since the start of Capture Energy in 2023, human rights and working conditions requirements have been addressed in Capture Energy's Code of Conduct ("CoC"). The CoC is endorsed by the Board

of Directors. These requirements have been further developed in later revisions of the Code of Conduct. The latest revision in 2024 requires respect for human rights and specifically addresses, among other things, the following principles:

- Non-discrimination and equal opportunities
- Non-tolerance for harassment
- Respect for other people
- Safe workplace – Health Safety and Environment
- Protection of personal information
- Non-tolerance of child labor and forced labor
- Freedom of association
- Protection of the environment
- Non-tolerance of any form of bribery or corrupt practices
- Free and fair competition

All Capture Energy locations comply with local legislation that respects the guidelines of the International Labor Organization (ILO).

Capture Energy provides safe and healthy working conditions and contributes to the well-being of its employees through

- Yearly regular performance and career management review and Training and development opportunities

Discrimination and harassment are not tolerated.

Capture Energy applies the legal standards for working conditions on all its sites regarding for example pay, vacation, working hours and other benefits.

Capture Energy has a whistleblower platform allowing employees and others to report suspected irregularities via web in any language spoken at the Capture Energy locations. Anonymous reporting and subsequent communication made possible. Capture Energy's Compliance Committee consisting of Capture Energy's CEO and Head of Quality, are responsible for investigations of reported irregularities.

3.2 Governance

Our governing documents are key for developing effective and consistent human rights standards across our business and for setting expectations for suppliers' and employees' decision-making on

a day-to-day basis. A list of the governing documents we have in place to address human rights risks can be found on page 15.

The company's routine shall help ensure that our business and our cooperation with suppliers promote the purpose and duty of disclosure in the Transparency Act, as well as ensure that our business meets the requirements for performing and accounting for due diligence.

The routine includes due diligence related to direct and indirect purchases in our business. Due diligence is based on a risk-based approach and from 2025, it will be carried out according to the following working methodology:

- Fixed point at management meeting/management review.
- A working meeting shall be held for the conduct of due diligence at least 1 time per year in connection with quality audits.
- In the workshop, risk mapping is carried out related to our purchases of goods and services.
- Based on risk mapping and prioritization/materiality assessment, priority shall be given to areas for improvement and measures.
- The results of risk mapping are documented in a written statement. In accordance with the Transparency Act, the written statement from our due diligence assessments is published readily available on our company's website.
- In accordance with the Transparency Act, we provide information in the annual report about routines, measures and risk, as well as where the report is available. The report is made by 30 June each year.

Capture Energy engages with suppliers through:

- Self Assessment questionnaires
- On-site and remote audits
- Regular Business Reviews
- Training and capacity-building initiatives
- A whistleblower mechanism for anonymous reporting

The company uses structured templates and external tools to evaluate supplier performance and ensure compliance.

During 2024, our Code of Conduct addressed Human Rights with requirements and expectations set out. In 2025, Capture Energy intends to create a specific **Human Rights Policy** and further strengthen its due diligence within its operations.

4. Activities to identify negative human rights impacts

In 2025, Capture Energy will implement risk mapping/assessment, integrity due diligence and prioritization/materiality assessment, where specific measures shall be assessed and decided by management.

Capture Energy's due diligence process will be aligned with the OECD Guidelines for Multinational Enterprises. The process includes the following steps:

- Establishing a policy commitment to responsible business conduct
- Identifying and assessing actual and potential adverse impacts
- Ceasing, preventing, or mitigating adverse impacts
- Tracking implementation and results
- Communicating how impacts are addressed
- Providing for or cooperating in remediation when appropriate

4.1 Capture Energy Responsible Sourcing and Supply Chain Management

Capture Energy expects our suppliers to adhere to our business ethics, our Supplier Code of Conduct as well as being competent and trustworthy.

80% of the total annual purchasing spend is with 5% of the suppliers. The procurement of components, goods, and services at Capture Energy is managed and coordinated by the Sourcing and Logistics functions supported by colleagues at Capture Energy's locations.

Capture Energy has 3 direct material suppliers in 3 countries and approximately 151 indirect suppliers in 6 countries. With the strategic aim to work with global and local suppliers and build a diverse supplier portfolio, in 2024, Capture Energy had a footprint of 1 direct material supplier in the Asia Pacific region, and 2 suppliers in EU/EES.

For indirect purchasing, Capture Energy worked with approximately 150 suppliers most being local and close to Capture Energy Nordic offices.

4.2 Requirements towards suppliers

Human Rights and decent working conditions throughout the supply chain are of utmost importance to Capture Energy. The Supplier Auditing team together with Capture Energy Management team and Board of directors at Capture Energy regularly evaluates the company's approach and works towards expanding the company's approach.

Capture Energy works to identify relevant Human and Labor Rights issues based on the applicable international and local regulations and guidelines, Capture Energy Code of Conduct, Supplier Code of Conduct and Sustainability Policy, as well as industry and customer requirements.

