

ESG INITIATIVES

2022

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1. ABOUT THIS PUBLICATION

The publication is not audited.

FOM Technologies' (hereafter also FOM) "ESG Initiatives" publication concerns the financial year 2022 and constitutes the baseline for future ESG progress and target setting.

All mentioned KPIs in this "ESG Initiatives" can be found in the ESG Statement at the end of the publication.

Environmental

Social

Governance

2. STATEMENT BY THE CEO

At FOM Technologies, we have a clear purpose. We want to enable professionals around the world to discover, develop, and commercialize new functional materials for a cleaner and more sustainable world. We play an important role in the development of new technologies to produce and store sustainable energy in the quantities needed to fuel the green transition and to reach the 2050 climate targets of the Paris Agreement.

We are committed to contributing to the UN's Sustainable Development Goals (SDGs), just as we support the UN Global Compact's Ten Principles. We have selected 5 SDGs that are particularly important to us. Through the chosen SDGs, we can contribute meaningfully to a more sustainable world. In this publication, we elaborate on our strategic focus and how we already have and intend to incorporate sustainability into our business operations.

We have a very strong company culture and mindset. Our aim is to be best in class in everything we do. We are committed to implementing high governance standards and transparent communication as a foundation for building trustful partnerships. We want to do the right things but even more so, we want to do things right. Supporting a sustainable, credible, and socially responsible evolution of society is key.

As a company, we are small, agile, and highly dependent on our people and their know-how. We work together as a high-performing team in a clearly defined direction. Employee satisfaction is one of our most important KPIs to measure, monitor, and manage. We strive to work hard to learn and improve continually and to keep satisfaction at a high level.

We have outsourced manufacturing which limits our direct environmental footprint. However, it requires us to pay special attention to responsible business behavior in our supply chain. We have deliberately embarked on nearshoring in Denmark, Sweden, and Poland to limit our Environmental, Social, and Governance risks. In 2023, we will further enhance our supply chain due diligence processes.

In publishing our very first ESG Initiatives, we aim to establish a responsible foundation for transparency in our business, while inviting present and future collaboration partners and investors to follow our journey of improving our sustainable impact. I am pleased to present our first ESG Initiatives, covering the financial year of 2022.

Michael Stadi, CEO of FOM Technologies A/S



3. ESG HIGHLIGHTS 2022

Financial highlights 2022

KEY FIGURES	2022
Revenue	DKK 53.861.909 (+122%)
Staff cost	DKK -14.945.371 (+46%)
EBITDA	DKK 3.073.178 (+411%)
Equity	DKK 30.679.000 (+118%)

ESG | Data highlights 2022

The numbering of the below key figures refer to the enumerated KPI overview in the ESG Statement at the end of the publication.

#	KEY FIGURES	UNIT	2022
9	Ratio of energy consumption for office spaces from renewable energy	%	100
11	Different nationalities	# out of 17 FTE	8
16	Gender pay gap	Ratio (X)	0,97
18	Employee satisfaction	1 - 10	7,72

ESG | Ambitions

The ambition with our initial ESG Initiatives is to create a strong baseline for data collection to generate **trustworthiness** and **transparency** in future insights and reporting on our **environmental, social, and governance** performance. We see a strong foundation as crucial to collecting trustworthy insights on how we can perform better as an organization. On par with trustworthiness, transparency is of high importance to us internally as well as externally to contribute to the **social understanding** and **awareness** of the importance of ESG.



4. WHO WE ARE

FOM Technologies is a design and research-based company specializing in slot-die coating technology, machinery, and equipment.

FOM stands for **F**unctional **O**rganic **M**aterials.

The company was founded in 2012 as a spin-out of the Technical University of Denmark (DTU), Risø, focusing on machinery for organic photovoltaics.

Mission

To help professionals around the world to **discover, develop, and commercialize** new, innovative **functional materials**, through our **equipment, technology, and knowledge**.

Vision

To grow and develop into the **leading company** within **slot-die coating** for materials R&D, contributing to a **cleaner and more sustainable** world.

5. OUR JOURNEY IN BRIEF

Over the past 10 years, FOM Technologies has established a worldwide customer base and developed strong manufacturing partnerships in Europe. We have been recognized as a pioneer in cutting-edge precision machinery and equipment for slot-die coating. The strategic ambition is to become the leading provider of slot-die coating technology for new energy materials.

We enable clean energy R&D by bringing industry-grade coating solutions to the R&D environment to be used in connection with the conduction of fundamental research. We help establish pilot processes and move into full-scale production. Our customer base includes material research departments at leading universities, research institutes, and corporate companies around the world. Our addressable market is huge and growing fast. We have established global distribution partnerships to cover markets in Europe, the Americas, and Asia-Pacific. At present, we have 100+ customers on six continents.

Our offering includes technology research contributions, coating machines and equipment, ultra-precision print heads, software, materials, consumables, and services including courses and training. Our technology is based on standard components that are configured to specific customer needs via computer-aided design (CAD). We supply small compact machines for R&D, yet scalable for lab-scale production.

FOM Technologies was listed on NASDAQ First North Growth Market, Copenhagen in 2020. The ambition is to move to NASDAQ Main Market - Small Cap, Copenhagen in 2023.

Revenue amounted to DKK 53.861.909 in 2022 and the number of full-time employees was 17 people at the end of 2022.

6. OUR BUSINESS

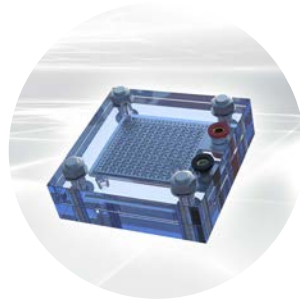
At FOM Technologies, we aim to enable functional materials R&D by bringing industry-grade technology and coating solutions to the R&D environment. We pride ourselves on providing high-quality hardware, user-friendly process control, and a researcher-focused design across all our products. Whether you are conducting fundamental research, establishing a pilot process, or moving into full-scale production, it is our mission to support you with a premium, precise, and scalable slot-die coating platform to elevate thin film research and production projects.

The current target industries for slot-die coating technology cover a fan of research applications such as energy storage (batteries, fuel cells, Power-to-X), energy harvesting (solar, thin-film PV, agriculture), quantum energy, MedTech, and many more.

In the overview below, you can see the listed variety of different R&D applications for FOM Technologies' products.



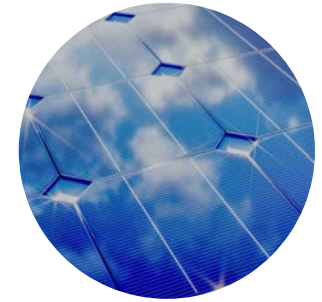
Batteries



Fuel cells



Power-to-X



Solar



Thin-film PV



Agriculture



Quantum

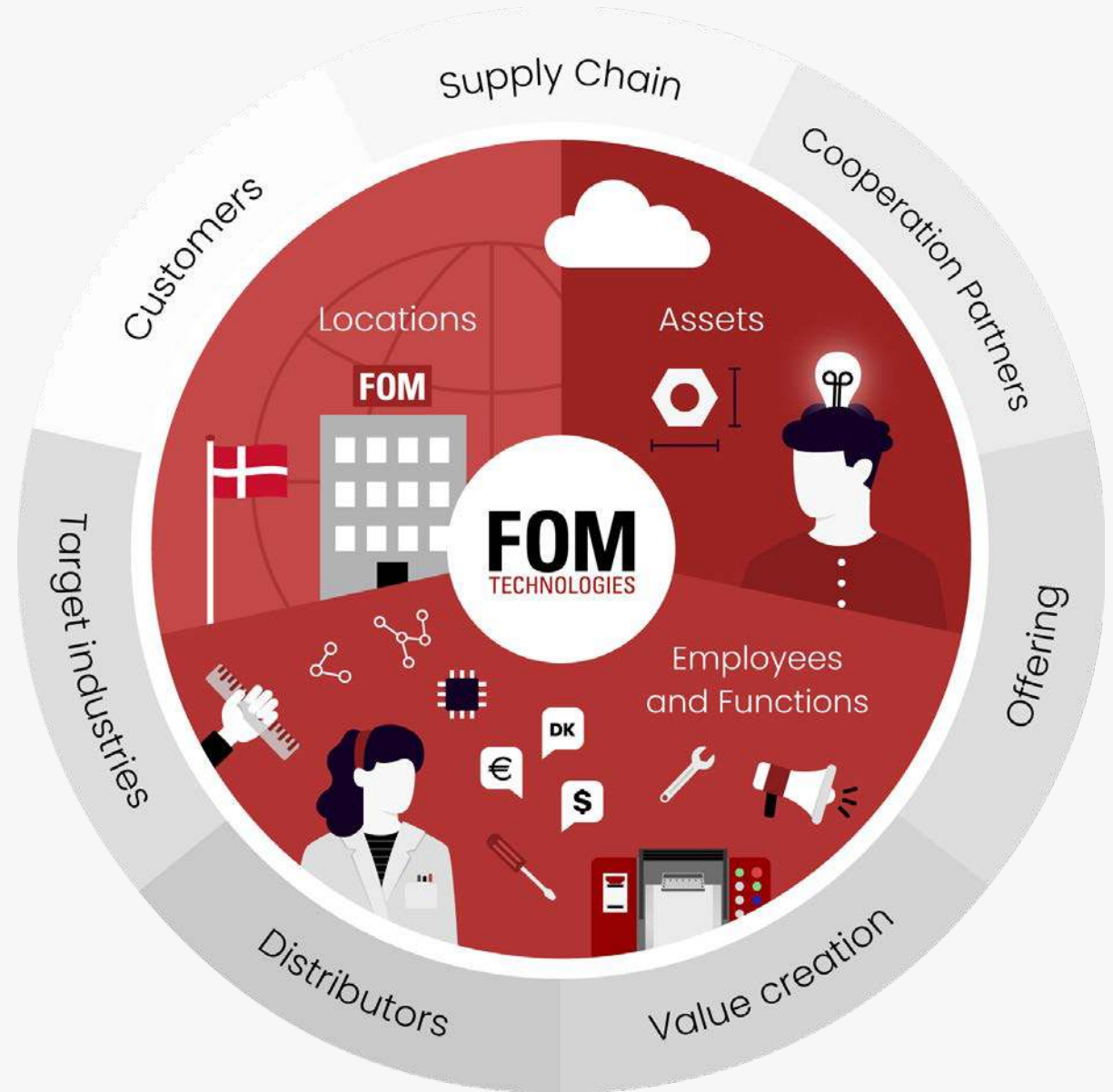


MedTech

8. OUR BUSINESS MODEL

At FOM, our business model and activities are built on the aspect of *nearshoring with a global reach*. This is through building strong nearshore supplier relations for manufacturing, whilst our distributor and customer focus lies on scaling for global expansion. Our core technology of slot-die coating allows our customers to create global impact production with a strong focus on reduction in material waste and more sustainable products within the fields of e.g., energy storage and energy harvesting.

The illustration you see here is a visual representation of our business model. The center comprises internal aspects of our business model, while the periphery illustrates the external aspects. All elements are further elaborated on the following page.



FOM Technologies

Deep technology understanding.
Development, commercialization, and education on cutting-edge slot-die coating machinery and equipment.

Assets

- IP rights
- Cloud storage
- Software: ERP, CAD, Automation, CRM, recruitment

Employees and Functions

- Innovation/Engineering
- International Sales
- HR/Recruitment
- Finance
- PR/Marketing
- Science & Learning (PhDs/Dr. in nano-science and chemistry)
- Production & Logistics
- Service Lifecycle Management

Locations

- HQ in Copenhagen, Denmark
- Subsidiary in the US
- Showrooms/training and courses around the world, using open-access universities
- Space and equipment rental in the supplier network

Supply Chain

NEARSHORING

Main manufacturing partners in Denmark, Sweden, and Poland.

Covering production and sourcing of standard components:

- Electrical components/Software
- Mechanical components/Hardware
- Coating heads
- Consumables

Cooperation Partners

Innovation & Product Development partners in Europe.

Focus on close customer/expert relations for user-driven innovation.

Close branding partnerships.

Offering

Technology research contributions and standard components configured to customer needs.

- Coating machines and equipment
- Ultra-precision print heads
- Software
- Materials and consumables
- Courses and training

Value Creation

- Reduced material waste
- Enabling the production and storage of sustainable energy
- Faster material research samples
- Coating of ultra-thin layers on both rigid and flexible materials
- Easy upscaling

Distributors

Globally expanding cooperative distributor network.

Target industries

New functional materials.

- Energy storage
- Energy harvest
- Smart materials

Customers

GLOBAL REACH

We help materials R&D professionals at leading universities and corporations within:

- Fundamental research
- Pilot processes
- Lab-scale production

9. ESG GOVERNANCE

The responsibility for ESG is anchored in FOM Technologies' Board of Directors and Executive Board. The Executive Board is responsible for implementing relevant policies and ensuring that corporate practices and ways of working are aligned with the policies and recommendations for good corporate governance.

Birgitte Jespersen Skade, member of the Board of Directors, is the board's designated member with respect to sustainability and ESG. Michael Stadi, CEO, is overall responsible for sustainability and ESG in the Executive Board, while operational tasks are delegated to relevant team members and staff as appropriate.







ESG policies and strategies are revised once a year as part of the Board of Directors' annual wheel. ESG risk management is an integrated part of the overall risk management of the company.



ESG Anchoring

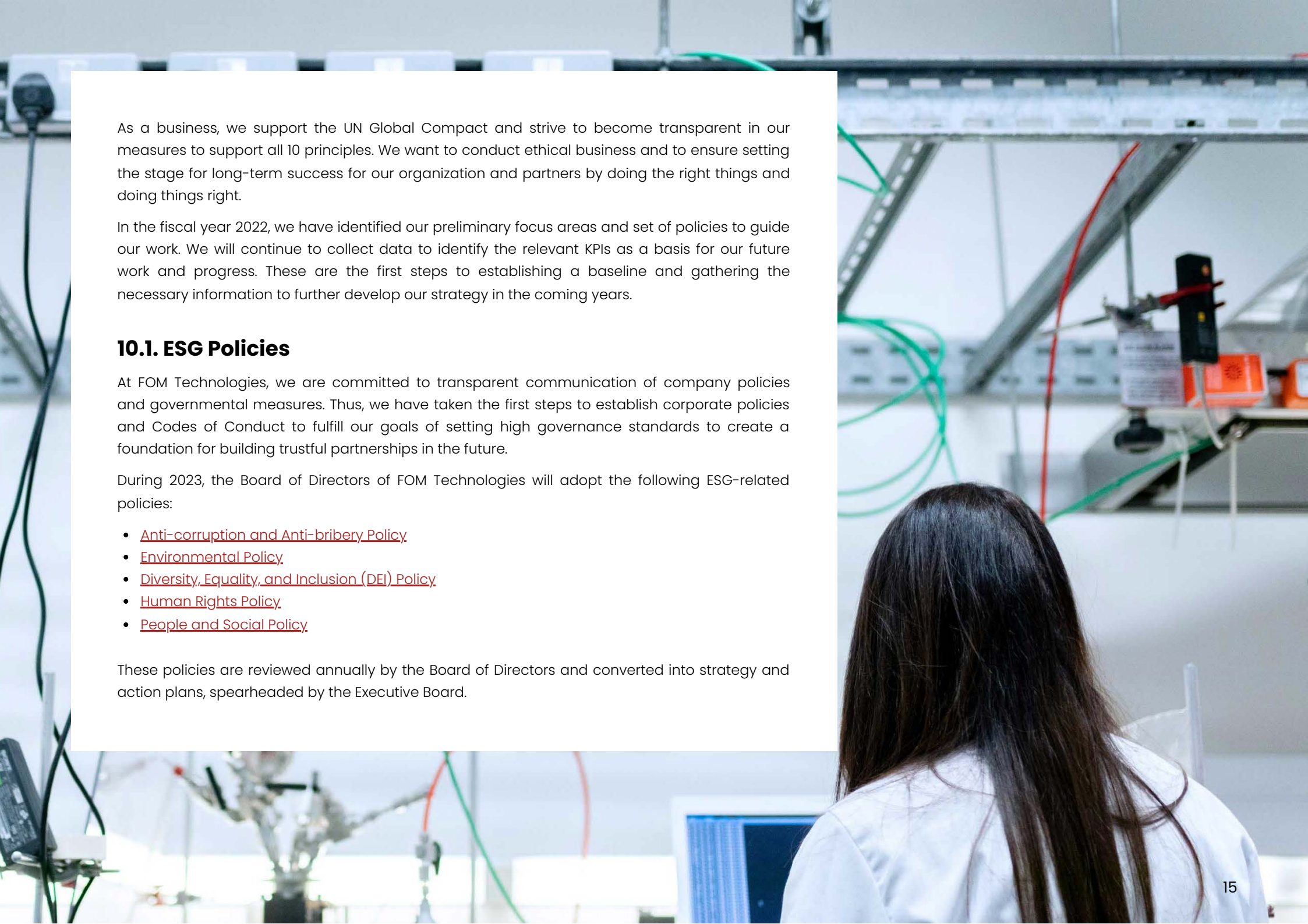


ESG Contribution

Board of Directors		
Executive Board		
Senior Management		
Staff		



10. ESG POLICIES AND STRATEGY



As a business, we support the UN Global Compact and strive to become transparent in our measures to support all 10 principles. We want to conduct ethical business and to ensure setting the stage for long-term success for our organization and partners by doing the right things and doing things right.

In the fiscal year 2022, we have identified our preliminary focus areas and set of policies to guide our work. We will continue to collect data to identify the relevant KPIs as a basis for our future work and progress. These are the first steps to establishing a baseline and gathering the necessary information to further develop our strategy in the coming years.

10.1. ESG Policies

At FOM Technologies, we are committed to transparent communication of company policies and governmental measures. Thus, we have taken the first steps to establish corporate policies and Codes of Conduct to fulfill our goals of setting high governance standards to create a foundation for building trustful partnerships in the future.