Capture Energy focuses on the following Human and Labor Rights when determining the requirements that the company puts on suppliers and while carrying out supplier risk assessments:

- Child labor and young workers
- Wages and benefits
- Working hours
- Modern slavery (i.e. slavery, servitude and forced or compulsory labor and human trafficking)
- Ethical recruiting
- Freedom of association and collective bargaining
- Non-discrimination and harassment
- Women's rights
- Diversity, equity, and inclusion
- Rights of minorities and indigenous peoples
- Land, forest and water rights and forced eviction
- Use of private or public security forces

Suppliers are required to adhere to the same high standards as Capture Energy applies on itself. The relevant principles and requirements are set out and communicated to the supply chain in Capture Energy's Supplier Code of Conduct, which all suppliers are required to commit to by signature as part of the contracting/supplier onboarding process. As of end of year 2024 67% of the annual yearly direct material purchase spend was with suppliers who formally signed or acknowledged the Supplier Code of Conduct. On the indirect supplier side, the ratio was 10%, where continual improvement is aimed for.

Capture Energy has committed to responsible minerals sourcing and will continue working on the implementation during 2025. Capture Energy has enlarged its due diligence scope and added cobalt and mica to the already examined minerals tin, tungsten, tantalum, gold. Capture Energy has published a position statement on conflict minerals, has extended due diligence activities and will conduct an annual data collection process for smelter validations.

Capture Energy will enhance the risk mitigation process by implementing supplier reporting through for example Responsible Minerals Reporting platform and by deepening supplier engagement.

For suppliers in high-risk countries, Capture Energy is identifying the related risks and taking steps to improve performance.

4.3 Supplier Sustainability Risk Management

Capture Energy's supplier sustainability risk prevention and mitigation approach in the areas of human and labor rights, responsible employment, health and safety builds upon three levels:

- I. The ESG related risks of the country where the supplier is located are analyzed.
- II. Suppliers are expected to share or conduct an evidence-based Supplier Self-Assessment questionnaire.
- III. On-site audits by Capture Energy Auditing team to verify the response as well as identify risks at supplier site.

This approach provides Capture Energy with insights into risk exposures and enables to prevent and mitigate effectively not only human rights related, but also environmental and ethical risks.

4.4 Country risk assessment

Capture Energy's suppliers are located in low-risk countries (Nordics, EU/EES) and in Asia (China). In the case of suppliers located in high-risk countries, Capture Energy is identifying the related risks and taking steps to mitigate those risks.

Capture Energy has identified several key risks in its supply chain:

- Human rights violations, including child and forced labor in raw material sourcing
- Environmental risks related to hazardous substances and carbon emissions
- Regulatory compliance risks with evolving EU and international standards

4.5 Assessment

Capture Energy requires direct material suppliers to describe their governance and management approach, on corporate sustainability, environmental, social, and ethical issues, with a special focus on human rights, labor rights, and working conditions. Capture Energy expects its suppliers to have an effective policy and management system for fundamental human rights and decent working conditions, to offer training for their workforce on the relevant issues, and to communicate the necessary requirements to their own suppliers. This information is collected from suppliers through a standardized, evidence-based self-assessment questionnaire.

Capture Energy is committed to giving precedence to suppliers with low sustainability risks, including human rights. Suppliers that are classified by Sourcing department as having high or medium sustainability risks are supported in their development and low risk suppliers are preferred in future business decisions

Capture Energy approaches its Tier 1 suppliers directly and regularly and expects them to cascade down supplier sustainability requirements to their own suppliers.

4.6 On-site audits

In 2024 Capture Energy has developed an on-site audit template aligned with Human and Labor legislation requirements including sustainability topics (compliance, environmental responsibility, responsible employment, health and safety, responsible sourcing). Capture Energy's main goal with these on-site audits is to support supplier development and continuous improvement, and to get a deeper understanding of the root causes of ineffective implementation of management processes and actions regarding environment, social and ethical areas and their non-conformities. Based on the findings, Capture Energy not only requires and supports supplier development, but also improves its due diligence processes. The results of those on-site audits are then shared with suppliers, who then develop action plans to remedy such non-conformities.

From 2024, potential violations of human rights and working conditions including environmental obligations by our direct and indirect suppliers as well as the areas of concern outlined above may also be reported to Capture Energy's Whistleblower system, a communication tool which allows to raise concerns confidentially, anonymously, and in local language, accessible by employees and third parties via web portal. Capture Energy's "reporting a concern" procedure for its supply chain is used to process tip-offs or complaints about potential human rights and environmental law violations in the supply chain of Capture Energy:

Capture Energy has implemented a tool for Supplier financial and compliance screening through the www.creditsafe.se platform.

4.7 Mitigation Measures with Suppliers

Suppliers are requested to sign the Supplier Code of Conduct. Before starting long term collaboration, Suppliers need to have signed the Supplier Code of Conduct.

Capture Energy seeks to replace or not engage with suppliers that do not reach expected standards. Capture Energy is working diligently to increase the response rates and performance of suppliers.