During 2023, the Board of Directors of FOM Technologies will adopt the following ESG-related policies:

- [Anti-corruption and Anti-bribery Policy](#)
- [Environmental Policy](#)
- [Diversity, Equality, and Inclusion \(DEI\) Policy](#)
- [Human Rights Policy](#)
- [People and Social Policy](#)

These policies are reviewed annually by the Board of Directors and converted into strategy and action plans, spearheaded by the Executive Board.

10.2. ESG Strategy | Materiality Assessment

As a starting point for identifying which material topics to focus on in our work with sustainability, we have visualized the main activities and possible impacts along our value chain. The visualization trails the Environmental, Social, and Governance-related impact areas throughout our value chain all the way from our products, through our own operations, and to our markets. The operation of Product-related Services feeds back to Raw Material Extraction in relation to replacement, upgrade, and replenishment services and back to Production in relation to refurbishment and repair services.

The below value chain serves as a baseline for the further conducted materiality assessment presented on the next page.

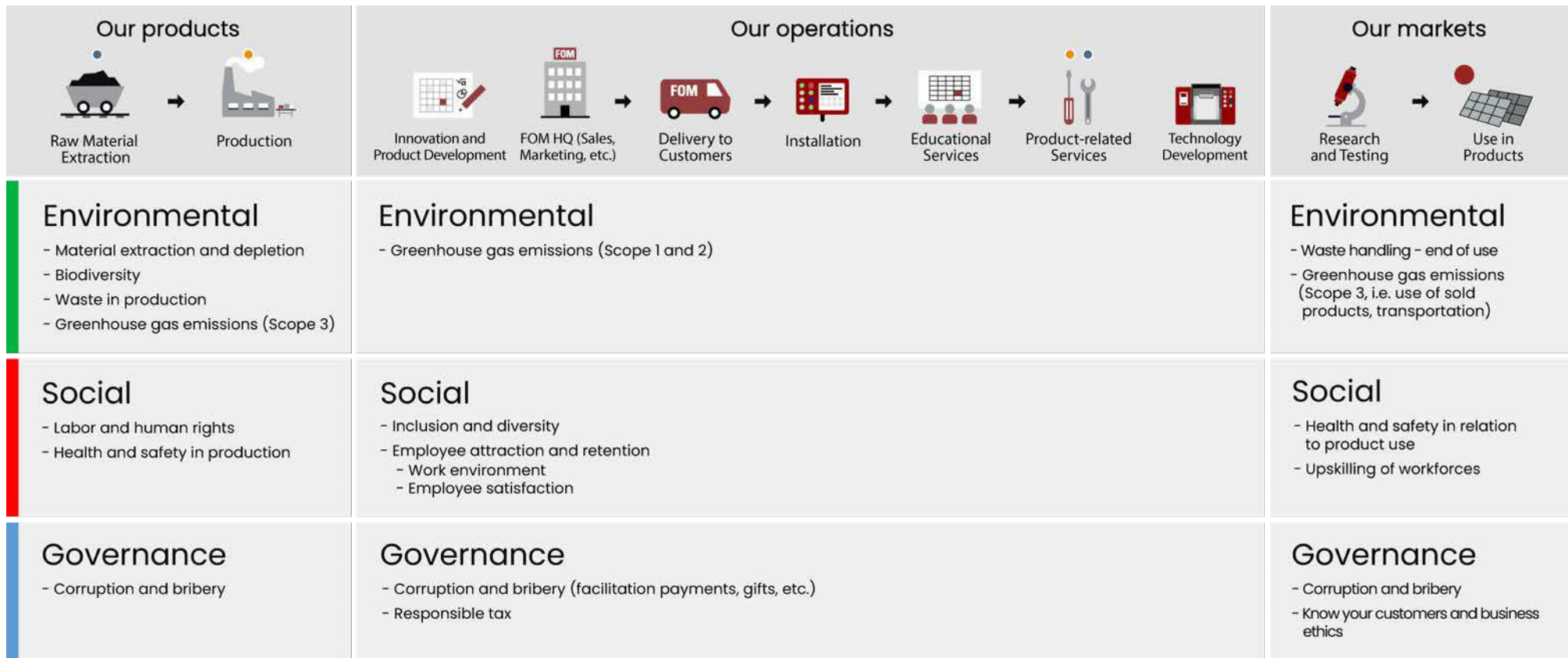


Figure: Illustration of identified ESG impacts in FOM Technologies' value chain.

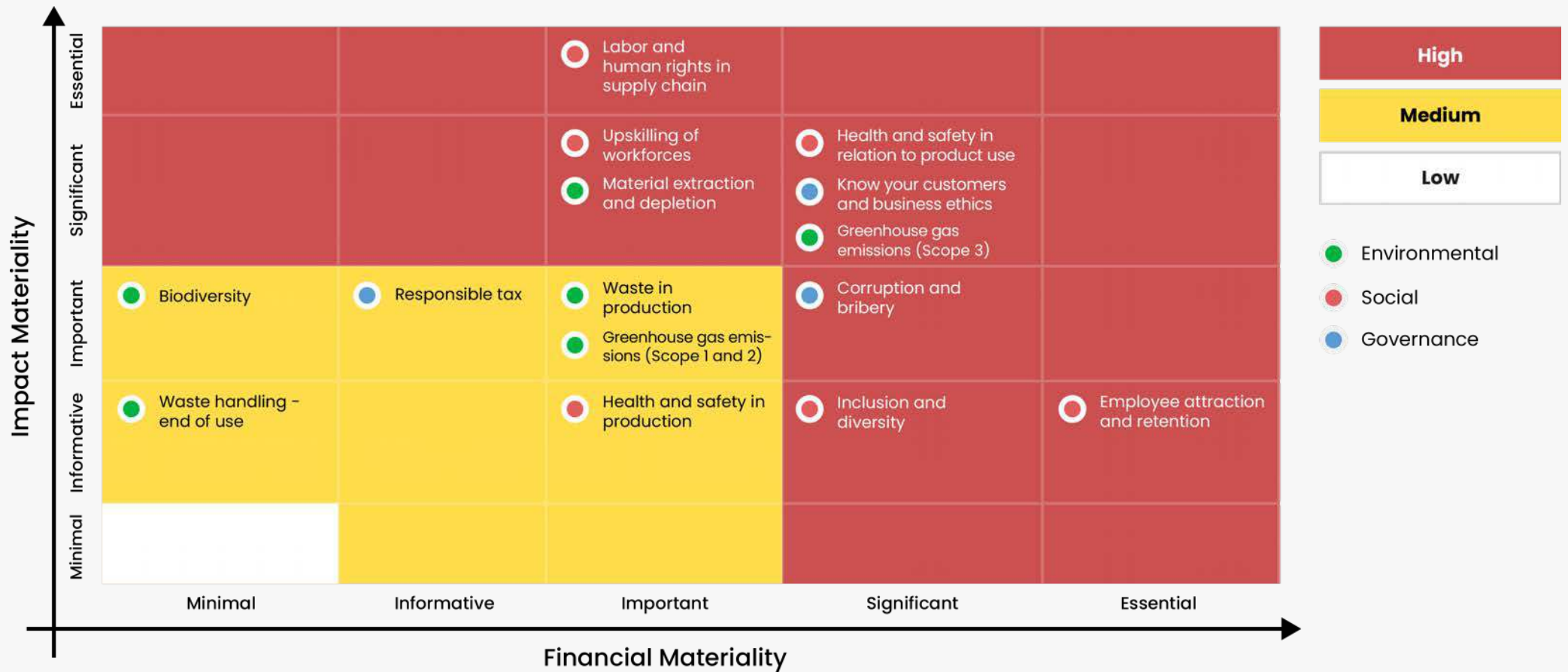


Figure: Illustration of FOM Technologies' impacts using the double materiality assessment principles.

In our work with sustainability, we focus on the topics identified as the most material to our business and surroundings based on the principles of double materiality. The materiality assessment has been validated by the Executive Board and Board of Directors.

In 2022, we conducted our first materiality assessment in a light version, using the double materiality principles, to provide us with an understanding of where to start our journey and set the baseline for our future work.

In 2023, we will reassess our material topics and conduct a more in-depth materiality assessment based on the collected data and established baseline. Moving forward, we will review and update the materiality assessment annually to ensure that we keep our focus on the most material topics for our business and surroundings.

The outcome of the materiality assessment conducted is visualized in the matrix above.

10.3. ESG Strategy | Sustainable Development Goals

In 2022, our main focus has been on taking the first steps to establish the basis for making an informed and long-term strategy with appropriate targets. Part of this has been to identify the Sustainable Development Goals (SDGs) where we believe we have a significant impact. Since we have only just embarked on our sustainability journey, we have not established a more elaborated ESG strategy yet.

The world's most important plan - FOM Technologies is on board!

FOM Technologies is committed to contributing to the SDGs to be a part of the world's most important plan. We are particularly inspired by the SDGs presented below, as this is where we see our contribution having the greatest impact on societal challenges.



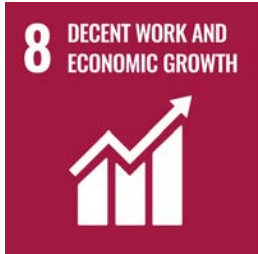
We focus on quality education through several initiatives. As our employees are our main asset, we ensure to continuously develop their skills to spur innovation and stay at the forefront. Furthermore, we find it important to create open access to our technology as well as to share knowledge and build the framework for a more educated future. We do this by collaborating with different research institutes and universities to provide a better understanding of the sustainable possibilities for our technology as well as by providing training and education services to ensure upskilling of workforces in relation to slot-die coating.

Sub-target 4.4



We focus on supporting the global demand for cheaper, cleaner, and more efficient energy. We first and foremost do this by supporting researchers and organizations around the world in manufacturing e.g., solar cells and batteries with lower use of energy and materials in production. In relation to this, we develop our own line of machinery and equipment based on slot-die coating technology with the use of functional organic materials for a wide range of research applications such as energy harvesting, energy storage, quantum energy, and other applications.

Sub-target 7.3 & 7.a



With our distribution of slot-die coating machinery and equipment, we strive to ensure that our products and technology are safe to use and used in a safe and secure way, contributing to safe and secure working environments in the research and commercial industries utilizing slot-die coating technology. As a result of this, we not only view ourselves as a manufacturer of slot-die coating machinery and equipment but also as specialists in our technology and product offerings to cover the educational and upskilling aspects of using slot-die coating technology. In a FOM context, this SDG goes hand in hand with our contribution to SDG 4.

Sub-target 8.8



We focus on promoting and supporting sustainable industries as well as scientific research and innovation across the globe. We do this by working with both small and large acknowledged research institutes and corporations, providing them with the technological solutions needed for research and innovation. Moreover, we invest in fostering innovation and entrepreneurship by providing a technology that is scalable up to industrial production. More directly, this happens by being first-hand involved in research projects related to the optimization and streamlining of the slot-die coating technology. Here, we have e.g., been involved in a range of EU-funded research projects to invent new clean energy applications related to slot-die coating.

Sub-target 9.4 & 9.5



We focus on responsible consumption and production throughout our supply chain. As a small and medium-sized enterprise (SME) with no in-house production, we want to ensure strong collaboration and a strengthened circularity through our supply chain as early as possible to increase our positive impact on consumption and production patterns.

Sub-target 12.2 & 12.5

10.4. ESG Strategy | SDG Focus Areas

In 2022, we have identified the preliminary ESG focus areas for our work as presented below. In the coming year, our focus will be on defining a more elaborate strategy with both short- and long-term targets as well as sub-targets for the identified SDGs.

Environmental



Paving the way for a sustainable future by minimizing material waste with slot-die coating technology.

- Enabling the production and storage of sustainable energy through technology
- Use resources sustainably
- Supporting research and development in fast-tracking innovative sustainable solutions within slot-die coating technology

Social



Developing people, products, and the use of slot-die coating technology.

- Inclusivity and diversity in the workplace
- Development of our employees and external workforces
- Health and safety in product use

Governance



Acting responsibly.

- Responsible business conduct
- Labor and human rights in the supply chain

10.5. ESG Actions and Outlooks

ESG actions in 2022:

- Conducted a desktop materiality assessment using the double materiality principles for the initial start of identifying and defining the topics in focus for future work
- Developed ESG policies
- Identified our preliminary focus areas
- Established ESG baseline for selected KPIs

Outlook for ESG actions in 2023:

In 2023, we will focus on updating our value chain to include business areas in development as well as our double materiality assessment by conducting a more thorough assessment of our short-, medium-, and long-term impacts on society. We do this while also taking our financial risks and opportunities for the company into consideration. We will further update and develop our strategy based on the results of the assessment.

In addition, our aim is to strengthen our ESG performance through an increased focus on our data collection and measurement processes as well as work on establishing a higher degree of employee inclusion in the ESG reporting. This will be done by formalizing and implementing accounting policies and practices across the relevant departments to ensure consistency and comparability over the years.

On the next pages, we will take you through our initial ESG performance in 2022 as well as our outlook for 2023.



11. ESG PERFORMANCE: ENVIRONMENTAL



At FOM Technologies, we are committed to running our business operations in a continually more sustainable way. We have a strong focus on contributing to fighting climate change and reducing the excess use of resources.

We will continue to seek areas and initiatives for improvement in our own resource consumption, while simultaneously expanding reporting on impacts in our supply chain. We support the Paris Agreement to reduce greenhouse gas emissions to net zero by 2050, as well as the Danish Government's climate goals to lower total greenhouse gas (GHG) emissions by 70% by 2030.

11.1. Impact, Risks, and Opportunities Related to the Environment

At FOM Technologies, we have a unique opportunity to contribute to the transition to renewable energy by delivering innovation contributions, equipment, and services for innovative coating solutions.

As we have outsourced the production of our equipment to third parties, our direct impact on the environment and climate relates to GHG emissions from our office in Copenhagen as well as shipping and traveling to clients across the globe.

Looking into the GHG emissions scopes 1 and 2, the power consumption from our rental office space is based on renewable energy sources provided by our electrical utility supplier, and FOM Technologies does not hold any company vehicles.

Regarding GHG emissions scope 3, business travel and distribution of goods are considered our main impact areas in terms of GHG emissions within our direct control.

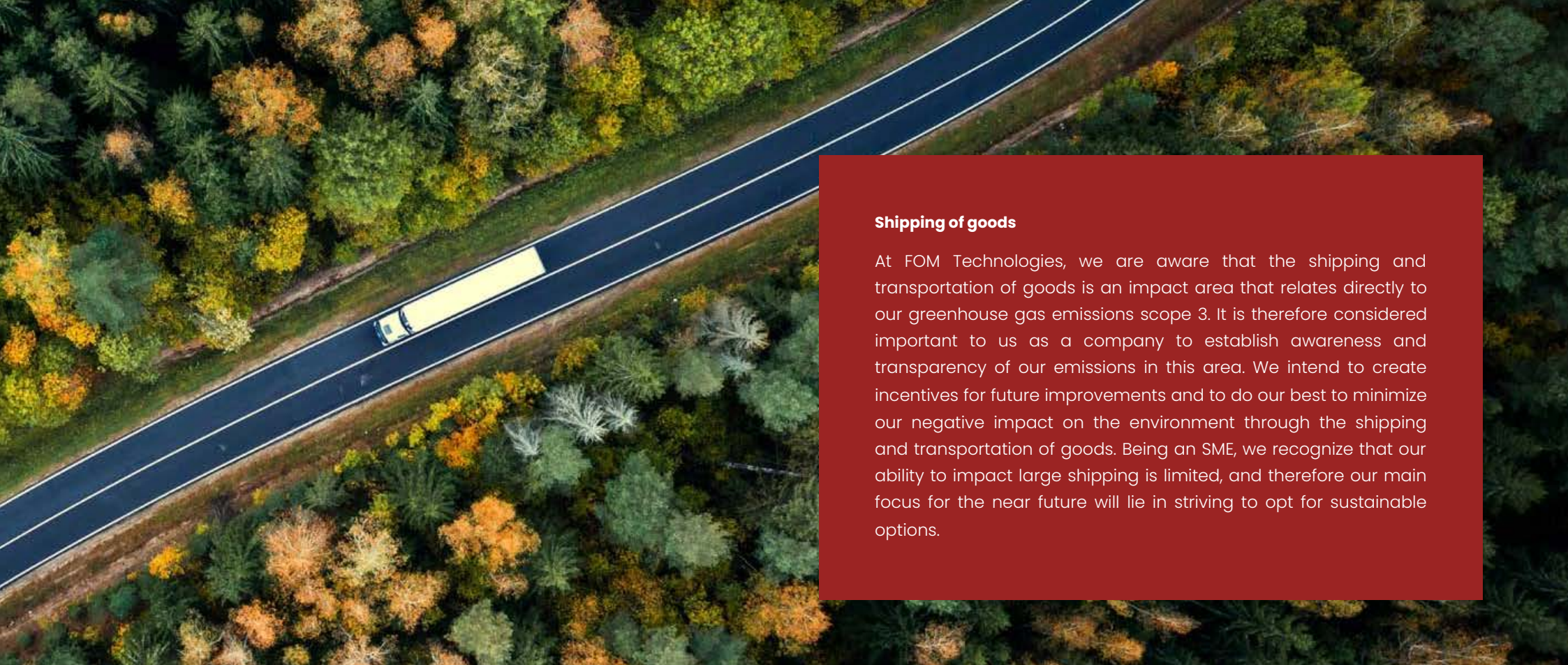
All production of our main equipment is nearshored to partners in Denmark, Sweden, and Poland. This has been a strategic decision as these countries are not only easily accessible from our office but also have certain standards for environmental management and working conditions.

At FOM Technologies, we recognize that we have an impact on biodiversity through both internal activities related to product development, current external activities related to waste in production and waste handling at the end of use, and GHG emissions scopes 1, 2, and 3 in general.