During 2024 risk assessments were carried out so that a corrective action plan can be developed and implemented or covered in the Supplier Audits. Capture Energy intends to increase on-site audits of selected suppliers with a focus on potentially high-risk locations or high-risk categories, as well as preferred suppliers with development needs.

In 2024 Capture Energy has not identified any forced labor or child labor in its activities and supply chains therefore no remediation activities were needed.

The Norwegian Transparency Act entered into force on July 1, 2022. Capture Energy has not experienced any significant failure to comply with its standards on human rights and decent working conditions among its suppliers during since its start in 2023 and during financial year 2024.

5. Activities to prevent and mitigate negative human rights impacts

Key activities during 2024 to prevent and mitigate negative impact were to require our suppliers to:

- Cascade the requirements in the supply chain
- Sign Capture Energy Supplier Code of Conduct
- Carry out Reviews, Inspections and Audits
- Report concerns, set the framework for whistle blowing and grievance mechanisms
- Risk assessment – Supplier, Country and Category

If Capture Energy becomes aware that there may be significant changes in supply chains, the Sourcing function shall follow this up and, if necessary, ensure that due diligence assessments are revised and documented in a written statement.

In the event of suspected breach of contractual obligations related to the Transparency Act, deviations must be reported immediately. This is done by the Supplier responsible or the person that identified the breach.

Treatment of nonconformities is documented in a written statement.

The CEO shall be informed immediately of suspected nonconformities related to the Transparency Act.

BESS (Battery Energy Storage System) battery supply chains are complex and face risks related to sourcing critical materials, ethical concerns, and end-of-life management. Mitigation strategies require prioritizing responsible sourcing practices.

These risks can impact Human and Labor rights, such as:

Sourcing Critical Minerals: Lithium is essential for the battery chemistry we are using. Lithium extraction and processing raise ethical, human, labor rights and environmental concerns, impacting BESS products.

Environmental Impact: Mining and processing of the minerals can cause significant environmental damage, requiring BESS suppliers to consider sustainable sourcing practices.

Human Rights: The lithium-ion battery supply chain faces risks of forced labor and other human rights abuses, as most of the supply chain is in High-risk countries.

End-of-Life Management: Regulations increasingly require BESS projects to incorporate end-of-life plans, including battery recycling, to recover valuable materials and minimize environmental impact.

The Mitigation Strategies are summarized below:

- **Diversify Supply Chains:** Engage with multiple suppliers and consider different regions to reduce reliance on a single source.
- **Sustainable Sourcing:** Prioritize suppliers with ethical and environmental standards in their operations.
- **End-of-Life Planning:** Develop robust end-of-life management strategies, including recycling and reuse initiatives.
- **Supplier Due Diligence:** Critical for Capture Energy to conduct due diligence to assess the ethical and environmental performance and impact of our suppliers.

Capture Energy has identified several key Human and Labor rights risks in our supply chain:

- Human rights violations, including child and forced labor in raw material sourcing
- Environmental risks related to hazardous substances and carbon emissions

Mitigation strategies include:

- Implementing a Supplier Code of Conduct
- Conducting supplier risk assessments and audits
- Developing corrective action plans and monitoring progress with continuous communication and collaboration with selected suppliers.

6. Conclusion

During 2024, Capture Energy entered the Norwegian market and thus needed to comply with the Norwegian Transparency Act and provide the first Due Diligence Report for 2024.

Capture Energy is continuously focusing on developing our Human and Labor rights governance and commitment, to further mature in 2024 and beyond.

Everyone, according to the Transparency Act, is entitled, upon written request, to information on how Capture Energy business handles actual and potential negative consequences related to human rights and working conditions in our supply chains. This includes both general information and information relating to a particular good or service offered by us.

If we receive a request for information, the person responsible for the compilation of the report shall be contacted for answering and handling the information requirement.

7. References and Links

Internal

-
- Capture Energy Code of Conduct
 - Capture Energy Supplier Code of Conduct
 - Capture Energy Sustainability Policy
 - Capture Energy Supplier Self-Assessment (Template)
 - Capture Energy Risk Assessment (Template)
 - Capture Energy Supplier Life Cycle Management Process

External

- Act relating to corporate transparency and work on fundamental human rights and decent working conditions (Transparency Act, LOV-2021-06-18-99).

Country risks

- https://www.theglobaleconomy.com/rankings/human_rights_rule_law_index/
- <https://freedomhouse.org/explore-the-map?type=allandyear=2025>
- <https://www.transparency.org/en/cpi/2024>
- https://www.itucsi.org/IMG/pdf/2024_ituc_global_rights_index_en.pdf?31226/ce28bb2139c2fe0d4e5f0a36d726ac7334d1c2d9be8b29dd88b4d2b9d89f5654

Category risks

- https://www.theglobaleconomy.com/rankings/lithium_production/https://www.theglobaleconomy.com/rankings/copper_production/
- <https://www.responsible sourcingtool.org/solution/facilities-services-toolset/>