In 2022, we took the first steps to encapsulate our focus on our responsibilities within material extraction and depletion by increasing the focus on Design for Manufacturing. Furthermore, we took the first steps to strategize a new business area within Service Lifecycle Management. The purpose is to enforce further responsibility for material extraction and end-of-use waste by targeting services related to extending the lifecycle of our product portfolio.



Greenhouse gas emissions are globally categorized into 3 scopes under the widely-used international accounting standard, the Greenhouse Gas (GHG) Protocol. Scope 1 emissions are direct emissions from company-owned and controlled resources. Scope 2 emissions are indirect emissions from the generation of purchased energy from a utility provider. Scope 3 emissions are all indirect emissions, not included in scope 2, that occur in the value chain or company operations.



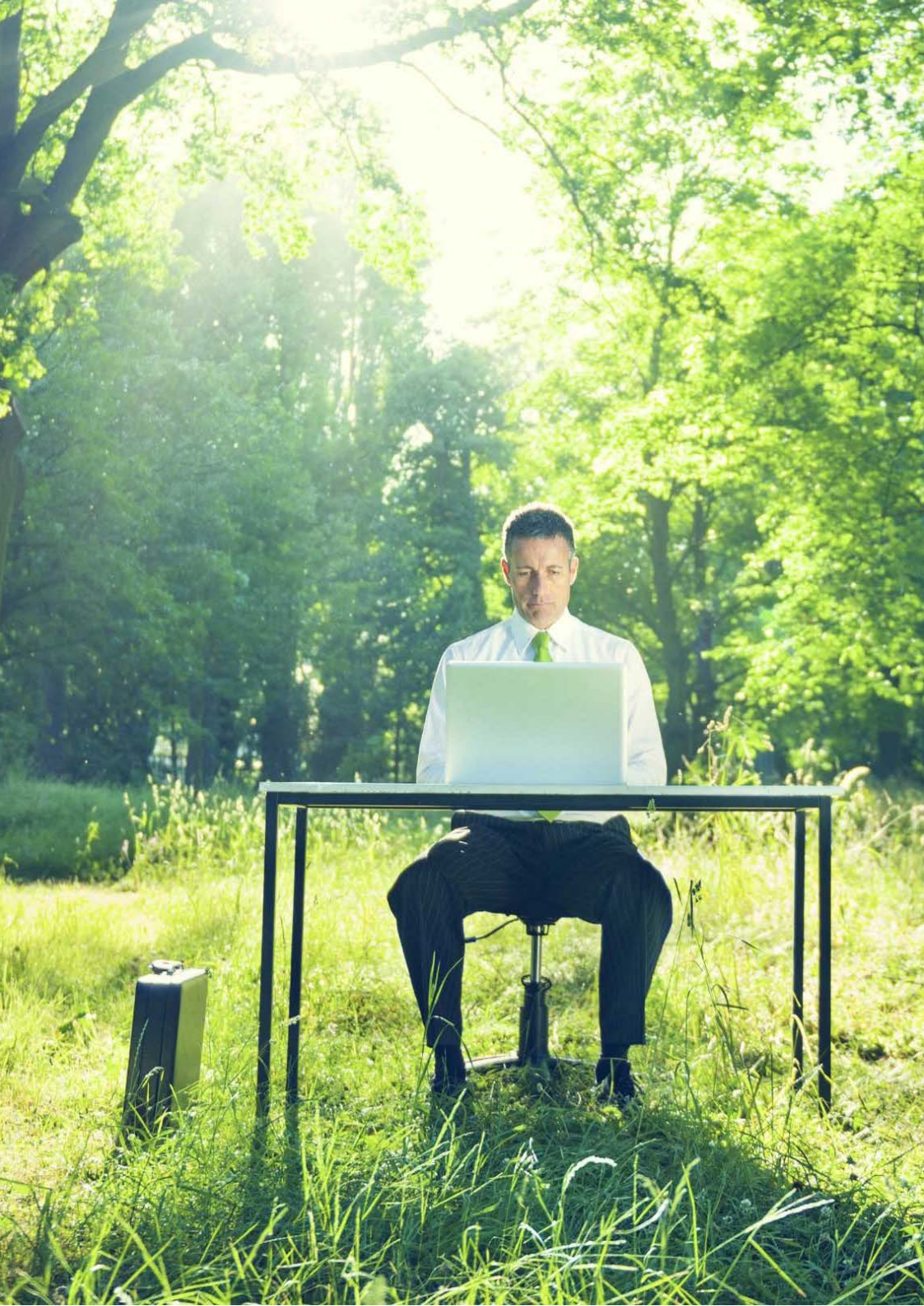
Shipping of goods

At FOM Technologies, we are aware that the shipping and transportation of goods is an impact area that relates directly to our greenhouse gas emissions scope 3. It is therefore considered important to us as a company to establish awareness and transparency of our emissions in this area. We intend to create incentives for future improvements and to do our best to minimize our negative impact on the environment through the shipping and transportation of goods. Being an SME, we recognize that our ability to impact large shipping is limited, and therefore our main focus for the near future will lie in striving to opt for sustainable options.

Business travel

Client visits used to be an inevitable part of our work to ensure that equipment would be appropriately installed. This usually required employees with technical expertise to be physically present at the client site. However, during the pandemic, this proved to be challenging. As a response, we have developed a “plug-and-play” solution allowing our clients to set up the equipment themselves under our online supervision. As a result, we have decreased our scope 3 emissions from business travel in 2022. Going forward, we will continue to use online supervision, when possible, to limit the emissions caused by business travel.

The decision to buy our equipment from partners within a relatively short travel distance from Copenhagen also has the benefit of limiting scope 3 emissions related to transportation in the supply chain, as no long-haul flights are required.



Paving the way for a sustainable future

Energy consumption in the world is increasing and new solutions for renewable energy need to be developed. At FOM Technologies, we believe that one of the main solutions to solving climate challenges and creating a sustainable future is through the development of technology that supports sustainable innovations. Therefore, it is our core business to support more climate-friendly technologies by enabling the development of, primarily, energy storage and energy harvesting by providing innovative coating solutions.

Coating is generally a very wasteful activity in terms of resources. Looking at, for instance, spin coating, up to 90% of chemicals or materials are wasted in the process. At FOM Technologies, it is at the core of our business to regenerate the coating industry by ensuring less waste in the coating process. Although this is a well-known technology, the uniqueness of our products and application knowledge helps universities and industrial companies meet today's needs of coating in the transformation towards a renewable energy future. This is an agenda that we are proud to be part of.

Research and Innovation

The technology of slot-die coating is revolutionary but it also has its limitations as the technology currently only allows for smaller areas to be coated in one go. In 2022, we have been part of research projects to expand the coating area to optimize the use of slot-die coating e.g., for solar panels.

In addition to our research and innovation efforts, it is very much in our DNA to disseminate the abilities of slot-die coating technology. This happens both through social media efforts and expert insights blogs as well as putting a focus on attending conferences for new learning opportunities and contributions to our scientific research field.

ENVIRONMENTAL

11.2. Actions, Performance, and Development

Our actions in 2022:

- Participated in research aiming at developing technologies for expanding the application fields for slot-die coating, contributing to fighting climate change
- Limited our business travels by using plug-and-play solutions leading to lower greenhouse gas emissions
- Strategized extension of our product lifecycles as an integrated part of FOMs value chain

Performance and development 2022:

Relevant KPIs on the Environmental scope can be found listed in the ESG Statement, concluding our ESG Initiatives. The listed KPIs in our ESG Statement at the end of the publication will serve as our baseline for reporting on our performance and development on the environmental impact but do not contain reported data for the fiscal year 2022.

ENVIRONMENTAL

11.3. Initiatives and Plans

Initiatives and plans for 2023:

In the coming year, we will strive to engage in further collaboration with our direct suppliers to start looking into potentials for lowering the greenhouse gas emission footprint and opting for renewable energy sources within our supply chain. Furthermore, we seek to investigate and further improve our sustainable impact through our product lifecycle as well as through the shipping of goods and business travels.

To conclude, we will in 2023:

- Start looking into potentially substituting components with lower greenhouse gas emission footprint or recycled materials
- Explore the opportunities for using renewable energy at our direct suppliers' sites and evaluate suppliers based on their greenhouse gas emission footprint
- Seek to investigate and further improve the positive sustainable impact through the lifecycle of our products
- Look into our possibilities for transparent data collection and KPI reporting for greenhouse gas emissions, especially in relation to shipping and business travels
- Increase our focus on scientific publications and getting scientific manuscripts accepted for talks at leading international conferences

11.4. Impact Cases

With this section, we wish to shed some light on our environmental impact through our customers and research projects. This is to underline the positive impact which our services and products can offer to both research and production in various industries.

Through and for our customers

At FOM Technologies, we strive to have a positive impact through and on our customers.

One example here is Epishine, a Swedish company that produces indoor solar panels for energy harvesting, thus helping to reduce the carbon footprint of buildings. Here, FOM machinery has been and is still a main part of their research since 2012.

"I've been working with FOM since the company's early beginnings in 2012. Our relationship has evolved into more than just a customer-client relationship. We are running 3 machines from FOM's portfolio from small-scale lab tools to large-area production machines. They're still in daily operation and play a key role in where our company is today."



Dr. Jonas Bergqvist, COO, Epishine [SE]

Furthermore, we have an international collaboration with a leading clean energy research facility in the US. This facility provides open access for companies and researchers worldwide, thus helping to advance cleaner fossil-free technologies.

"FOM Technologies did a fantastic job working with our team to customize our tools, bring them online, and train our staff. The relationship has been a partnership through and through."



Dr. Daniel T. Schwartz, Director & Adjunct Prof. of
Material Science & Engineering, Clean Energy Testbeds,
University of Washington [USA]

Through research projects

From 2019 to 2022, FOM Technologies participated in a European Union-funded research project as a main technology supplier. The scope of this research, which was successfully concluded in 2022, was to produce thermoelectrical carbon fiber parts for the aviation industry. Thermoelectric fuselage components have the potential to increase fuel efficiency as well as reduce the weight of airplanes through a reduction of cables required to directly power sensors and electronics in the aircraft. The project demonstrated the feasibility of generating local power for sensors in an Airbus aircraft but will require extensive testing and production maturity before entering the market. The project clearly showed the potential impact of slot-die technology on global environmental challenges.

In developing countries

We strive to disseminate slot-die coating technology to developing countries. In collaboration with SIDA, FOM Technologies has delivered solar cell coating equipment to Addis Ababa University in Ethiopia. Furthermore, Power-to-X coating equipment has been sold to multiple locations in South Africa.

Even though these areas of business are not considered relatively lucrative, we choose to take these risks to ensure democratic access to slot-die coating technology.

12. ESG PERFORMANCE: SOCIAL



We strive for the growth of our employees and for creating a work environment where flexibility, development, and safety are at the forefront. We want to give not only our employees but also our distributors and customers the best possible opportunities for upskilling.

We value a high-performance culture; hence, inspiring leadership and motivation are key drivers to ensure our employees grow and strive in their positions. This is done by setting clear individual targets and identifying professional goals for each of our employees.

Diversity, inclusion, and well-being at work are a high priority and it is important to us that a good working environment is an integrated part of our business.

12.1. Impact, Risks, and Opportunities Related to Social Conditions

At FOM Technologies, our employees are our biggest assets and hence, attracting and retaining talent is both a risk and an opportunity for us as a company.

As the global talent pool of highly skilled people within slot-die coating is limited, we realize that the competition for attracting specialized talent goes beyond the Danish borders. Therefore, we need to ensure that our work environment caters to international candidates and that inclusion is an integral part of our business.

We see a great opportunity in combining SDGs 4 and 8 in order to ensure upskilling of internal and external workforces in combination with ensuring health and safety in product use. We do this by educating ourselves as well as our customers in slot-die coating technology and the use of our products in relation to both research and upscaling of the technology in use.

We see it as imperative that there is a sense of structure and safety throughout our value chain.

Establishing the structure for growth

We have grown from 3 to 17 full-time employees in less than four years. This has forced us to structure our HR processes by formalizing an internal Staff Handbook to ensure transparency and communication of company policies to all employees. The main focus for 2022 has been on implementing and further developing the employee handbook introduced in 2021.

To ensure that we can retain our talent, we conduct employee satisfaction surveys and Appraisal and Development Dialogues (ADDs) with all employees to discuss the results of the survey and how to potentially improve the score.

Diversity and inclusion to create better results

At FOM Technologies, we believe that a diversified team creates better results. We recognize that everyone holds personal biases, intentional or unintentional. Therefore, we work towards identifying these and aim to adopt policies targeting and minimizing bias to ensure that we hire the right people.

We focus on the following three areas to support and enhance equal opportunities, diversity, and non-discrimination:

- *Diverse workforce:* Experience, education, nationality, age, background, and gender are considered important parts of the diversity foundation for an engaging environment as well as in delivering business results.
- *Equal opportunities:* We strive to create a work environment that provides employees with equal development, career opportunities, and pay. We work to address biases in our recruiting and efforts to secure equal opportunities.
- *Personal leadership style:* We encourage and promote unique leadership styles to create the best possible engagement amongst our employees.

Flexibility to ensure inclusivity

We recognize that priorities and ambition levels develop over time, and we find it very important to support the needs and interests of our employees in their various stages of life. We offer possibilities of reduced working hours, as well as changes to the work schedule. We also have a senior policy for employees from the age of 60 and above offering the possibility of entering into individual senior agreements as an alternative to early retirement.

Developing our employees

We see the continuous development of competencies as essential to meeting business requirements and challenges and remaining competitive both now and in the future. We believe it is the individual's responsibility to continually develop themselves and the company's responsibility to ensure that opportunities for development are present and available.

Training programs and results are evaluated at a minimum of once a year at an Appraisal and Development Dialogue. Moreover, we support further relevant education and training of all employees. It is possible for all employees within the company to apply for financial support or allocation of work time for relevant courses and training.



Health and safety in product use

FOM technologies recognize the importance of providing products that are safe to both handle and use. Internally, we see this as a strict requirement for our future growth, not only for our customer segments but also for our own reputation and brand image in the research industries, as well as in scaled and commercial productions. As a result of this recognition, we are invested in continuously improving health and safety regulations in relation to product development and product use. As described in our strategy, we see a clear link between safety in handling and upskilling in the use of our products and slot-die coating technology.

Upskilling of workforces

At FOM Technologies, we are partnering with leading institutions worldwide to provide access to unrivaled training facilities and instructions. Our slot-die coating workshops provide new users with the opportunity to jump-start their knowledge with a hands-on introduction to all aspects of precise, continuous, and scalable thin-film production via slot-die coating. Experienced users will also benefit from a chance to sharpen their skills, fill knowledge gaps, and discuss their most pressing challenges with world-leading instructors during these training sessions.

“Two days at a FOM Technologies workshop clearly demonstrated the value of slot die coating in rapid iteration and upscaling of solution-processed thin film devices. The WCET facilities were excellent, the program was flexible and the guidance I received was spot-on. It significantly accelerated and substantiated my understanding of the slot die coating process. I left the workshop with tangible benefits for our process and a better understanding of how to move forward in our large-area coating and testing.”



QD Solar Dr. Armin Fischer, COO & Lead Chemist, QD Solar Inc. [CA]

Health and safety in production

It is recognized that safety in relation to our products should also apply to the production of these. As a part of our close collaboration spirit, we have regular visits, online meetings, and calls with our main production-related suppliers regarding feedback on production-related issues and possible risks. This effort is considered our first step to ensure that our products will not have an overall negative impact on health and safety-reported issues in our supply chain. It is a clear wish from our side that we build upon this commitment in our reporting efforts.



SOCIAL

12.2. Actions, Performance, and Development

Our actions in 2022:

- Developed a teaching concept in collaboration with DTU for bachelor students and set up an open-access slot-die coating laboratory at DTU Energy Conversion and Storage
- Further developed and implemented our employee handbook
- Measured employee satisfaction
- Conducted employee Appraisal and Development Dialogues (ADDs)
- Integrated further safety requirements for product development
- Checked up on FOM-related injuries at main supplier production facilities

Performance and development 2022:

#	SOCIAL KPIs	UNIT	TARGETS	2022
10	Total - Full-time employees (FTE)	#	n/a	17,00
11	Different nationalities	# out of 17 FTE	n/a	8,00
12	Gender diversity - Executive Board	%	n/a	0
13	Gender diversity - Senior Management	%	>/= 20,00	33,33
14	Gender diversity - Staff	%	>/= 20,00	16,67
15	Gender diversity - Whole organization	%	>/= 20,00	17,65
16	Gender pay gap	Ratio (x)	n/a	0,97
17	Employee sickness absence	Days/FTE	</= 8,00	2,50
18	Employee satisfaction	1-10	>/= 6,50	7,72
19	Employee turnover	%	</= 10,00	5,88

SOCIAL

12.3. Initiatives and Plans

Initiatives and plans for 2023:

In the coming year, we will seek to further develop our internal processes related to HR and general employment matters. We see it relevant to put efforts into adopting relevant policies for minimizing bias in our recruiting process as well as do our best to retain our currently employed talent by establishing a stronger internal HR focus. We believe that this will strengthen our possibilities to attract and retain the highly skilled employees that are needed to grow and develop FOM Technologies.

We will continually strive to focus more on integrating safety requirements for our products in use. While retaining a continued strong relationship with our main suppliers by taking the first steps to draft a supplier Code of Conduct for reporting of social impact aspects in our supply chain.

Lastly, we wish to maintain our focus on upskilling and educating workforces as we expand our educational concepts for our customers.

To conclude, we will in 2023:

- Strengthen the HR efforts by adding an HR Specialist to the team
- Further develop our employee handbook and People & Social policy
- Put a further focus on integrating safety features into our products
- Draft a supplier Code of Conduct for reporting Health & Safety issues for our main suppliers
- Adopt a policy for unconscious gender bias
- Establish a Working Environment Committee
- Continue to expand our educational concepts for customers globally through E-learning

13. ESG PERFORMANCE: GOVERNANCE

FOM Technologies is committed to acting ethically and responsibly when dealing with suppliers, customers, and all other third parties. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever we operate.

13.1. GOVERNANCE | CORRUPTION AND BRIBERY

13.1.1. Impacts and Risks Related to Corruption and Bribery

Our main customers have historically been the academic world while we have also experienced an increased interest from the corporate world in recent years. This leads to new partnerships where the focus on responsible business conduct becomes even more important.

We recognize that unethical behavior is an unavoidable risk when dealing with third parties. To minimize the risk of corruption in our supply chain, we have chosen to only use direct main suppliers located relatively close to Copenhagen. However, having a global customer base, we realize that the level of corruption varies from country to country and that there is an inevitable risk of corruption related to our customers and sales activities.

Though we have not experienced any cases of unethical use of our technology at this stage, we recognize the risk of it happening.

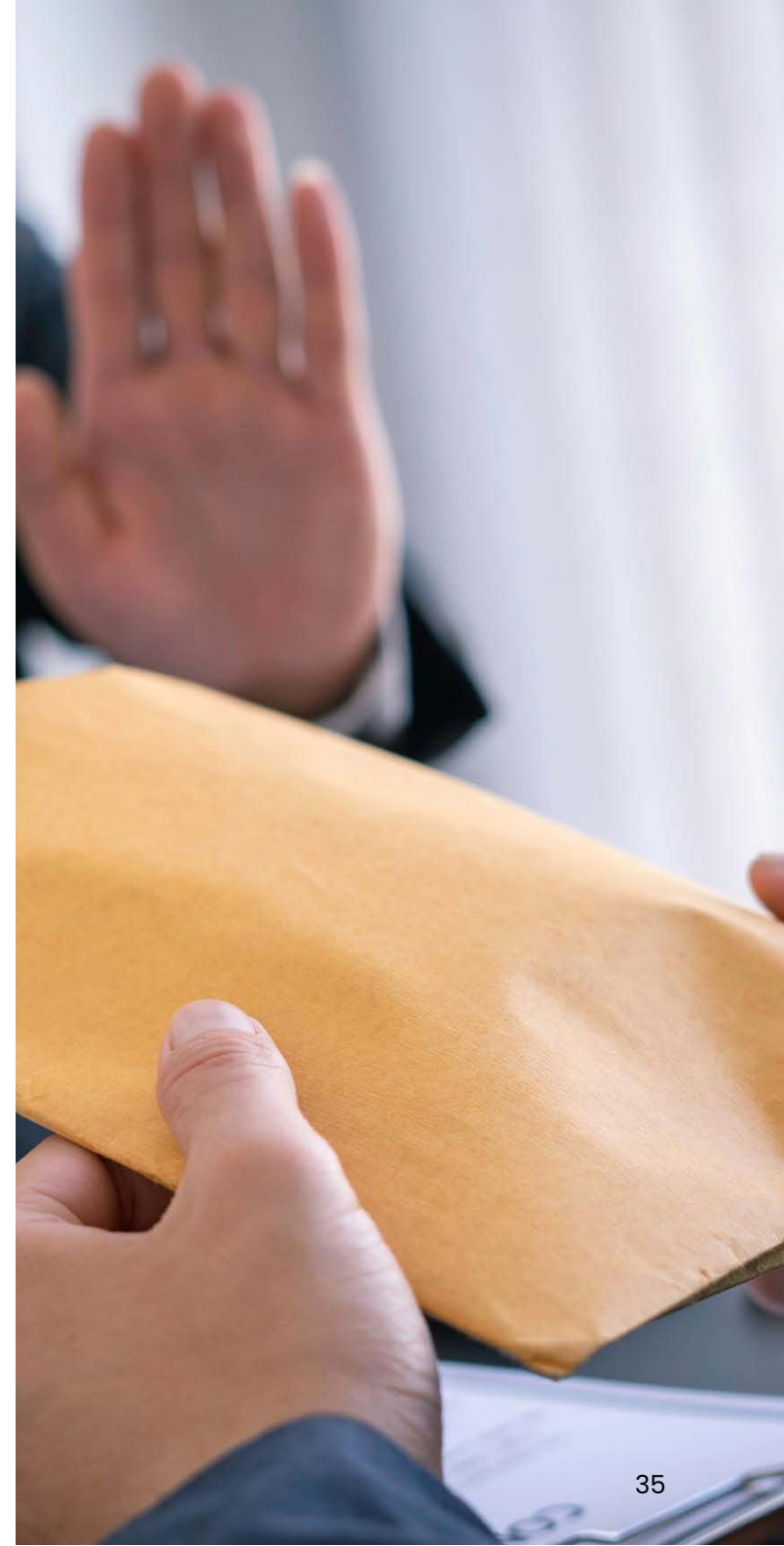
Know your customer

In 2022, we have continued our high focus on know-your-customer in connection to sales opportunities. This is specifically related to the potential of unethical use, country corruption level, etc., which we assess on an individual basis before entering into any agreement. Based on the individual assessment, we have experienced cases where we have chosen not to enter into an agreement.

Our standpoint

FOM Technologies holds a zero-tolerance stance towards bribery and corruption. We are committed to conducting business in an ethical and honest manner and to implementing and enforcing systems that ensure bribery is prevented. We are committed to adhering to the highest standards of business conduct which as a minimum includes compliance with the law.

It is of great importance that our employees share this commitment and that they maintain a high degree of business ethics in our day-to-day operations.



GOVERNANCE | CORRUPTION AND BRIBERY

13.1.2. Actions, Performance, and Development

Our actions in 2022:

- Continued our individual assessment of all customers before entering into sales agreements

Performance and development 2022:

In relation to the reporting of performance and development in 2022, there are currently no measurable KPIs. The goals for 2023 will aid us in setting the baseline for KPIs to be reported in this area.

13.1.3. Initiatives and Plans

Initiatives and plans for 2023:

In 2023, we plan to take measures to decrease the risk of corruption and bribery internally as well as externally. With this, we are aiming to adopt relevant internal policies and to draft on ethical guidelines for conducting business with us both in our supply chain and in our markets.

To conclude, we will in 2023:

- Update our employee handbook with guidelines on competition law and gift policy
- Draft a Supplier Code of Conduct
- Draft updates for our Sales Terms in relation to having signed agreements for anti-bribery and anti-corruption

13.2. GOVERNANCE | HUMAN RIGHTS

13.2.1. Impacts, Risks, and Opportunities Related to Human Rights

Production is a field of work that can be dangerous in terms of safety and sometimes also hazardous in terms of health.

The production of our main equipment is outsourced to selected suppliers in Denmark, Sweden, and Poland. To a large extent, this means that we have some certainty in the regulations in terms of work environments and human rights. Even though we only work with direct main suppliers within the EU and the UK, our main risk is identified as violations of human rights and workers' rights at the levels of our supply chain beyond tier 1.

Supply chain management

We only work with large, widely recognized component suppliers for our sourced components and equipment, trusting to some extent that they take responsibility for ensuring human rights in their supply chains.

We visit our suppliers on a continuous basis and to the extent that it has been possible due to COVID-19 travel restrictions, we have continued to do this in 2022.

Our standpoint

At FOM Technologies, we are committed to respecting human rights and acknowledging and complying with the requirements of the Universal Declaration of Human Rights, and ensuring that no part of the company is complicit with any human rights abuse. We want to ensure that all people are treated with respect, within our company and outside of it at all stages of our value chain.



GOVERNANCE | HUMAN RIGHTS

13.2.2. Actions, Performance, and Development

Our actions in 2022:

- Visited our main suppliers on a continuous basis to witness if appropriate working conditions are present and that no human rights are being violated

Performance and development 2022:

In relation to the reporting of performance and development in 2022, there are currently no measurable KPIs. The goals for 2023 will aid us in setting the baseline for KPIs to be reported in this area.

13.2.3. Initiatives and Plans

Initiatives and plans for 2023:

We are aware that we, as a company, are responsible for our entire supply chain and thus, have to expand our focus over the years. In 2023, we will start our journey at our tier 1 suppliers and in our main markets to ensure that the requirements in relation to human rights and workers' rights are at acceptable standards for conducting business with us.

To conclude, we will in 2023:

- Ask our tier 1 suppliers to share their Code of Conduct with us or sign ours, if one is not in place
- Introduce formalized supplier due diligence processes
- Draft updates for our Sales Terms in relation to having signed agreements for human rights

13.3. GOVERNANCE | BOARD OF DIRECTORS AND EXECUTIVE BOARD

To the right, a visual representation of the Board of Directors and Executive Board can be found.

Throughout this section, the Board of Directors and Executive Board are referred to as the governing organ of FOM Technologies.

Overall, FOM's distribution of gender and nationalities in the governing organ is 40% women, 60% men, and a total of 1 nationality. Accounting for the less represented gender and the underrepresentation of different nationalities, our high assessment of financial materiality in relation to employee attraction and retention, as well as our diversity policy, highlights that we view it as essential to attract and retain diverse talent. This is to improve the current distribution of genders and nationalities across the organization as well as in the governing organ. Looking into the individual distribution in the two governance levels, it is noted that there is an underrepresentation of men and non-binary people in the Board of Directors. In the Executive Board, women as well as non-binary people are underrepresented. In both governance levels, there is an underrepresentation of different nationalities.

It is noted that the governing organ has a higher level of gender diversity between women and men compared to the remaining organization, while the diversity of nationality is significantly higher in the FOM organization as a whole compared to the governing organ. In conclusion, we strive to improve the overall diversity in the governing organ as well as in the remaining organization as the company continues to grow.

Participation in board meetings

Since the foundation of FOM Technologies, the number of participants has always been counted at board meetings as a part of the documentation. The participation percentage at board meetings throughout 2022 has at all times been 100%, only looking at participation from both the Board of Directors and the Executive Board.

Board of Directors



Andreas Nielsen
Chairman of Board



Birgitte J. Skade
Board member



Karina Rothoff Brix
Board member

Executive Board



Michael Stadi
CEO



Martin Kiener
CIO

CEO vs. employees pay gap

In FOM Technologies, the ratio for compensation of the CEO in comparison to the median employee salary is 1,8. In FOM, we have currently not set a target for this KPI as we see that the median salary across 17 employees can quickly skew up as well as down with a smaller number of employees. As the organization grows, we will strive to set a fair target for this KPI.

GOVERNANCE | BOARD OF DIRECTORS AND EXECUTIVE BOARD

13.3.1. Actions, Performance, and Development

Our actions in 2022:

- Number of held board meetings in 2022: 6

Performance and development 2022:

#	GOVERNANCE KPIs	UNIT	TARGETS	2022
12	Gender diversity - Executive Board	%	n/a	0
20	Gender diversity - Board of Directors	%	>/=33,33	66,66
21	Presence at board meetings	%	>/=75,00	100,00
22	CEO vs. Employee pay gap	Ratio (x)	n/a	1,80

GOVERNANCE | BOARD OF DIRECTORS AND EXECUTIVE BOARD

13.3.2. Initiatives and Plans

Initiatives and plans for 2023:

We are aware that the Board of Directors and Executive Board in FOM Technologies have great responsibility in relation to the ESG measures set in this publication. We, therefore, view it as important that the governing organ leads by example for the remaining organization throughout the sustainable and diverse growth of the company. This will start in 2023 by taking the relevant measures to establish a strong foundation for the future guidance of our organization's growth through the implementation of our ESG strategy and targets.

To conclude, we will in 2023:

- Look into opportunities for balancing the overall diversity in the governing body of the organization as we grow
- Focus on keeping a high participation rate in board meetings
- Continue to ensure ESG anchoring on the Board of Directors and Executive Board levels
- Focus on a strong anchoring of ESG in our daily operations and future strategy

14. EU TAXONOMY ELIGIBILITY

The EU Taxonomy regulation is a framework to classify “green” or “sustainable” activities. The EU Taxonomy is part of the European Union’s Green Deal and enables investors to understand whether the economic activities of companies are sustainable and to help them navigate the transition to a low-carbon economy.

As of 2022, FOM Technologies is not fully subject to the EU Taxonomy but during the year, we have started the process of adhering to the guidelines. The first step has been to identify our eligible activities. We have identified that we do have eligible activities, as our core activities fall under the category “climate change adaption” in the category “Professional, scientific and technical activities involving close to market research, development, and innovation”.

As it has been established that we are eligible to report on the EU Taxonomy, we will start the process of gathering data to report on the amount of CapEx, OpEx, and revenue in relation to eligibility in 2023. Going forward, we will also start looking into reporting on alignment with the EU Taxonomy within the coming years.



15. ESG STATEMENT

Our initial ESG Statement is based on the ESG Key Figure Overview from Nasdaq, FSR, and CFA Society Denmark. Over the coming years, we will be building on these as we progress with our data collection and reporting.

#	ENVIRONMENTAL KPIs	UNIT	TARGETS	2022
1	Energy consumption	mJ	To be defined	Rented office space*
2	Energy consumption / Revenue (Energy Intensity)	mJ / DKK	To be defined	Rented office space*
3	Water consumption	m ³	To be defined	Rented office space*
4	Water consumption / FTE	m ³ pr. FTE	To be defined	Rented office space*
5	Greenhouse gas emissions - Scope 1	kg CO ₂ e	To be defined	Rented office space*
6	Greenhouse gas emissions - Scope 2	kg CO ₂ e	To be defined	n/a
7	Greenhouse gas emissions - Scope 3	kg CO ₂ e	To be defined	n/a
8	CO ₂ Total / Revenue (CO ₂ Intensity)	kg CO ₂ e / DKK	To be defined	n/a
9	Ratio of energy consumption for office spaces from renewable energy	%	>50	100**

#	SOCIAL KPIs	UNIT	TARGETS	2022
10	Total - Full-time employees (FTE)	#	n/a	17,00
11	Different nationalities	# out of 17 FTE	n/a	8,00
12	Gender Diversity - Executive Board	%	n/a	0
13	Gender Diversity - Senior Management	%	>/= 20,00	33,33
14	Gender Diversity - Staff	%	>/= 20,00	16,67
15	Gender Diversity - Whole organization	%	>/= 20,00	17,65
16	Gender pay gap	Ratio (X)	n/a	0,97
17	Employee sickness absence	Days / FTE	</= 8,00	2,50
18	Employee satisfaction	1-10	>/= 6,50	7,72
19	Employee turnover	%	</= 10,00	5,88

#	GOVERNANCE KPIs	UNIT	TARGETS	2022
20	Gender Diversity - Board of Directors	%	>/= 33,33	66,66
21	Presence at board meetings	%	>/= 75,00	100,00
22	CEO vs. Employees pay gap	Ratio (X)	n/a	1,80

* We currently have no reported in-house data on the above KPIs 1 - 5 as we are renting our office space.

** According to our landlord.



16. NOTES TO ACCOUNTING STATEMENT AND ACCOUNTING PRINCIPLES

About this statement

The ESG data have been compiled to ensure a high degree of transparency between FOM Technologies and our stakeholders on issues related to Environmental aspects, Social conditions, and Governance.

The year 2022 is our first year of disclosing ESG data. Our focus is to systematically evaluate and measure our impact and provide a clear picture of the company and the journey we are on. The goal is to increase the understanding of FOM Technologies' positive and negative impact, as well as our current and potential impact. The ESG Initiatives is based on internal data retrieved from our own databases as well as data principles retrieved from our landlord.

We have applied the accounting principles suggested in the Danish Business Authorities' ESG KPI catalog. Reporting of accounting principles is only applied on KPIs where we have been able to retrieve and report data for the fiscal year 2022. In the coming years, we will be building upon these principles to continue to account for all reported KPIs.

9. Ratio from renewable energy

Has been calculated as the ratio of renewable energy as part of total energy consumption.

10. Total – Full-time employees (FTE)

Total FTEs have been calculated as the sum of full-time employees + full-time equivalents of temporary and part-time employees on average during the calendar year 2022.

11. Different nationalities

Calculated as the number of different nationalities in the organization at the end of the calendar year 2022.

12. Gender Diversity – Executive Board

The gender diversity in the Executive Board has been calculated as (total number of women employees among the Executive Board ultimo 2022 / total number of employees in the Executive Board ultimo 2022) * 100.

13. Gender Diversity – Senior Management

The gender diversity in Senior Management has been calculated as (total number of women employees among Senior Management ultimo 2022 / total number of employees in Senior Management ultimo 2022) * 100.

14. Gender Diversity – Staff

The gender diversity in Staff has been calculated as (total number of women employees among Staff ultimo 2022 / total number of employees in Staff ultimo 2022) * 100.

15. Gender Diversity – Whole organization

The gender diversity in the whole organization has been calculated as (total number of women employees among the whole organization ultimo 2022 / total number of employees in the whole organization ultimo 2022) * 100.

16. Gender pay gap

The gender pay gap has been calculated as the median salary for all employed men divided by the median salary for all employed women.

17. Employee sickness absence

Employee sickness absence has been calculated as total hours of absence due to sickness divided by total working hours.

The sickness absence in 2022 has been affected by the after-effects of the global COVID-19 pandemic.

18. Employee satisfaction

Has been calculated as the average score 1-10 (1 lowest - 10 highest) of all Appraisal and Development Dialogues (ADDs) in the calendar year 2022.

19. Employee turnover

Employee turnover in the calendar year 2022 has been calculated as (voluntary + involuntary FTEs leaving / average number of FTEs) * 100.

20. Gender Diversity – Board of Directors

The gender diversity in the Board of Directors has been calculated as (total women among the Board of Directors ultimo 2022 / total members of the Board of Directors ultimo 2022) * 100.

21. Presence at board meetings

Presence at board meetings has been calculated as (total members of absence at all board meetings during the calendar year 2022 / total members present at all board meetings during the calendar year 2022) * 100.

22. CEO vs. Employees pay gap

The CEO pay gap has been calculated as CEO compensation compared to the median salary of all employees for the calendar year 2022.



FOM
TECHNOLOGIES

Bryggergården, Kastrup, will be the new premises of FOM HQ from April, 2023.

Thank you for reading our ESG Initiatives!